Americans for Ben-Gurion University, Inc.

Consolidated Financial Report
September 30, 2024

Contents

RSM US LLP

Independent Auditor's Report

Board of Directors
Americans for Ben-Gurion University, Inc.

Opinion
We have audited the consolidated financial statements of Americans for Ben-Gurion University, Inc. and its subsidiary (A4BGU), which comprise the consolidated statement of financial position as of September 30, 2024, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of A4BGU as of September 30, 2024, and the changes in their net assets and their 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 (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 A4BGU and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about A4BGU's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 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 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 A4BGU'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 A4BGU'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 A4BGU's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 20, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RSM US LLP

New York, New York
May 9, 2025

Americans for Ben-Gurion University, Inc.

Consolidated Statement of Financial Position
September 30, 2024
(With Summarized Comparative Information as of September 30, 2023)

	2024	2023
Assets		
Cash and cash equivalents	**$ 13,082,166**	$ 8,378,762
Investments held in USA (Notes 4, 7 and 11)	**646,227,555**	563,737,348
Investments held in Israel (Notes 4, 7 and 11)	**169,013,177**	149,327,319
Contributions receivable, net (Note 5)	**45,073,317**	39,686,614
Prepaid expenses and other assets	**193,848**	349,484
Collections and works of art	**1,090,356**	1,090,356
Beneficial interests in funds held by others (Note 6)	**803,514**	1,069,196
Cash surrender value of life insurance	**443,172**	431,000
Property, equipment and software (net of accumulated depreciation and amortization of $781,547—2024; $713,784—2023)	**253,395**	322,211
Operating lease—right of use assets (Note 14)	**1,957,618**	259,008
Total assets	**$ 878,138,118**	$ 764,651,298
Liabilities and Net Assets		
Liabilities:		
Accounts payable, accrued expenses and other liabilities	**$ 1,621,691**	$ 1,554,136
Due to Ben-Gurion University	**22,149,290**	20,100,353
Obligations under split-interest agreements (Note 9)	**12,523,376**	12,038,496
Operating lease liabilities (Note 14)	**2,064,596**	314,462
Total liabilities	**38,358,953**	34,007,447
Net assets:		
Without donor restrictions	**73,583,587**	61,803,315
With donor restrictions (Note 10)	**766,195,578**	668,840,536
Total net assets	**839,779,165**	730,643,851
Total liabilities and net assets	**$ 878,138,118**	$ 764,651,298

See notes to consolidated financial statements.

Americans for Ben-Gurion University, Inc.

Consolidated Statement of Activities
Year Ended September 30, 2024
(With Summarized Comparative Information for the Year Ended September 30, 2023)

	2024			2023
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Summarized Information
Support, revenue, gains and losses:				
Contributions	**$ 8,117,039**	**$ 36,284,799**	**$ 44,401,838**	$ 25,820,525
Return on investments	**14,295,163**	**118,646,043**	**132,941,206**	68,648,731
Loss on contributions receivable	**-**	**(771,510)**	**(771,510)**	(2,144,302)
Change in value of beneficial interest in funds held by others and obligations under split-interest agreements	**(260,264)**	**(409,502)**	**(669,766)**	(566,105)
Net assets released from restrictions—satisfaction of purpose and time restrictions	**56,394,788**	**(56,394,788)**	**-**	-
Total support, revenue, gains and losses	**78,546,726**	**97,355,042**	**175,901,768**	91,758,849
Expenses:				
Program services	**58,137,816**	**-**	**58,137,816**	48,283,312
Supporting services:				
Management and general	**4,863,900**	**-**	**4,863,900**	4,577,715
Fund-raising	**3,764,738**	**-**	**3,764,738**	3,942,712
Total supporting services	**8,628,638**	**-**	**8,628,638**	8,520,427
Total expenses	**66,766,454**	**-**	**66,766,454**	56,803,739
Change in net assets	**11,780,272**	**97,355,042**	**109,135,314**	34,955,110
Net assets:				
Beginning	**61,803,315**	**668,840,536**	**730,643,851**	695,688,741
Ending	**$ 73,583,587**	**$ 766,195,578**	**$ 839,779,165**	$ 730,643,851

See notes to consolidated financial statements.

Americans for Ben-Gurion University, Inc.

