

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

**American Division of Bar-Ilan University in
Israel, Inc. (D/B/A American Friends of Bar-Ilan
University)**

September 30, 2020 and 2019

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Overseers of
American Division of Bar-Ilan University in Israel, Inc.

We have audited the accompanying consolidated financial statements of American Division of Bar-Ilan University in Israel, Inc. (d/b/a American Friends of Bar-Ilan University) (the "Organization"), which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Division of Bar-Ilan University in Israel, Inc. (d/b/a American Friends of Bar-Ilan University) as of September 30, 2020 and 2019, 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information, included on pages 24 and 25, is presented for purposes of additional analysis, rather than to present the results of operations of the individual companies for the years ended September 30, 2020 and 2019, and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



New York, New York
September 28, 2021

**American Division of Bar-Ilan University in Israel, Inc.
(D/B/A American Friends of Bar-Ilan University)**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30,

	2020			2019		
	AFBIU	Haron Dahan Fund	Total	AFBIU	Haron Dahan Fund	Total
ASSETS						
Cash and cash equivalents	\$ 8,137,726	\$ -	\$ 8,137,726	\$ 7,733,036	\$ -	\$ 7,733,036
Contributions receivable, net	7,277,457	-	7,277,457	9,024,916	-	9,024,916
Beneficial interests in trusts	2,217,862	-	2,217,862	2,256,136	-	2,256,136
Due to/from AFBIU/Haron Dahan Fund	42,374	(42,374)	-	35,749	(35,749)	-
Accrued interest receivable	15,130	-	15,130	20,981	-	20,981
Other receivables	156	-	156	3,769	-	3,769
Prepaid expenses and other assets	115,106	-	115,106	119,656	-	119,656
Investments	19,424,231	45,387,933	64,812,164	20,126,063	40,626,410	60,752,473
Cash surrender value of life insurance	193,063	-	193,063	185,192	-	185,192
Furniture and equipment, net	16,194	-	16,194	13,550	-	13,550
Total assets	<u>\$ 37,439,299</u>	<u>\$ 45,345,559</u>	<u>\$ 82,784,858</u>	<u>\$ 39,519,048</u>	<u>\$ 40,590,661</u>	<u>\$ 80,109,709</u>
LIABILITIES AND NET ASSETS						
LIABILITIES						
Accounts payable and accrued expenses	\$ 819,824	\$ -	\$ 819,824	\$ 393,950	\$ -	\$ 393,950
Grants payable	1,279,800	-	1,279,800	1,602,920	-	1,602,920
Deferred compensation	572,200	-	572,200	621,081	-	621,081
Annuities payable	1,389,713	-	1,389,713	1,479,340	-	1,479,340
Total liabilities	4,061,537	-	4,061,537	4,097,291	-	4,097,291
NET ASSETS						
Without donor restrictions	7,749,383	-	7,749,383	7,407,915	-	7,407,915
With donor restrictions	25,628,379	45,345,559	70,973,938	28,013,842	40,590,661	68,604,503
Total net assets	<u>33,377,762</u>	<u>45,345,559</u>	<u>78,723,321</u>	<u>35,421,757</u>	<u>40,590,661</u>	<u>76,012,418</u>
Total liabilities and net assets	<u>\$ 37,439,299</u>	<u>\$ 45,345,559</u>	<u>\$ 82,784,858</u>	<u>\$ 39,519,048</u>	<u>\$ 40,590,661</u>	<u>\$ 80,109,709</u>

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

**American Division of Bar-Ilan University in Israel, Inc.
(D/B/A American Friends of Bar-Ilan University)**

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions			Total
		AFBIU	Haron Dahan Fund	Total	
Operating activities					
Revenues and support					
Contributions	\$ 404,422	\$ 6,739,076	\$ 4,046,693	\$ 10,785,769	\$ 11,190,191
Gain on investments	280,087	377,922	714,830	1,092,752	1,372,839
Changes in value of split-interest agreements	(97,991)	13,680	-	13,680	(84,311)
Fee from Bar-Ilan University	4,700,000	-	-	-	4,700,000
Net assets released from restrictions	9,522,766	(9,516,141)	(6,625)	(9,522,766)	-
Total revenues and support	14,809,284	(2,385,463)	4,754,898	2,369,435	17,178,719
Expenses					
Supporting services:					
Management and general	900,319	-	-	-	900,319
Management and general - Haron Dahan Fund	6,625	-	-	-	6,625
Fundraising	3,574,741	-	-	-	3,574,741
Total supporting services	4,481,685	-	-	-	4,481,685
Program services:					
University projects (grants to Bar-Ilan University in Israel)	10,133,774	-	-	-	10,133,774
Change in pledges receivable allowance	(147,643)	-	-	-	(147,643)
Total expenses	14,467,816	-	-	-	14,467,816
Change in net assets	341,468	(2,385,463)	4,754,898	2,369,435	2,710,903
Net assets, beginning of year	7,407,915	28,013,842	40,590,661	68,604,503	76,012,418
Net assets, end of year	\$ 7,749,383	\$ 25,628,379	\$ 45,345,559	\$ 70,973,938	\$ 78,723,321

