American Society of the University of Haifa

Financial Statements
Year Ended June 30, 2023

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American Society of the University of Haifa

Contents

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Independent Auditor's Report

The Board of Directors
American Society of the University of Haifa
New York, New York

Opinion

We have audited the financial statements of American Society of the University of Haifa, which comprise the statement of financial position as of June 30, 2023, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of American Society of the University of Haifa as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 American Society of the University of Haifa and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Society of the University of Haifa'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 American Society of the University of Haifa'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 American Society of the University of Haifa'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.

BDO USA, P.C.

December 8, 2023

American Society of the University of Haifa

Statement of Financial Position

June 30, 2023		
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	$	1,275,168
Investments, at fair value (Notes 2 and 5)		1,152,500
Contributions receivable, current portion (Notes 2 and 4)		3,312,158
Prepaid expenses and other assets		6,944
Total Current Assets		5,746,770
Contributions Receivable, Net, less current portion (Note 2)		7,992,014
Property and Equipment, Net (Notes 2 and 6)		23,813
Total Assets	$	13,762,597
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$	108,208
Total Liabilities		108,208
Commitments and Contingencies (Notes 2, 7, 8, 9, 10, 11, 12, and 13)		
Net Assets (Notes 2, 9, and 10)		
Without donor restrictions		1,157,748
With donor restrictions		12,496,641
Total Net Assets		13,654,389
Total Liabilities and Net Assets	$	13,762,597

See accompanying notes to financial statements.

American Society of the University of Haifa

Statement of Activities

Year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Contributions (Note 2)	$ 565,285	$ 12,466,011	$ 13,031,296
Contributed nonfinancial assets (Notes 2 and 13)	141,975	-	141,975
Support from the University of Haifa (Note 11)	1,259,008	-	1,259,008
Net assets released from restriction (Notes 2 and 9)	2,635,576	(2,635,576)	-
Total Revenues, Gains, and Other Support	4,601,844	9,830,435	14,432,279
Expenses			
Program services:			
Research and education	3,271,196	-	3,271,196
Total Program Services	3,271,196	-	3,271,196
Supporting services:			
Management and general	939,925	-	939,925
Fundraising	1,637,521	-	1,637,521
Total Supporting Services	2,577,446	-	2,577,446
Total Expenses	5,848,642	-	5,848,642
Change in Net Assets, before non-operating revenue	(1,246,798)	9,830,435	8,583,637
Non-Operating Revenue			
Interest income	2,492	-	2,492
Investment income, net	-	64,467	64,467
Employee retention credit	164,727	-	164,727
Other income	1,000	-	1,000
Total Non-Operating Revenue	168,219	64,467	232,686
Change in Net Assets	(1,078,579)	9,894,902	8,816,323
Net Assets, beginning of year	2,236,327	2,601,739	4,838,066
Net Assets, end of year	$ 1,157,748	$ 12,496,641	$ 13,654,389

See accompanying notes to financial statements.

American Society of the University of Haifa

Statement of Functional Expenses

Year ended June 30, 2023

	Program Services	Supporting Services		
	Research and Education	Management and General	Fundraising	Total
Grants to the University of Haifa	$ 3,271,196	$ -	$ -	$ 3,271,196
Salaries	-	253,716	644,134	897,850
Employee benefits and payroll taxes	-	53,355	121,687	175,042
Professional fees	-	388,736	343,021	731,757
Travel	-	-	100,241	100,241
Occupancy	-	86,465	57,644	144,109
Advertising	-	-	153,880	153,880
Office and other expenses	-	9,285	124,396	133,681
Printing and publications	-	-	7,779	7,779
Equipment rental	-	9,611	-	9,611
Telephone	-	2,472	2,693	5,165
Computer maintenance	-	12,765	8,510	21,275
Dues and subscriptions	-	3,282	2,188	5,470
Insurance	-	9,274	-	9,274
Recruitment	-	101,905	71,348	173,253
Depreciation and amortization	-	9,059	-	9,059
Total Expenses	$ 3,271,196	$ 939,925	$ 1,637,521	$ 5,848,642

See accompanying notes to financial statements.