Consolidated Statement of Functional Expenses
Year Ended September 30, 2024
(With Summarized Comparative Information for the Year Ended September 30, 2023)

	2024					2023
		Supporting Services				
	Program Services	Management and General	Fundraising	Total Supporting Services	Total	Summarized Information
Grants to Ben-Gurion University	$ 55,060,907	$ -	$ -	$ -	$ 55,060,907	$ 45,810,862
Compensation	1,774,452	1,673,764	2,060,974	3,734,738	5,509,190	5,075,379
Payroll taxes and employee benefits	538,119	507,584	625,010	1,132,594	1,670,713	1,545,295
Meetings and travel	376,117	526,564	601,787	1,128,351	1,504,468	1,193,743
Professional fees	62,271	934,066	41,514	975,580	1,037,851	1,106,431
Advertising and promotion	219,299	171,328	294,683	466,011	685,310	775,830
Occupancy	56,357	422,675	84,535	507,210	563,567	579,720
Information technology	19,366	193,656	29,048	222,704	242,070	236,293
Insurance	-	74,139	-	74,139	74,139	122,242
Office expenses	23,235	116,176	15,490	131,666	154,901	120,648
Depreciation and amortization	-	79,880	-	79,880	79,880	88,735
Telecommunications	6,867	61,043	8,394	69,437	76,304	72,653
Documentary production	826	-	3,303	3,303	4,129	14,836
Bank fees	-	53,018	-	53,018	53,018	48,993
Bad debt expense	-	45,934	-	45,934	45,934	9,763
Miscellaneous	-	4,073	-	4,073	4,073	2,316
Total expenses—2024	**$ 58,137,816**	**$ 4,863,900**	**$ 3,764,738**	**$ 8,628,638**	**$ 66,766,454**	
Total expenses—2023	$ 48,283,312	$ 4,577,715	$ 3,942,712	$ 8,520,427		$ 56,803,739

See notes to consolidated financial statements.

Americans for Ben-Gurion University, Inc.

Consolidated Statement of Cash Flows
September 30, 2024
(With Summarized Comparative Information for the Year Ended September 30, 2023)

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 109,135,314	$ 34,955,110
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	79,880	88,735
Net realized/unrealized gains on investments	(122,389,328)	(64,850,281)
Israel Consumer Price Index (CPI) adjustments on investments held in Israel	(2,255,284)	1,154,239
Change in operating lease right-of-use asset	(1,698,610)	(388,402)
Change in value of split-interest agreements	669,765	566,105
Change in cash surrender value of life insurance	(12,172)	(19,741)
Contributions restricted for long-term investment	(5,219,720)	(1,819,997)
Amortization of present value discount on contributions receivable	1,143,809	684,678
Bad debt expense	45,934	9,763
Loss on contributions receivable	771,510	2,144,302
Changes in operating assets and liabilities:		
Increase in contributions receivable	(7,347,956)	(10,398,564)
Decrease (increase) in prepaid expenses and other assets	155,636	(2,074)
Increase (decrease) in accounts payable, accrued expenses and other liabilities	67,555	(65,081)
Increase in due to Ben-Gurion University	2,048,937	819,575
Increase in operating lease liability	1,750,134	314,462
Net cash used in operating activities	(23,054,596)	(36,807,171)
Cash flows from investing activities:		
Proceeds from sale or redemption of investments	273,995,341	182,089,920
Purchase of investments	(251,526,794)	(146,637,593)
Purchase of property, equipment and software	(11,064)	(12,539)
Net cash provided by investing activities	22,457,483	35,439,788
Cash flows from financing activities:		
Contributions subject to split-interest agreements	1,372,177	30,988
Contributions restricted for long-term investment	5,219,720	1,819,997
Payments on obligations under split-interest agreements	(1,291,380)	(1,478,992)
Net cash provided by financing activities	5,300,517	371,993
Net increase (decrease) in cash and cash equivalents	4,703,404	(995,390)
Cash and cash equivalents:		
Beginning	8,378,762	9,374,152
Ending	$ 13,082,166	$ 8,378,762
Supplemental cash flow information related to leases is as follows:		
Operating cash outflows—payments on operating leases	$ 318,812	$ 425,082
Right-of-use assets obtained in exchange for new operating lease obligations	$ 2,044,487	$ -

See notes to consolidated financial statements.

Note 1. Organization

Americans for Ben-Gurion University, Inc. (A4BGU), formerly known as American Associates Ben-Gurion University of the Negev, Inc. (AABGU), plays a vital role in sustaining David Ben-Gurion's vision, creating a world-class institution of education and research in the Israeli desert, nurturing the Negev community and sharing Ben-Gurion University of the Negev (BGU)'s expertise locally and around the globe.