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

**American Division of Bar-Ilan University in Israel, Inc.
(D/B/A American Friends of Bar-Ilan University)**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2020

	Program Services	Supporting Services			
	University Projects	Management and General	Fundraising	Total	Total
Salaries and related expenses	\$ -	\$ 485,725	\$ 2,780,744	\$ 3,266,469	\$ 3,266,469
Travel and lodging	-	447	14,811	15,258	15,258
Seminar and conferences	-	1,190	7,234	8,424	8,424
Telephone and fax	-	7,157	19,725	26,882	26,882
Computer costs	-	33,697	59,348	93,045	93,045
Stationery and printing	-	3,525	16,747	20,272	20,272
Occupancy	-	89,207	359,207	448,414	448,414
Maintenance and equipment costs	-	927	10,328	11,255	11,255
Registrations and subscriptions	-	788	2,511	3,299	3,299
Professional fees (includes \$6,625 of Haron Dahan Fund expenses)	-	235,738	138,502	374,240	374,240
Insurance	-	36,837	1,497	38,334	38,334
Advertising	-	-	68,651	68,651	68,651
Mail campaign	-	-	87,273	87,273	87,273
Contribution promotion	-	-	4,011	4,011	4,011
Catering and admission fees	-	-	-	-	-
Depreciation	-	7,253	-	7,253	7,253
Other	-	4,453	4,152	8,605	8,605
Subtotal	-	906,944	3,574,741	4,481,685	4,481,685
Grants to Bar-Ilan University in Israel	10,133,774	-	-	-	10,133,774
Total expenses and grants to Bar-Ilan University before change in pledges receivable allowance	<u>\$ 10,133,774</u>	<u>\$ 906,944</u>	<u>\$ 3,574,741</u>	<u>\$ 4,481,685</u>	14,615,459
Change in pledges receivable allowance					(147,643)
Total expenses and grants to Bar-Ilan University					<u>\$ 14,467,816</u>

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

**American Division of Bar-Ilan University in Israel, Inc.
(D/B/A American Friends of Bar-Ilan University)**

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended September 30, 2019

	Without Donor Restrictions	With Donor Restrictions			Total
		AFBIU	Haron Dahan Fund	Total	
Operating activities					
Revenues and support					
Contributions	\$ 1,010,830	\$ 7,688,481	\$ 2,500,000	\$ 10,188,481	\$ 11,199,311
Gain (loss) on investments	(43,888)	50,276	883,539	933,815	889,927
Changes in value of split-interest agreements	(101,464)	(105,176)	-	(105,176)	(206,640)
Fee from Bar-Ilan University	4,700,000	-	-	-	4,700,000
Net assets released from restrictions	11,041,589	(11,034,214)	(7,375)	(11,041,589)	-
Total revenues and support	16,607,067	(3,400,633)	3,376,164	(24,469)	16,582,598
Expenses					
Supporting services:					
Management and general	767,008	-	-	-	767,008
Management and general - Haron Dahan Fund	7,375	-	-	-	7,375
Fundraising	3,419,241	-	-	-	3,419,241
Total supporting services	4,193,624	-	-	-	4,193,624
Programs services:					
University projects (grants to Bar-Ilan University in Israel)	12,295,080	-	-	-	12,295,080
Change in pledges receivable allowance	(18,522)	-	-	-	(18,522)
Total expenses	16,470,182	-	-	-	16,470,182
Change in net assets	136,885	(3,400,633)	3,376,164	(24,469)	112,416
Net assets, beginning of year	7,271,030	31,414,475	37,214,497	68,628,972	75,900,002
Net assets, end of year	\$ 7,407,915	\$ 28,013,842	\$ 40,590,661	\$ 68,604,503	\$ 76,012,418

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

**American Division of Bar-Ilan University in Israel, Inc.
(D/B/A American Friends of Bar-Ilan University)**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2019

	Program Services	Supporting Services			
	University Projects	Management and General	Fundraising	Total	Total
Salaries and related expenses	\$ -	\$ 392,093	\$ 2,434,713	\$ 2,826,806	\$ 2,826,806
Travel and lodging	-	9,431	86,419	95,850	95,850
Seminar and conferences	-	18,941	44,470	63,411	63,411
Telephone and fax	-	7,808	21,167	28,975	28,975
Computer costs	-	32,734	57,724	90,458	90,458
Stationery and printing	-	6,179	41,728	47,907	47,907
Occupancy	-	91,424	238,295	329,719	329,719
Maintenance and equipment costs	-	198	8,734	8,932	8,932
Registrations and subscriptions	-	777	7,749	8,526	8,526
Professional fees (includes \$7,375 of Haron Dahan Fund expenses)	-	174,264	175,953	350,217	350,217
Insurance	-	30,095	1,752	31,847	31,847
Advertising	-	-	155,323	155,323	155,323
Mail campaign	-	-	122,344	122,344	122,344
Contribution promotion	-	-	13,074	13,074	13,074
Catering and admission fees	-	-	2,948	2,948	2,948
Depreciation	-	6,039	-	6,039	6,039
Other	-	4,400	6,848	11,248	11,248
Subtotal	-	774,383	3,419,241	4,193,624	4,193,624
Grants to Bar-Ilan University in Israel	12,295,080	-	-	-	12,295,080
Total expenses and grants to Bar-Ilan University before change in pledges receivable allowance	<u>\$ 12,295,080</u>	<u>\$ 774,383</u>	<u>\$ 3,419,241</u>	<u>\$ 4,193,624</u>	16,488,704
Change in pledges receivable allowance					(18,522)
Total expenses and grants to Bar-Ilan University					<u>\$ 16,470,182</u>