American Society of the University of Haifa

Statement of Cash Flows

Year ended June 30, 2023	
Cash Flows from Operating Activities	
Change in net assets	$ 8,816,323
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Realized gain on sale of investments	(149)
Unrealized gain on investments	(40,446)
Change in value of remainder interest in charitable gift annuities	390,555
Change in discount on contributions receivable	(405,522)
Depreciation and amortization	9,059
Changes in:	
Contributions receivable	(8,509,547)
Prepaid expenses and other assets	889
Accounts payable and accrued expenses	(88,357)
Net Cash Provided by Operating Activities	172,805
Cash Flows from Investing Activities	
Purchases of investments	(94,369)
Proceeds from sales of investments	65,877
Purchases of fixed assets	(6,876)
Net Cash Used in Investing Activities	(35,368)
Net Change in Cash and Cash Equivalents	137,437
Cash and Cash Equivalents, beginning of year	1,137,731
Cash and Cash Equivalents, end of year	$ 1,275,168

See accompanying notes to financial statements.

1. Nature of Organization

American Society of the University of Haifa (ASUH) increases visibility and financial support for the University of Haifa to ensure its continued excellence in academic research, education, and communal activities. ASUH cultivates relationships and serves as a vital connection between the university and its friends, alumni, and partner institutions in the United States. ASUH is a not-for-profit corporation that is tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

ASUH is funded primarily by contributions from the general public and support from the University of Haifa.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of ASUH have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). In the statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Basis of Presentation

ASUH’s net assets and its support, revenue, and expenses are based on the existence or absence of donor-imposed restrictions. The amounts are classified in either of the two classes of net assets defined below and displayed in the statement of financial position, and the amounts of change in each of those classes of net assets are displayed in the statement of activities.

Without Donor Restrictions - This class consists of net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operations of ASUH. Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

With Donor Restrictions - This class consists of net assets with donor restrictions whose use is limited by donor-imposed, time and/or purpose restrictions. ASUH reports gifts of cash and other assets as revenue 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—the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

Use of Estimates

The preparation of financial statements in conformity with 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents included highly liquid instruments with maturities of three months or less when acquired. At June 30, 2023, cash equivalents consisted primarily of checking and money market accounts.

Financial Instruments and Fair Value

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, established a hierarchy for inputs used in measuring fair value that maximized the use of observable inputs and minimized the use of unobservable inputs, requiring that inputs that are most observable be used when available. Observable inputs are those that market participants operating within the same marketplace as ASUH would use in pricing the ASUH's asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of ASUH traded. ASUH estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants who have investments in the same or similar assets would use, as determined by the money managers for each investment based on best information available in the circumstances. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable, as follows:

Level 1 - Valuation is based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuation is based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly.

Level 3 - Valuation is based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

Investment income is recognized when earned and consists of interest and dividends. Dividends are recorded on the ex-dividend rate. Purchases and sales are recorded on a trade-date basis.

Allowance for Doubtful Accounts

The carrying value of contributions receivable is reduced by an appropriate allowance, if needed, for uncollectible accounts. ASUH's management determines whether an allowance for uncollectibles should be provided for contributions receivable. Such estimates are based on management's assessment of the aged basis of its contributions and other sources, current economic conditions, subsequent receipts, and historical information. Contributions receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Interest is not charged or recorded on overdue receivables. Management has determined that an allowance for doubtful accounts is not necessary at June 30, 2023. There was no bad debt expense for the year ended June 30, 2023.

Property and Equipment

Property and equipment acquisitions are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Asset Category	Years
Computer equipment, website and software, and furniture and fixtures	3-7

ASUH's policy is to capitalize all capital assets with an individual acquisition cost exceeding $1,000.

Long-Lived Asset Impairment

In accordance with ASC 360-10, long-lived assets, such as property, plant, and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. ASUH evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability, and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. There was no impairment recognized for the year ended June 30, 2023.

Revenue Recognition

Contributions, support from the University of Haifa, and promises to give are recorded as revenue at the time they are made or pledged unconditionally and supported by a written commitment. Contributions of property and equipment are recorded at the fair market value of the property and equipment at the time of contribution.

Contributions are classified as either with or without donor restrictions. Contributions are nonexchange transactions in which no commensurate value is exchanged. Therefore, contributions fall under the purview of ASC Topic 958, *Not-for-Profit Entities*.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts having donor stipulations that are satisfied in the period the gift is received are reported as revenue and net assets with donor restrictions and then released.

Contributions are evaluated for conditions that may exist. Factors indicating the existence of a conditional contribution include the presence of a barrier that must be overcome and either a right of return of assets transferred or a right of release of a funder's obligation to transfer the assets. Revenue from contributions is recognized when the conditions are satisfied, which is generally when the service has been performed or expenditures have been incurred. Any unearned revenue is classified as deferred revenue on the statement of financial position.

Grants to the University of Haifa

Grants to the University of Haifa in Israel are recorded pursuant to authorization by the Board of Directors of ASUH.