The consolidated financial statements (collectively, the financial statements) include the accounts of Marcus Gift Film, LLC (the LLC), a single-member limited liability company of which A4BGU is the sole member. The LLC was established on March 30, 2020, for the purpose of producing a documentary and other future potential projects to raise awareness about BGU and the Negev region. All inter-entity accounts and transactions have been eliminated.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The financial statements are prepared on the accrual basis of accounting.

Cash and cash equivalents: Cash and cash equivalents include investments in highly liquid instruments with maturities when acquired of three months or less, except for those amounts held as part of A4BGU's long-term investment strategy.

Investments and related income: Investments held in the United States of America are reported at fair value as described in Note 7. Investments held in Israel represent A4BGU's interest in the investment pool of BGU, and are reported at fair value.

Investment income, gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law.

Contributions: Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as support with donor restrictions 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 purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return or release are not included as support until the conditions are met.

Contributions or donations of noncash assets are recorded at their fair values in the period received.

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Allowance for doubtful contributions receivable are provided by management based on A4BGU's experience with the donors and their ability to pay.

Collections and works of art: Donated collections and works of art are recognized at their estimated fair value at the date of receipt based upon appraisals or similar valuations and are capitalized. Collections and works of art are depreciated over their estimated useful lives unless they have cultural, aesthetic, or historical value that is worth preserving perpetually, and A4BGU is protecting and preserving essentially undiminished the service potential of the collection item. Any proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset class.

Note 2. Summary of Significant Accounting Policies (Continued)

Property, equipment and software: Property, equipment and software are recorded at cost. Depreciation of fixed assets is provided on the straight-line method over their estimated useful lives of five years. Amortization of leasehold improvements is provided on the straight-line method over the remaining term of the lease or the estimated useful life of the improvements, whichever is shorter. Amortization of software is provided on the straight-line method over the remaining term of the agreement or the estimated useful life, whichever is shorter.

Net assets: Net assets without donor restrictions are net assets available for the general use of A4BGU, or designated by the Board (see Note 4) and have no donor restrictions associated with them. The Board designated a portion of A4BGU's net assets without donor restrictions to be invested to fund certain projects and operations.

Net assets with donor restrictions are net assets subject to donor-imposed restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of A4BGU or by the passage of time. Other donor restrictions are perpetual in nature.

Grants to Ben-Gurion University: All grants made to Ben-Gurion University for its various projects are made pursuant to authorization by the Grants Committee and officers of the Board of Directors of A4BGU.

Functional classification of expenses: The costs of providing program and supporting services have been summarized on a functional basis on the accompanying consolidated statement of activities. The consolidated statement of functional expenses presents expenses by function and natural classification. Accordingly, certain expenses are allocated between the program and supporting services. Compensation expense is allocated based on employee estimated time and effort. Payroll taxes and employee benefits are allocated based on compensation. Common costs such as occupancy and office expenses are allocated based on estimated usage. All other expenses are directly charged to their functions.

Credit risk: A4BGU maintains cash and temporary cash investments in bank deposit accounts with major financial institutions which, at times, may exceed federally insured limits. A4BGU has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and temporary cash investments (see Note 8).

A4BGU invests in professionally managed portfolios that contain common shares and bonds of publicly traded companies, U.S. government obligations, mutual funds and money market funds, as well as investment funds. Such investments are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with such investments, and the uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements (see Note 8).

Cash surrender value of life insurance: Life insurance policies are reported at cash surrender value as reported by the insurance companies. Since the cash surrender value may not be readily available from observable market data (Level 1 or 2), A4BGU consider cash surrender value of life insurance to be Level 3 measurements (see Note 7).

Beneficial interests in funds held by others: Beneficial interests in funds held by others are recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement.

Note 2. Summary of Significant Accounting Policies (Continued)

Obligations under split-interest agreements: Obligations under split-interest agreements are reported at fair value, which is estimated at the present value of the estimated future payments to be distributed over beneficiaries' expected lives.

Advertising and promotion: A4BGU's policy is to expense the cost of advertising and promotion as it is incurred. Advertising and promotion expense totaled $685,310 and $775,830 for the years ended September 30, 2024 and 2023, respectively.

Leases: A4BGU determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. Under Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, a contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. A4BGU also considers whether its service arrangements include the right to control the use of an asset.

A4BGU made an accounting policy election under Topic 842 not to recognize right-of-use (ROU) assets and lease liabilities for leases with a term of 12 months or less. For all other leases, A4BGU recognizes ROU assets and lease liabilities based on the present value of lease payments over the lease term at the commencement date of the lease (or October 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives.

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index). Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

A4BGU's leases may include a non-lease component representing additional services transferred to A4BGU, such as common area maintenance for real estate. A4BGU made an accounting policy election to account for lease and non-lease components of a contract as a single lease component.