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

American Division of Bar-Ilan University in Israel, Inc.
(D/B/A American Friends of Bar-Ilan University)

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended September 30,

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 2,710,903	\$ 112,416
Adjustment to reconcile change in net assets to net cash used in operating activities:		
Realized loss on sale of investments	292,129	77,896
Unrealized loss (gain) on investments	(729,047)	(19,349)
Depreciation and amortization	7,253	6,039
Change in contributions receivable allowance and discount	(312,640)	(183,809)
Contributions restricted for long-term investment	(4,052,467)	(2,734,455)
Donated securities	(4,149,745)	(2,343,939)
Changes in assets and liabilities:		
Decrease (increase) in contributions receivable, gross	2,060,099	1,930,878
Decrease (increase) in beneficial interests	38,274	108,006
Decrease (increase) in accrued interest receivable	5,851	2,643
Decrease (increase) in other receivables	3,613	(3,769)
Decrease (increase) in prepaid expenses and other assets	4,550	14,176
(Decrease) increase in cash surrender value of life insurance	(7,871)	(8,165)
(Decrease) increase in accounts payable and accrued expenses	425,874	(100,147)
(Decrease) increase in grants payable	(323,120)	511,454
(Decrease) increase in deferred compensation payable	(48,881)	(41,146)
(Decrease) increase in annuities payable	(89,627)	159,842
Net cash used in operating activities	<u>(4,164,852)</u>	<u>(2,511,429)</u>
Cash flows from investing activities:		
Purchase of fixed assets	(9,897)	(2,549)
Purchase of investments	(49,976,808)	(30,197,319)
Proceeds from sale of investments	<u>50,503,780</u>	<u>29,016,668</u>
Net cash provided by (used in) investing activities	<u>517,075</u>	<u>(1,183,200)</u>
Cash flows from financing activities:		
Endowment contributions received	<u>4,052,467</u>	<u>2,734,455</u>
Net cash provided by financing activities	<u>4,052,467</u>	<u>2,734,455</u>
CHANGE IN CASH AND CASH EQUIVALENTS	404,690	(960,174)
Cash and cash equivalents, beginning of year	<u>7,733,036</u>	<u>8,693,210</u>
Cash and cash equivalents, end of year	<u><u>\$ 8,137,726</u></u>	<u><u>\$ 7,733,036</u></u>

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

**American Division of Bar-Ilan University in Israel, Inc.
(D/B/A American Friends of Bar-Ilan University)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2020 and 2019

NOTE 1 - NATURE OF ORGANIZATION

Bar-Ilan University in Israel (the "University"), located in Ramat Gan, Israel, is an educational institution chartered by the New York State Board of Regents. The Internal Revenue Service has determined that the University is exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code ("IRC").

The University conducts various fund-raising activities in the United States through the American Division of Bar-Ilan University in Israel, Inc. (d/b/a American Friends of Bar-Ilan University) (the "Organization" or "AFBIU"). The Organization is exempt from federal income tax pursuant to Section 501(c)(3) of the IRC. The Organization's primary source of revenue is contributions that will ultimately support the University's educational mission.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements of the Organization have been prepared on the accrual basis. The consolidated financial statements present only those financial transactions applicable to the Organization and do not include the financial transactions or accounts maintained by the University.

Consolidated in these financial statements is The Haron Dahan Fund for Bar-Ilan University in Israel, Inc. (the "Fund"), an entity related through common board control and economic interest. All intercompany transactions and balances have been eliminated in the consolidation.

Net Assets

Net assets and related revenues and support are classified based upon the existence or absence of donor-imposed stipulations, as follows:

Net Assets without Donor Restrictions

Includes all resources that are expendable for carrying on the Organization's general mission with no donor restrictions but may be designated for specific purposes by action of the Board of Overseers or may otherwise be limited by contractual agreements with outside parties.

Net Assets with Donor Restrictions

Net assets whose use is limited by donor-imposed stipulations that either expire with the passage of time or are for expenditure on a specific program. These donor-imposed stipulations can be fulfilled and removed by the actions of the Organization pursuant to those stipulations.