Functional Allocation of Expenses

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

Income Taxes

ASUH is exempt from federal, state, and local income taxes under Section 501(c)(3) of the IRC and, therefore, has made no provision for income taxes in the accompanying financial statements. In addition, ASUH has been determined by the Internal Revenue Service (IRS) not to be a "private foundation" within the meaning of Section 509(a) of the IRC.

Under ASC 740, an organization must recognize the financial statement effects of a tax position taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. ASUH does not believe that it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. ASUH has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, ASUH has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the year ended June 30, 2023, there were no income tax-related interest or penalties recorded or included in the statement of activities.

Recently Adopted Accounting Pronouncements

Leases (Topic 842)

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Accounting for Leases*, as amended, which applies a right-of-use (ROU) model that requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset and a liability to make lease payments. For leases with a term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize an ROU asset or lease liability. At inception, lessees must classify all leases as either finance or operating based on five criteria. Statement of financial position recognition of finance and operating leases is similar, but the pattern of expense recognition in the statement of activities, as well as the effect on the statement of cash flows, differs depending on the lease classification.

In addition, lessees and lessors are required to provide certain qualitative and quantitative disclosures to enable users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASUH adopted the standard for the year ended June 30, 2023. The adoption of this accounting standard did not have a material impact on ASUH's financial statements as ASUH did not have any leases that met the criteria of a lease under ASC Topic 842.

Accounting Pronouncements Issued but Not Yet Adopted

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses*. This ASU was issued to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by an entity. The ASU changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred loss model to an expected loss model. Entities will be required to estimate credit losses over the entire contractual term of an instrument. The ASU includes financial assets recorded at amortized cost basis such as loan receivables, trade, and certain other receivables as well as certain off-balance-sheet credit exposures such as loan commitments and financial guarantees. The ASU does not apply to financial assets measured at fair value, promises to give (pledges receivable), and loans and receivables between entities under common control.

Subsequently, the FASB issued ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-10, ASU 2019-11, ASU 2020-02, and ASU 2022-02 to clarify and improve ASU 2016-13.

The ASU is effective for fiscal years beginning after December 15, 2022 for all nonprofit entities.

3. Employee Retention Credit

On March 10, 2021, President Biden signed the $1.9 trillion American Rescue Plan Act (ARPA) into law. ASUH has not applied for and does not expect to apply for any of the ARPA funding or benefits. The Employee Retention Credit (ERC), which was included as part of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and amended by the Consolidated Appropriations Act (CAA), the ARPA, and the Infrastructure Investment and Jobs Act (IIJA), incentivizes employers severely impacted by the COVID-19 pandemic to retain their employees when they might otherwise find it difficult to do so. The fully refundable tax credit is allowed against the employer's share of employment taxes for qualified wages paid after March 12, 2020 and before October 1, 2021. Credits in excess of the tax amounts paid by an employer are treated as overpayments and are refunded to the employer. The ERC is calculated as a percentage of qualified wages (as defined in the CARES Act, as amended) paid by an eligible employer. ASUH qualified for the ERC in 2021 and was approved as a small employer. For 2021, the ERC equaled 70% of an employee's qualified wages up to $10,000 per employee per calendar quarter with a maximum annual credit of $21,000 for each employee.

ASUH accounts for this federal funding in accordance with ASC 958-605, in guidance for conditional contributions and, accordingly, revenues are measured and recognized when barriers are substantially met. ASUH believes these barriers have been met and has claimed credits of $164,727 on timely filed forms 941, which are included in non-operating revenue in the statement of activities.

4. Contributions Receivable, Net

Contributions receivable, net, have been recorded at present value. Receivables that are expected in more than one year have been discounted to their present value using a discount rate of 2% to 4% in fiscal year 2023. The receivables are due as follows:

Due within one year	$	3,312,158
Due in two to five years		8,434,232
		11,746,390
Less: discount to present value		(442,218)
Contributions Receivable, Net	$	11,304,172

5. Investments, at Fair Value

ASUH's assets recorded at fair value have been categorized based upon a fair value hierarchy, in accordance with ASC 820; see Note 2 for the discussion of ASUH's policies regarding this hierarchy.

A description of the valuation techniques applied to ASUH's major categories of assets measured at fair value is as follows. There have been no changes in valuation methodology as of June 30, 2023.

ASUH's holdings in stocks and certificates of deposit consist principally of debt and equity securities carried at their aggregate market value, which is determined by quoted market prices. Each of the above investments can be liquidated daily. The valuation of the above is based on Level 1 inputs within the hierarchy used in measuring fair value.

There were no transfers between levels during the year ended June 30, 2023.