To determine the present value of lease payments, A4BGU made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Prior-year summarized comparative information: The financial statements include certain prior-year summarized comparative information in total, but not by net asset or functional expense classifications. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with A4BGU's financial statements as of and for the year ended September 30, 2023, from which the summarized information was derived.

Reclassification: Certain amounts reported in prior years in the financial statements have been reclassified to conform to the current year's presentation.

Use of estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Summary of Significant Accounting Policies (Continued)

Income taxes: A4BGU qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and is a publicly supported charitable organization as described in Section 509(a)(1) of the IRC. A4BGU is not classified as a private foundation and is subject to unrelated business income tax (UBIT), if applicable. For the years ended September 30, 2024 and 2023, A4BGU did not have material UBIT expenses and liabilities. The LLC is treated as a disregarded entity for tax purposes.

Management has evaluated A4BGU's tax positions and concluded that A4BGU had taken no uncertain tax positions that require adjustment or disclosure to the financial statements. With few exceptions, A4BGU is no longer subject to income tax examinations by U.S. federal, state or local tax authorities after three years from the later of the date the return was filed or its due date, which is the standard statute of limitations look-back period.

Recently issued accounting pronouncement: In December 2023, the Financial Accounting Standards Board (FASB) issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which provides for improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This ASU is effective on January 1, 2026. A4BGU is currently evaluating the impact of this new guidance on its financial statements.

Note 3. Liquidity and Availability of Resources

The following represents A4BGU's available financial assets as of September 30:

Financial assets:		
Cash equivalents	$ 13,082,166	$ 8,378,762
Investments	815,240,732	713,064,667
Contributions receivable, net	45,073,317	39,686,614
Total financial assets	873,396,215	761,130,043
Less:		
Amounts subject to satisfaction or appropriation	(35,330,618)	(26,837,095)
Contributions receivable restricted by donors	(44,159,773)	(39,377,703)
Donor restricted endowments funds	(727,791,137)	(635,022,340)
Funds designated by the Board	(47,273,778)	(41,286,164)
Financial assets available to meet cash needs for general expenditures within one year	$ 18,840,909	$ 18,606,741

As part of A4BGU's liquidity management, A4BGU regularly monitors the availability of resources required to meet its operating needs while also striving to maximize the investments of its available funds. Investment income without donor restrictions, earnings appropriated from endowments for A4BGU operations and (unless otherwise designated by the Board) contributions without donor restrictions are considered to be available to meet cash needs for operations. A4BGU has a policy to maintain available cash or short-term investments to meet 90 days of normal operating expenses which, on average, is approximately $2,500,000. Excess cash is invested in various short-term investments designed to meet the obligations as they become due.

Note 3. Liquidity and Availability of Resources (Continued)

In February 2021, A4BGU entered into a demand line of credit for $2,500,000. Pursuant to the demand line of credit agreement, A4BGU is required to maintain a tangible net worth of not less than $500,000,000 and unrestricted net assets of not less than $10,000,000, so long as any portion of the loan balance shall remain unpaid. Unrestricted net assets are defined as net assets without donor restrictions. The demand line of credit is collateralized by certain investments of A4BGU in accordance with the agreement. There were no drawdowns from this demand line of credit since the date of the agreement inception.

Note 4. Investments

Investments are held for the following purposes:

	2024	2023
General operations	$ 5,292,741	$ 7,429,210
Program support	7,241	14,301
Funds designated by the Board	47,273,778	41,286,164
Annuities and trusts	27,938,607	22,355,716
Endowments (Note 11):		
Marcus endowment fund	490,441,691	433,007,525
Others	75,273,497	59,644,432
Investments—USA	646,227,555	563,737,348
Endowments—Israel (Note 11)	169,013,177	149,327,319
	$ 815,240,732	$ 713,064,667

Note 5. Contributions Receivable

Unconditional contributions receivable have been recorded at their estimated realizable value. Those receivables that are expected to be collected after one year have been discounted to their present value using a range of discount rates of 0.82% to 6.14%.

	2024	2023
Amounts due:		
Within one year or less	$ 6,668,718	$ 7,201,282
In more than one year and less than five years	16,238,828	12,088,348
In five or more years	30,948,333	27,850,121
	53,855,879	47,139,751
Less discount to present value	(7,460,994)	(6,317,185)
Less allowance for uncollectible pledges	(1,321,568)	(1,135,952)
Contributions receivable, net	$ 45,073,317	$ 39,686,614

As of September 30, 2024 and 2023, A4BGU had outstanding unrecorded conditional contributions receivable of $27,198,000 and $31,079,000, respectively. When the conditional barriers are overcome and the donor's rights of return/release have expired, the revenue will be recorded.