Net assets with donor restrictions also includes the corpus of gifts, which must be maintained in perpetuity, but allow for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes in accordance with donor stipulations.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("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 consolidated financial statements and the reported amounts of revenue and

**American Division of Bar-Ilan University in Israel, Inc.
(D/B/A American Friends of Bar-Ilan University)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

expenses during the reporting period. The most significant assumptions relate to the realization of pledges receivable and the carrying value of investments. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid debt instruments purchased with maturities when acquired of three months or less.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases*. This ASU will require lessees to recognize almost all leases on the statement of financial position as a right-of-use asset and a lease liability. For statement of activities purposes, the FASB retained a dual model, requiring leases to be classified as finance leases or operating leases. This update is effective for the fiscal year beginning October 1, 2022, with early adoption permitted. The Organization is currently assessing the effect that adoption of the new standard will have on its financial statements.

Investments

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. As required by U.S. GAAP for fair value measurement, the Organization uses a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market;
- Level 2 - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed; and
- Level 3 - Securities that have little to no observable pricing. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Organization. The Organization considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization

**American Division of Bar-Ilan University in Israel, Inc.
(D/B/A American Friends of Bar-Ilan University)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Organization's perceived risk of that instrument.

Investments in marketable securities are stated at fair value based on quoted market prices. State of Israel Bonds are generally stated at cost, which approximates fair value. As of September 30, 2020 and 2019, the Organization invested in State of Israel Bonds with values totaling \$246,600 and \$1,245,100, respectively, which were included in investments on the consolidated statements of financial position. Refer to Note 4 for marketable securities classified within the fair value hierarchy.

Investments are recorded at fair value based upon market value. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility 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 Organization's consolidated financial statements.

The guidance permits a reporting entity, as a practical expedient, to measure the fair value of certain investments using a net asset value ("NAV") per share of the investment or its equivalent. In accordance with the guidance, such investments are not categorized within the fair value hierarchy.

Fixed Assets

Fixed assets are stated at cost. Items with a cost of \$1,000 and an estimated useful life of two years or more are capitalized. Depreciation and amortization are taken on the straight-line method over the assets' estimated useful lives of three to 10 years.

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 the 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.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give 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. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

The Organization determines whether an allowance for uncollectibles should be provided for contributions. Such estimates are based on management's assessment of the aged basis of its contributions and other sources, current economic conditions and historical information. Contributions receivable are written off against the allowance for doubtful accounts when all collection efforts have been exhausted.

For the years ended September 30, 2020 and 2019, approximately 36% and 22%, respectively, of the consolidated contribution revenues were provided by one donor to The Haron Dahan Fund.

**American Division of Bar-Ilan University in Israel, Inc.
(D/B/A American Friends of Bar-Ilan University)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, cash equivalents, contributions receivable and investments. The Organization maintains its cash in various bank accounts that may exceed federally insured limits at times. The Organization has not experienced, nor does it anticipate any losses with respect to such accounts.

Grants

All grants made to the University for its various projects are made pursuant to authorization by the Grants Committee of the Board of Overseers of the Organization.

Fee from Bar-Ilan University

The Organization and the University entered into an agreement for the University to pay the Organization a set fee each fiscal year for the fundraising services that the Organization provides. For each of the years ended September 30, 2020 and 2019, the Organization earned \$4,700,000, which is shown as a fee from Bar-Ilan University in the accompanying consolidated statements of activities.

Income Taxes

Both the Organization and The Haron Dahan Fund follow guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

Both AFBIU and The Haron Dahan Fund are exempt from federal income tax under IRC Section 501(c)(3), though both are subject to tax on income unrelated to their exempt purpose, unless that income is otherwise excluded by the Code. AFBIU and Haron Dahan have processes presently in place to ensure the maintenance of their tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it was nexus; and to identify and evaluate other matters that may be considered tax positions.

Both organizations have determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

**American Division of Bar-Ilan University in Israel, Inc.
(D/B/A American Friends of Bar-Ilan University)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

NOTE 3 - CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable, net consisted of the following as of September 30, 2020 and 2019:

	2020	2019
Contributions receivable due in:		
Less than 1 year	\$ 3,771,658	\$ 4,014,757
1-5 years	3,403,000	4,790,000
Greater than 5 years	915,250	1,345,250
	8,089,908	10,150,007
Less:		
Allowance for uncollectible contributions	(419,298)	(566,940)
Discount to present value	(393,153)	(558,151)
	<u>\$ 7,277,457</u>	<u>\$ 9,024,916</u>

Discount rates for pledges outstanding at September 30, 2020 and 2019 ranged from 0.67% to 3.51%.

At both September 30, 2020 and 2019, two donors' gross pledge balance represented 61% and 68% of gross contributions receivable, respectively.

NOTE 4 - INVESTMENTS, AT FAIR VALUE

The following tables summarize investments within the fair value hierarchy (see Note 2) as of September 30, 2020 and 2019:

	2020			
	Level 1	Level 2	NAV *	Total
Money market funds	\$ 12,756,196	\$ -	\$ -	\$ 12,756,196
Fixed income	7,177,974	25,008,550	-	32,186,524
Common stocks	9,940,418	-	-	9,940,418
Alternative investments:				
Other private funds	-	-	300,736	300,736
Private equity	-	-	1,101,539	1,101,539
Fund of funds	-	-	3,957,590	3,957,590
Hedge funds	-	-	4,322,561	4,322,561
Total investments, at fair value	<u>\$ 29,874,588</u>	<u>\$ 25,008,550</u>	<u>\$ 9,682,426</u>	64,565,564
State of Israel bonds				246,600
Total investments				<u>\$ 64,812,164</u>

**American Division of Bar-Ilan University in Israel, Inc.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

	2019			
	Level 1	Level 2	NAV *	Total
Money market funds	\$ 1,674,501	\$ -	\$ -	\$ 1,674,501
Fixed income	15,832,127	27,210,198	-	43,042,325
Common stocks	4,974,262	-	-	4,974,262
Alternative investments:				
Other private funds	-	-	1,161,581	1,161,581
Private equity	-	-	1,248,235	1,248,235
Fund of funds	-	-	3,754,018	3,754,018
Hedge funds	-	-	3,652,451	3,652,451
 Total investments, at fair value	 \$ 22,480,890	 \$ 27,210,198	 \$ 9,816,285	 59,507,373
 State of Israel bonds				 1,245,100
 Total investments				 <u>\$ 60,752,473</u>

* In accordance with the Organization's policy and relevant accounting guidance, investments measured at fair value using NAV per share as a practical expedient have not been categorized in the fair value hierarchy.

The Organization uses the NAV to determine the fair value of all the underlying investments which: (a) do not have a readily determinable fair value; and (b) prepare their investees financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Per the accounting standard governing NAV as a practical expedient, the following tables list investments in other companies by major category as of September 30, 2020 and 2019:

2020						
Type	Strategy	NAV in Funds	# of Funds	Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Private equity	Limited partnership venture capital fund and energy credit fund	\$ 1,101,539	5	\$ 860,400	Limited liquidity	Limited liquidity
Other private fund	Limited partnership invested in individual equities	300,736	3	380,000	30 - 95 days notice with monthly - semi-annual redemptions	N/A
Fund of funds	Top tier managers providing diversification of strategy and investment process	38,603	1	N/A	90 days notice and quarterly redemptions	N/A
	Principally invests in separate accounts of individual money managers	3,918,987	1	N/A	Monthly redemptions, 5-30 days notice	N/A
Hedge fund	Private investment funds sponsored by Wellington Global	1,300,512	1	N/A	45 days notice and quarterly redemptions	N/A
	U.S. equities long and short	1,949,100	2	1,591	30-60 days notice with monthly - quarterly redemptions	N/A
	Strategic opportunities primarily in U.S. equities long and short	1,072,949	1	N/A	30 days notice and quarterly redemptions	N/A
		<u>\$ 9,682,426</u>		<u>\$ 1,241,991</u>		

**American Division of Bar-Ilan University in Israel, Inc.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

2019						
Type	Strategy	NAV in Funds	# of Funds	Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Private equity	Limited partnership venture capital fund and energy credit fund	\$ 1,248,235	4	\$ 585,998	Limited liquidity	Limited liquidity
Other private fund	Limited partnership invested in individual equities	1,161,581	3	N/A	30 - 95 days notice with monthly - semi-annual redemptions	N/A
Fund of funds	Top tier managers providing diversification of strategy and investment process	47,784	1	N/A	90 days notice and quarterly redemptions	N/A
	Principally invests in separate accounts of individual money managers	3,706,234	1	N/A	Monthly redemptions, 5-30 days notice	N/A
Hedge fund	Private investment funds sponsored by Wellington Global	1,209,414	1	N/A	45 days notice and quarterly redemptions	N/A
	U.S. equities long and short	1,474,749	2	N/A	30-60 days notice with monthly - quarterly redemptions	N/A
	Strategic opportunities primarily in U.S. equities long and short	<u>968,288</u>	1	N/A	30 days notice and quarterly redemptions	N/A
		<u>\$ 9,816,285</u>				

Investment return is comprised of interest, dividends, and realized and unrealized gains and losses. Return for the years ended September 30, 2020 and 2019 consisted of the following:

	2020	2019
Interest and dividends	\$ 935,921	\$ 990,396
Realized and unrealized (loss) gain	<u>436,918</u>	<u>(100,469)</u>
Total investment return	<u>\$ 1,372,839</u>	<u>\$ 889,927</u>

For fiscal years 2020 and 2019, \$220,224 and \$198,381, respectively, of investment fees were netted against investment income.

NOTE 5 - BENEFICIAL INTEREST IN TRUSTS (TRUSTS WHERE THE ORGANIZATION IS NOT THE TRUSTEE)

The Organization obtains commitments from donors whereby the donor establishes a trust in which the Organization has an irrevocable interest and the assets are placed under the control of a trustee other than the Organization. This party acts as a fiduciary of the assets and, upon the death of the donor, these assets will be transferred to the Organization. As of September 30, 2020 and 2019, these interests have been discounted at a rate of 0.4% and 2.2%, respectively, using actuarially based mortality tables.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

At September 30, 2020 and 2019, the Organization's beneficial interests in its trusts were classified as Level 3 within the fair value hierarchy. The following tables summarize the changes in the Organization's Level 3 beneficial interests in trusts for the years ended September 30, 2020 and 2019:

	Beneficial Interests in Trusts
Balance at September 30, 2019	\$ 2,256,136
Payments received on a lead trust	(84,988)
Change in value of trust assets	46,714
	<u>\$ 2,217,862</u>
Balance at September 30, 2020	
	<u>\$ 2,217,862</u>
	Beneficial Interests in Trusts
Balance at September 30, 2018	\$ 2,364,142
Payments received on a lead trust	(60,023)
Change in value of trust assets	(47,983)
	<u>\$ 2,256,136</u>
Balance at September 30, 2019	
	<u>\$ 2,256,136</u>

NOTE 6 - FURNITURE AND EQUIPMENT, NET

Furniture and equipment consisted of the following at September 30, 2020 and 2019:

	2020	2019
Furniture and equipment	\$ 137,754	\$ 127,858
Leasehold improvements	23,480	23,480
Software	3,269	3,269
	<u>164,503</u>	<u>154,607</u>
Accumulated depreciation and amortization	(148,309)	(141,057)
	<u>\$ 16,194</u>	<u>\$ 13,550</u>

Depreciation expense amounted to \$7,253 and \$6,039 for the years ended September 30, 2020 and 2019, respectively.

NOTE 7 - PENSION PLANS

The Organization has a defined contribution plan covering substantially all employees who have attained the age of 21 and completed one year of service. Under the plan, the Organization makes a base contribution of between 5% and 9%, depending on years of service, of the employees' annual salary. For the years ended September 30, 2020 and 2019, the Organization contributed \$174,629 and \$154,664, respectively, to the plan.

**American Division of Bar-Ilan University in Israel, Inc.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

NOTE 8 - ENDOWMENT

The Organization has interpreted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as requiring the preservation of the original gift, as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the Organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effects of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Organization;
- The investment policies of the Organization; and
- Where appropriate, alternatives to spending from the donor-restricted endowment fund and the possible effects of the Organization.

The Organization has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of appropriate benchmarks without putting the assets at imprudent risk.

The following tables summarize endowment net asset composition by type of fund and changes in endowment net assets as of and for the years ended September 30, 2020 and 2019:

Endowment Net Assets	2020			
	Without Donor Restrictions	Accumulated Earnings	Held in Perpetuity	Total
Endowment net assets, beginning of year	\$ -	\$ 1,675,994	\$51,365,445	\$53,041,439
Contributions	-	-	4,052,467	4,052,467
Interest and dividends	-	115,659	579,394	695,053
Realized and unrealized gain	-	246,367	143,032	389,399
Change in pledge receivable allowance	-	-	1,500	1,500
Appropriated for expenditure	-	(337,329)	(6,625)	(343,954)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 1,700,691</u>	<u>\$56,135,213</u>	<u>\$57,835,904</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

Endowment Net Assets	2019			
	Without Donor Restrictions	Accumulated Earnings	Held in Perpetuity	Total
Endowment net assets, beginning of year	\$ -	\$ 2,013,654	\$47,756,513	\$49,770,167
Contributions	-	-	2,734,455	2,734,455
Interest and dividends	-	103,052	544,616	647,668
Realized and unrealized (loss) gain	-	(74,392)	346,499	272,107
Change in pledge receivable allowance	-	-	(9,263)	(9,263)
Appropriated for expenditure	-	(366,320)	(7,375)	(373,695)
Endowment net assets, end of year	\$ -	\$ 1,675,994	\$51,365,445	\$53,041,439

NOTE 9 - RESTRICTED NET ASSETS

Net assets with donor restrictions are available for the following purpose as of September 30, 2020 and 2019:

	2020	2019
Purpose restricted:		
Special educational projects at the University	\$ 14,838,725	\$ 17,239,058
Endowment funds subject to appropriation and satisfaction of donor restrictions - original corpus	56,135,213	51,365,445
Total	\$ 70,973,938	\$ 68,604,503

NOTE 10 - LEASE COMMITMENTS

The Organization's future minimum rental commitments as of September 30, 2020 under non-cancelable operating leases for New York, Illinois, and California are as follows:

Year Ending September 30,

2021	\$ 338,550
2022	341,987
2023	279,814
2024	72,625
2025	62,215
	<u>\$ 1,095,191</u>

The above leases are subject to escalation clauses. Rent expense for the years ended September 30, 2020 and 2019 amounted to approximately \$435,309 and \$314,368, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

NOTE 11 - CHARITABLE REMAINDER TRUSTS AND GIFT ANNUITIES

The Organization's investments include funds of charitable remainder trust and gift annuity agreements. Contribution revenues for charitable remainder trusts and gift annuities are recognized at the date the agreement is established, net of the liability recorded for the present value of the future payments to be made to the respective donors and/or other beneficiaries. There was no contribution revenue recognized under charitable remainder trusts and gift annuity agreements during the years ended September 30, 2020 and 2019. The present value of payments to beneficiaries of charitable remainder trusts is calculated using an annual discount rate ranging from 6% to 8%. 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. The market values of the trusts are classified as net assets with donor restrictions. When the trusts terminate, the funds will be restricted for special educational projects at the University.