Note 6. Beneficial Interests in Funds Held by Others

Certain individuals have established trusts in which A4BGU has an irrevocable remainder interest. A third-party trustee serves in a fiduciary capacity for these trusts. Upon the death of the beneficiary, the remaining trust assets will be transferred to A4BGU. The fair value of beneficial interests in funds held by others was determined using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement, and is based on the fair values of trust investments as reported by the trustees. The value of trust investments has been discounted at a rate of 4.8% and 5.0% for the years ended September 30, 2024 and 2023, respectively, using actuarially based mortality tables. The life expectancy range is 2.2 to 19.6 years. These are considered Level 3 measurements (see Note 7).

A4BGU's interests in funds held by others are as follows:

	2024	2023
Total value of beneficial interests in funds held by others	$ 992,937	$ 1,247,767
Less discount to present value	(189,423)	(178,571)
Beneficial interests in funds held by others	$ 803,514	$ 1,069,196

Note 7. Fair Value Measurements

A4BGU follows ASC 820, Fair Value Measurements and Disclosures, which provides a framework for measuring fair value under U.S. GAAP, and applies to all financial instruments that are being measured and reported on a fair value basis. ASC 820 sets out a fair value hierarchy and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy is defined as follows:

Level 1: Inputs that reflect unadjusted quoted market prices in active markets for identical assets or liabilities that A4BGU has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, including inputs in markets that are not considered to be active. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3: Inputs are unobservable for the asset or liability and that include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair values are based upon the best information in the circumstances and may require significant management judgment or estimation.

In determining the appropriate levels, A4BGU performs an analysis of the assets and liabilities that are subject to FASB ASC 820. At each reporting period, assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

Note 7. Fair Value Measurements (Continued)

The following tables present A4BGU's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis:

		2024 Fair Value Measurements Using		
Description	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents	$ 49,775,393	$ 49,775,393	$ -	$ -
U.S. Treasuries and other bonds	32,062,896	-	32,062,896	-
Common stock and domestic ETFs	95,283,098	95,283,098	-	-
Mutual funds	71,610,187	71,610,187	-	-
Total investments in fair value hierarchy	248,731,574	216,668,678	32,062,896	-
Investment funds measured at net asset value [1]	397,495,981	-	-	-
Investments—USA	646,227,555	216,668,678	32,062,896	-
Investments held in Israel	169,013,177	-	169,013,177	-
Total investments	$ 815,240,732	$ 216,668,678	$ 201,076,073	$ -
Beneficial interests in funds held by others	$ 803,514	$ -	$ -	$ 803,514
Cash surrender value of life insurance	$ 443,172	$ -	$ -	$ 443,172
Obligations under split-interest agreements	$ 12,523,376	$ -	$ -	$ 12,523,376

		2023 Fair Value Measurements Using		
Description	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents	$ 24,723,998	$ 24,723,998	$ -	$ -
U.S. Treasuries and other bonds	25,695,352	-	25,695,352	-
Common stock and domestic ETFs	76,283,241	76,283,241	-	-
Mutual funds	58,835,704	58,835,704	-	-
Total investments in fair value hierarchy	185,538,295	159,842,943	25,695,352	-
Investment funds measured at net asset value [1]	378,199,053	-	-	-
Investments—USA	563,737,348	159,842,943	25,695,352	-
Investments held in Israel	149,327,319	-	149,327,319	-
Total investments	$ 713,064,667	$ 159,842,943	$ 175,022,671	$ -
Beneficial interests in funds held by others	$ 1,069,196	$ -	$ -	$ 1,069,196
Cash surrender value of life insurance	$ 431,000	$ -	$ -	$ 431,000
Obligations under split-interest agreements	$ 12,038,496	$ -	$ -	$ 12,038,496

1. The fair value of certain investments were estimated by using net asset value (NAV) as a practical expedient as of the measurement date. Investments measured under this method are not categorized in the fair value hierarchy. The fair value amounts of such investments are presented for reconciliation purposes.

Note 7. Fair Value Measurements (Continued)

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. A4BGU'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. Below are the valuation techniques used by A4BGU to measure different financial instruments at fair market value and the level within the fair value hierarchy in which the financial instrument is categorized.

Marketable equity securities, such as common stocks, domestic and international equities listed on a national securities exchange are stated at the last reported sales or trade price on the day of valuation and reported as Level 1 in the fair value hierarchy. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date, are stated at the last quoted bid price.

Fixed income securities, such as U.S. treasury obligations and government bonds, as well as corporate bonds, are valued based on the last reported bid price provided by broker-dealers and are reported as Level 2 in the fair value hierarchy.

Mutual funds are stated at fair value based on the last quoted evaluation or bid price and are classified as Level 1 in the fair value hierarchy.

Investment funds are valued at fair value based on the applicable percentage ownership in the net assets of investment funds on the measurement date. In determining fair value, A4BGU utilizes, as a practical expedient, the NAV or equivalent provided by the fund managers. The underlying investment funds value securities and other financial instruments at fair value. The estimated fair values of certain investments of the underlying investment funds, which may include private placements and other securities for which prices are not readily available, are determined by the general partner or sponsor of the respective investment fund, and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

The following table summarizes A4BGU's investments in investment funds at September 30, 2024 and 2023:

Investment Objective	2024 Fair Value	2023 Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Multi-strategy[1]	$ 68,481,706	$ 73,976,413	$ -	Quarterly	45-65 days
Long/short equity securities[2]	179,958,067	177,552,269	-	Quarterly	45-90 days
Event driven corporate credit fund[3]	8,549,987	8,367,531	4,203,338	Quarterly	90 days
Private equity[4]	79,046,352	69,284,406	42,538,332	N/A	N/A
International equity[5]	61,459,869	49,018,434	-	Monthly	5-30 days
	$ 397,495,981	$ 378,199,053	$ 46,741,670		

1. This category includes multi-strategy absolute return investments focused on analyzing the probability-adjusted returns of individual securities and assets and capturing the alpha in mispriced assets/securities across conventional and alternative financial strategies. Management of the funds initiates long and short position targeting solid absolute risk-adjusted returns.

Note 7. Fair Value Measurements (Continued)

2. This category includes investments in hedge funds that invest both long and short primarily in U.S. common stocks. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stakes and from a net long position to a net short position. The investments dominate exposure in the U.S. market but will also take advantage of investment opportunities in Europe, Asia and emerging markets.

3. Investment of the funds invests in a broad array of securities within the leveraged finance marketplace to achieve superior risk-adjusted returns.

4. This category includes primarily private equity funds that focus on equity, opportunistic credit and distressed debt. These investments are not redeemable. Instead, the nature of the investments in this category are that distributions are received through the liquidation of the underlying assets in the fund. The term for these investments ranges from four to 10 years.

5. This category includes investments in funds that focus on long-only or long biased investing equities of international in either developed or emerging markets. The underlying assets are liquid and the fund's managers provide details of those assets.

See Note 11 for description of investments held in Israel.

Note 8. Concentrations

Financial instruments that potentially subject A4BGU to a concentration of credit risk are cash accounts with major financial institutions in excess of Federal Deposit Insurance Corporation insurance limits, investments and contributions receivable.

At September 30, 2024 and 2023, approximately 100% and 92% of cash accounts are held by two banks, respectively. Investments in the U.S. are held by four custodians. Two custodians held approximately 85% and 86% of these investments at September 30, 2024 and 2023, respectively. These financial institutions have strong credit ratings and management believes that credit risk related to these accounts is minimal.

Approximately 67% and 57% or $34,865,000 and $26,840,000 of gross contributions receivable at September 30, 2024 and 2023, were due from five and four donors, respectively.

Note 9. Split-Interest Agreements

A4BGU has numerous split-interest agreements, which include charitable remainder trusts and gift annuities where A4BGU serves as trustee for the benefit of the individual beneficiaries. Under the charitable remainder trust agreements, A4BGU controls the donated assets and distributes to the donor or the donors designee the income generated from those assets until such time as stated in the agreements. Charitable gift annuities are unrestricted, irrevocable gifts for which A4BGU agrees to pay a life annuity to the donor or a designated beneficiary.

Note 9. Split-Interest Agreements (Continued)

At the time of the gift, and adjusted annually, A4BGU records contribution revenue and a liability for amounts payable to the beneficiaries using an actuarial calculation based on established mortality rates and other assumptions that could change in the near term. Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the respective net asset class in the consolidated statement of activities. A4BGU used the IAR-2012 mortality tables in determining its liabilities at September 30, 2024 and 2023. The discount rates used at September 30, 2024 and 2023, for obligations under split interest agreements ranged from 0.4% to 8.2% and 0.4% to 9.4%, respectively.

Obligations under split-interest agreements are considered Level 3 measurements (See Note 7).