The fair market value of the investments of the trusts and gift annuities totaled \$1,379,385 and \$1,646,704 at September 30, 2020 and 2019, respectively, and are included as investments in the accompanying consolidated statements of financial position.

At September 30, 2020 and 2019, the Organization's annuities payable were classified as Level 3 within the fair value hierarchy (see Note 2).

The following tables summarize the changes in the Organization's Level 3 annuities payables for the years ended September 30, 2020 and 2019:

	Charitable Remainder Trusts and Gift Annuities
Balance at September 30, 2019	\$ 1,479,340
Payments to annuitants	(220,652)
Terminated agreements	(26,706)
Change in fair value of annuities payable	157,731
Balance at September 30, 2020	<u>\$ 1,389,713</u>
	Charitable Remainder Trusts and Gift Annuities
Balance at September 30, 2018	\$ 1,319,498
Payments to annuitants	(228,810)
Terminated agreements	(12,628)
Change in fair value of annuities payable	401,280
Balance at September 30, 2019	<u><u>\$ 1,479,340</u></u>

**American Division of Bar-Ilan University in Israel, Inc.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

NOTE 12 - RELATED-PARTY TRANSACTIONS

As of September 30, 2020 and 2019, grants payable due to the University totaled \$1,279,800 and \$1,602,920, respectively.

As of September 30, 2020, amounts due from the University totaled \$156 and are included in other receivables in the accompanying consolidated statement of financial position. As of September 30, 2019, amounts due from the University totaled \$3,769 and are included in other receivables in the accompanying consolidated statement of financial position.

As of September 30, 2020 and 2019, The Haron Dahan Fund for Bar-Ilan University in Israel, Inc. was consolidated in these financial statements. This Fund is controlled by the American Friends of Bar-Ilan University, and was established as a supporting organization to benefit the University and the Organization. All or substantially all future contributions made by a certain donor for the benefit of the Organization will be made to the Fund. The governing document of the Fund stipulates that all of the income earned by the Fund shall be accumulated and added to the principal during the accumulation period, which shall terminate the earlier of December 31, 2025 or when the fair market value of the fund on August 31 of any year equals at least \$45 million dollars. As of August 31, 2020, the fair market value of the Fund was \$45,264,417, thus triggering the end of the accumulation period and the beginning of the distribution period, with the first distribution to be made in calendar year 2021. In each calendar year, in 2021 and thereafter, the Fund shall annually distribute to the University an amount equal to the lesser of the net income of the Fund for the previous calendar year or \$2,500,000. As of the date of issuance of these consolidated financial statements, the first distribution amount was still being determined.

NOTE 13 - COVID-19 PANDEMIC

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The Organization is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of this pandemic. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position and changes in net assets, and the accompanying consolidated financial statements include no adjustments relating to the effects of this pandemic.

In April 2020, the Organization received a loan in the aggregate amount of \$290,943, pursuant to the Small Business Association ("SBA") Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act (the "PPP Loan"), which is reflected within accounts payable and accrued expenses on the accompanying consolidated statement of financial position as of September 30, 2020.

The PPP Loan, which was in the form of a note dated April 26, 2020, was stipulated to mature on April 26, 2022 and bears an interest rate of 0.98% per annum. It was further stipulated that the PPP Loan may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the PPP Loan may only be used for certain costs, such as payroll costs and occupancy expenses. The Organization has used the entire PPP Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the PPP Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. In August 2021, the entire PPP loan amount was forgiven by the SBA, thus legally releasing the Organization from the debt. This extinguishment of debt will be recognized into income at the time this forgiveness was granted.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

NOTE 14 - LIQUIDITY AND AVAILABILITY

The Organization receives substantially all of its revenue from donor contributions. However, the Organization has agreed to grant all donor contributions in their entirety (except for contributions specifically designated by donors for AFBIU operations) to Bar-Ilan University according to donor wishes without deducting any amounts to fund administrative or overhead costs. In return, Bar-Ilan University has agreed to pay a fundraising fee to the Organization in order to fund its operations. This fee gets added to the Organization's operating net assets and the Organization aims to maintain these operating net assets at a level sufficient to plan and operate for approximately one year forward.

As of September 30, 2020, the following table shows the total financial assets held by the Organization and the amounts of those financial assets that could readily be made available within one year of the statement of financial position date to meet general expenditures.

Financial assets available as of September 30, 2020 and 2019 to meet general expenditures over the next 12 months:

	<u>2020</u>
Cash and cash equivalents	\$ 8,137,726
Investments	64,812,164
Contributions receivable due within one year, net	3,444,116
Accrued interest receivable	15,130
Other receivables	<u>156</u>
Total financial assets available within the next 12 months	<u>76,409,292</u>
Less amounts subject to contractual, legal or donor-imposed restrictions:	
Endowment funds held in perpetuity	56,135,213
Amounts subject to expenditure for specified purposes	12,962,827
Board-designated funds	<u>2,561,335</u>
Total financial assets available to meet general expenditures over the next 12 months	<u>\$ 4,749,917</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2020 and 2019