In addition, A4BGU has irrevocable interests in charitable trusts held by third parties (see Note 6). There are no changes to the valuation method used by A4BGU for the irrevocable interests in charitable trusts held by third parties.

The financial statements include various split-interest agreements as follows:

	2024		
	Charitable Gift Annuities	Charitable Remainder Trusts	Total
Statement of financial position:			
Investments	$ 26,801,329	$ 1,137,278	$ 27,938,607
Obligations under split-interest agreements	11,664,258	859,118	12,523,376
Statement of activities:			
Contributions (net of discount)	563,823	-	563,823
Change in value of beneficial interest in obligations under split-interest agreements	(260,264)	(143,820)	(404,084)

	2023		
	Charitable Gift Annuities	Charitable Remainder Trusts	Total
Statement of financial position:			
Investments	$ 21,247,405	$ 1,108,311	$ 22,355,716
Obligations under split-interest agreements	11,261,180	777,316	12,038,496
Statement of activities:			
Contributions (net of discount)	19,013	-	19,013
Change in value of beneficial interest in obligations under split-interest agreements	(489,910)	(96,577)	(586,487)

Note 9. Split-Interest Agreements (Continued)

As of September 30, 2024 and 2023, the investments associated with split-interest agreements include the multi-state gift annuity reserve pool of $11,765,889 and $10,796,881, respectively, and the California Gift Annuity Reserve of $1,422,944 and $1,623,152, respectively. These reserve amounts are restricted for the payments of annuity obligations only. In addition, A4BGU holds $13,612,496 and $8,827,372 as of September 30, 2024 and 2023, respectively, in additional reserves against its gift annuity obligations and funds subject to future board determination. The New York State Segregated Gift Annuity Reserve is included in the multi-state gift annuity reserve pool.

Note 10. Net Assets with Donor Restrictions

Net assets with donor restrictions were as follows as of September 30:

	2024	2023
Time restricted or purpose restricted for university projects and scholarships	$ 47,816,037	$ 43,258,245
Perpetual in nature	598,144,300	593,079,199
Accumulated investment income	120,235,241	32,503,092
Total net assets with donor restrictions	$ 766,195,578	$ 668,840,536

Net assets with donor restrictions that are perpetual in nature, include net contributions receivable restricted for endowment funds of approximately $806,000 and $935,000 as of September 30, 2024 and 2023, respectively.

Net assets with donor restrictions were released from restrictions during the years ended September 30, 2024 and 2023, by incurring expenses satisfying the restricted purposes, passage of time, or occurrence of other events, as follows:

	2024	2023
Academic Programs and Research	$ 29,128,757	$ 21,856,430
Capital Projects	19,289,268	15,191,025
Scholarships	6,635,178	6,755,639
Community Outreach	598,572	458,712
Medical School and Health Services	599,279	704,561
Academic Chairs	143,734	1,333,501
Total net assets with donor restrictions	$ 56,394,788	$ 46,299,868

Note 11. Endowments

A4BGU is subject to the New York Prudent Management of Institutional Funds Act (NYPMIFA) and manages its endowment according to the Act. NYPMIFA moves away from the historic dollar value standard and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. A4BGU has interpreted NYPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. A4BGU 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.

Note 11. Endowments (Continued)

A4BGU's endowment fund activities are summarized below:

	2024		
	With Donor Restrictions		
	Endowments Held in the USA	Endowments Held in Israel	Total
Balance, September 30, 2023	$ 492,651,957	$ 149,327,319	$ 641,979,276
Net investment returns	93,018,965	25,355,841	118,374,806
Contributions	5,194,638	25,082	5,219,720
Appropriations of endowment assets for expenditures	(25,150,372)	(5,695,065)	(30,845,437)
Change in endowment net assets	73,063,231	19,685,858	92,749,089
Balance, September 30, 2024	$ 565,715,188	$ 169,013,177	$ 734,728,365

	2023		
	With Donor Restrictions		
	Endowments Held in in the USA	Endowments Held in in Israel	Total
Balance, September 30, 2022	$ 461,273,146	$ 153,615,767	$ 614,888,913
Net investment returns	54,760,157	5,905,587	60,665,744
Contributions	1,658,242	161,755	1,819,997
Appropriations of endowment assets for expenditures	(25,039,588)	(10,355,790)	(35,395,378)
Change in endowment net assets	31,378,811	(4,288,448)	27,090,363
Balance, September 30, 2023	$ 492,651,957	$ 149,327,319	$ 641,979,276

Endowments held in the USA: A4BGU has adopted investment and spending policies for endowment assets held in the U.S. that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to: (1) preserve the real (after inflation) purchasing power of the Endowment Fund assets and (2) increase the value of the Fund's assets over time. A4BGU intends to achieve these objectives by deploying an investment strategy including multiple asset classes. Unless otherwise specified by the donor, A4BGU has a policy of an annual appropriation for distribution, currently at 5%, of its endowment funds fair value using the moving average method of determining year-to-year spending in order to smooth distributions from the aggregate portfolio. The annual distribution is based on a 12-quarter trailing average of the portfolio market value as of June 30.

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the historical amount donated. As of September 30, 2024, there was no underwater endowment fund. As of September 30, 2023, 14 donor-restricted endowment funds, which together had an original gift value of $2,307,770, a fair value of $2,140,023 and an underwater amount of $167,747.

Note 11. Endowments (Continued)

These situations resulted from unfavorable market fluctuations and continued appropriation for programs that were deemed prudent by A4BGU and, as permitted, by NYPMIFA.

Endowments held in Israel: Endowments held in Israel are restricted gifts that are maintained by BGU on behalf of A4BGU. This endowment fund does not include a loan receivable balance of $384,977 as of September 30, 2024 and 2023, from the original loan amount of $1,500,000 that was loaned to BGU from one donor endowment fund with the donor's consent. The interest receivable from BGU on this loan as of September 30, 2024 and 2023, is $465,496 and $452,022, respectively. The loan principal and interest receivable from BGU is netted in the due to Ben-Gurion University balance in the consolidated statement of financial position.

Approximately 79% of the A4BGU endowments held by BGU are maintained at the original currency of the gifts, U.S. Dollar. Per a historical agreement, the other 21% are maintained in New Israeli Shekels, and are linked to the Israel Consumer Price Index (the CPI). While the formal renewal period of this agreement has ended, the funds remain invested by BGU in CPI-linked securities, with any foreign exchange and CPI-related gains or losses recorded as revenue with or without donor restrictions, per the original donor agreements.

Except for certain endowments with a donor-stipulated disbursement, under the agreement between A4BGU and BGU, BGU annually determines a spend rate to calculate the appropriation for distribution.

The distribution is used to fulfill each endowment fund's purpose. The spending rate was 4.0% for the years ended September 30, 2024 and 2023. The spend rate may be more or less than BGU's actual earnings on its investment portfolio. As of September 30, 2024, there was no underwater endowment. As of September 30, 2023, there were four endowment funds held in Israel with a total original gift value of $12,100,000, a fair value of $11,282,318 and an underwater amount of $817,682. The underwater amount resulted from unfavorable market fluctuations and continued appropriation for programs that was deemed prudent by A4BGU and as permitted by NYPMIFA.

Note 12. Pension Plan

A4BGU maintains a 403(b) tax-deferred retirement plan, which is funded by contributions from both A4BGU and its employees. A4BGU's contribution is up to 6% to eligible employees' salaries and is recorded as an expense annually. The related expenses for the years ended September 30, 2024 and 2023, were approximately $280,000 and $251,000, respectively.

Note 13. Related Parties

Approximately $37,456,000 and $27,829,000 of the gross contributions receivable at September 30, 2024 and 2023, respectively, are due from A4BGU's board members and employees.

For the years ended September 30, 2024 and 2023, A4BGU received approximately $22,851,000 and $1,288,000, respectively, of the gross contributions from A4BGU's board members.

Note 14. Leases

A4BGU has an operating lease agreement for its New York office. The lease was renewed in October 2023 to extend the lease term to November 30, 2029. The lease requires payment of escalation rentals for certain operating expenses and real estate taxes. A4BGU entered into a standby letter of credit of approximately $125,000 with its primary bank in lieu of providing a security deposit on the lease.

Note 14. Leases (Continued)

Operating lease cost is recognized on a straight-line basis over the lease term. For the years ended September 30, 2024 and 2023, the total operating lease expense was approximately $370,000 and $351,000, respectively.

The discount rate used for discounting the future cash flows for the remaining of the lease term is 4.4%.

Future undiscounted cash flows and reconciliation to the operating lease liabilities recognized on the consolidated statement of financial position as of September 30 is as follows:

Years ending September 30:	
2025	$ 364,875
2026	450,475
2027	461,737
2028	473,280
2029	485,112
2030	82,359
Total lease payments	2,317,838
Less imputed interest	(253,242)
Total present value of lease liabilities	$ 2,064,596

Note 15. Subsequent Events

A4BGU evaluated its September 30, 2024, financial statements for subsequent events through May 9, 2025, the date the financial statements were available to be issued. A4BGU is not aware of any subsequent events that would require recognition or disclosure.