	<u>2019</u>
Cash and cash equivalents	\$ 7,733,036
Investments	60,752,473
Contributions receivable due within one year, net	3,685,069
Accrued interest receivable	20,981
Other receivables	<u>3,769</u>
 Total financial assets available within the next 12 months	 <u>72,195,328</u>
 Less amounts subject to contractual, legal or donor-imposed restrictions:	
Endowment funds held in perpetuity	(51,365,445)
Amounts subject to expenditure for specified purposes	(13,854,138)
Board-designated funds	<u>(2,514,708)</u>
 Total financial assets available to meet general expenditures over the next 12 months	 <u>\$ 4,461,037</u>

NOTE 15 - SUBSEQUENT EVENTS

The Organization evaluated its September 30, 2020 consolidated financial statements for subsequent events through September 28, 2021, the date the consolidated financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the accompanying consolidated financial statements.

SUPPLEMENTARY INFORMATION

**American Division of Bar-Ilan University in Israel, Inc.
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CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended September 30, 2020

	AFBIU	Haron Dahan Fund	Consolidated
Revenues and support			
Contributions	\$ 7,143,498	\$ 4,046,693	\$ 11,190,191
Investment returns	658,009	714,830	1,372,839
Changes in value of split-interest agreements	(84,311)	-	(84,311)
Fee from Bar-Ilan University	4,700,000	-	4,700,000
	<hr/>	<hr/>	<hr/>
Total revenues and support	12,417,196	4,761,523	17,178,719
	<hr/>	<hr/>	<hr/>
Expenses			
Salaries and related expenses	3,266,470	-	3,266,470
Travel and lodging	15,259	-	15,259
Seminars and conferences	8,425	-	8,425
Telephone and fax	26,882	-	26,882
Computer costs	93,045	-	93,045
Stationery and printing	20,272	-	20,272
Occupancy	448,414	-	448,414
Maintenance and equipment costs	11,255	-	11,255
Registrations and subscriptions	3,298	-	3,298
Professional fees	367,614	6,625	374,239
Insurance	38,333	-	38,333
Advertising	68,651	-	68,651
Mail campaign	87,273	-	87,273
Contribution promotion	4,011	-	4,011
Depreciation	7,253	-	7,253
Other	8,605	-	8,605
	<hr/>	<hr/>	<hr/>
Total operating expenses	4,475,060	6,625	4,481,685
	<hr/>	<hr/>	<hr/>
Grants to Bar-Ilan University in Israel	10,133,774	-	10,133,774
	<hr/>	<hr/>	<hr/>
Change in pledges receivable allowance	(147,643)	-	(147,643)
	<hr/>	<hr/>	<hr/>
Total expenses	14,461,191	6,625	14,467,816
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	(2,043,995)	4,754,898	2,710,903
	<hr/>	<hr/>	<hr/>
Net assets, beginning of year	35,421,757	40,590,661	76,012,418
	<hr/>	<hr/>	<hr/>
Net assets, end of year	<u>\$ 33,377,762</u>	<u>\$ 45,345,559</u>	<u>\$ 78,723,321</u>

**American Division of Bar-Ilan University in Israel, Inc.
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CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended September 30, 2019

	AFBIU	Haron Dahan Fund	Consolidated
Revenues and support			
Contributions	\$ 8,699,311	\$ 2,500,000	\$ 11,199,311
Investment returns	6,388	883,539	889,927
Changes in value of split-interest agreements	(206,640)	-	(206,640)
Fee from Bar-Ilan University	4,700,000	-	4,700,000
	<u>13,199,059</u>	<u>3,383,539</u>	<u>16,582,598</u>
Expenses			
Salaries and related expenses	2,826,806	-	2,826,806
Travel and lodging	95,850	-	95,850
Seminars and conferences	63,411	-	63,411
Telephone and fax	28,975	-	28,975
Computer costs	90,458	-	90,458
Stationery and printing	47,907	-	47,907
Occupancy	329,719	-	329,719
Maintenance and equipment costs	8,932	-	8,932
Registrations and subscriptions	8,526	-	8,526
Professional fees	342,842	7,375	350,217
Insurance	31,847	-	31,847
Advertising	155,323	-	155,323
Mail campaign	122,344	-	122,344
Contribution promotion	13,074	-	13,074
Catering and admission fees	2,948	-	2,948
Depreciation	6,039	-	6,039
Other	11,248	-	11,248
	<u>4,186,249</u>	<u>7,375</u>	<u>4,193,624</u>
Grants to Bar-Ilan University in Israel	12,295,080	-	12,295,080
Change in pledges receivable allowance	<u>(18,522)</u>	<u>-</u>	<u>(18,522)</u>
	<u>16,462,807</u>	<u>7,375</u>	<u>16,470,182</u>
CHANGE IN NET ASSETS	(3,263,748)	3,376,164	112,416
Net assets, beginning of year	<u>38,685,505</u>	<u>37,214,497</u>	<u>75,900,002</u>
Net assets, end of year	<u><u>\$ 35,421,757</u></u>	<u><u>\$ 40,590,661</u></u>	<u><u>\$ 76,012,418</u></u>