The summary of inputs used to value the Foundation's investments that are carried at fair value is as follows:

June 30, 2023

	Level 1	Level 2	Level 3	Total
Equity securities	$ 578,559	$ -	$ -	$ 578,559
Mutual funds	573,941	-	-	573,941
	$ 1,152,500	$ -	$ -	$ 1,152,500

Investment loss included in the statement of activities consists of the following:

June 30, 2023

Net realized gain on investments	$	149
Net unrealized gain on investments		40,446
Interest and dividend income		31,398
Custodian fees		(7,526)
	$	64,467

6. Property and Equipment, Net

Property and equipment, net, consists of the following:

June 30, 2023		
Computer equipment	$	23,498
Website and software		12,950
Furniture and fixtures		37,407
Total		73,855
Less: accumulated depreciation and amortization		(50,042)
Property and Equipment, Net	$	23,813

Depreciation and amortization expense for the year amounted to $9,059 for the year ended June 30, 2023.

7. Commitments and Contingencies

Commitments

In October 2019, ASUH entered into a new five-year lease in New York City. The terms of the agreement were such that ASUH did not have to begin paying rent until the premises were ready. ASUH moved into the new office space in December 2019 and, therefore, they began paying rent effective December 1, 2019, with the lease expiring February 2025. However, on August 25, 2021, a settlement was reached between the lessor and ASUH where ASUH will not occupy the building anymore and must pay a balance of $250,000 from September 2021 through August 2023 in $10,000 installment payments. As of June 30, 2023, there is a balance of $10,000 remaining to be paid. Additionally, in August 2021, ASUH received in-kind rent from another lessor which gets renewed monthly. Rent expense for the year ended June 30, 2023 was $140,700.

Contingencies

From time to time, ASUH is involved in claims, lawsuits, and proceedings that arise in the ordinary course of business. As of June 30, 2023, there are no other matters for which ASUH believes it must accrue a contingency or as to whether the ultimate outcome would have a material adverse effect on ASUH’s financial position.

8. Concentrations of Credit Risk

For the year ended June 30, 2023, approximately 62% of all contributions were received from one donor. As of June 30, 2023, approximately 71% of the contributions receivable were due from one donor. At various times, ASUH has cash deposits at financial institutions that exceed the Federal Deposit Insurance Corporation (FDIC) limit. These financial institutions have strong credit ratings; therefore, management believes the risk related to these accounts is minimal.

9. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purpose and for periods after June 30, 2023:

Support of research and education programs	$	11,344,141
Music scholarship endowment		1,152,500
Total	$	12,496,641

During the current year, net assets were released from restriction for the following:

Support of research and education programs	$	2,635,576
Total	$	2,635,576

10. Endowment Funds

General

ASUH's endowment fund is a donor-restricted endowment fund established to provide funds from the investment income to support annual scholarships in music. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. During the year ended June 30, 2020, the endowment fund was established with a restricted contribution from a donor's estate in the amount of $1,241,939. As of June 30, 2023, the amounts are being held in investments, at fair value, as management is developing their development and spending strategy.

Interpretation of Relevant Law

ASUH adopted the New York Prudent Management of Institutional Funds Act (NYPMIFA). 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. ASUH is governed by the NYPMIFA spending policy, which establishes a standard maximum prudent spending limit of the average of its previous five years' balance.

As a result of this interpretation, when reviewing its donor-restricted endowment funds, ASUH considers a fund to be "underwater" if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund, and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. ASUH has interpreted NYPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, in accordance with NYPMIFA, ASUH considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- Duration and preservation of the fund.
- Purposes of the organization and the fund.

- General economic conditions.
- Possible effect of inflation and deflation.
- Expected total return from investment income and appreciation or depreciation of investments.
- Other resources of the organization.
- Investment policies of the organization.

Return Objectives, Strategies Employed, and Spending Policy

The objective of ASUH is to maintain the principal endowment funds at the original amount designated by the donor while generating investment income to support the purposes designated by the donor. ASUH is able to draw down a certain percentage per year of the fair market value of the endowment fund per donors' wishes. The draw-down percentage will be determined by the Board of Directors on an annual basis. The investment policy to achieve this objective is to invest in various investment securities and interest-bearing accounts. Interest earned in relation to the endowment funds will be recorded as donor restricted until appropriated.

Endowments

ASUH has a donor-restricted endowment fund principally established to help fund music scholarships. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment Net Asset Composition by Type of Fund

The endowment net asset composition of $1,152,500 consists of the following:

June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor:			
Music scholarships	$ -	$ 1,241,939	$ 1,241,939
Total Corpus of the Endowment Funds	-	1,241,939	1,241,939
Cumulative net investment losses	-	(89,439)	(89,439)
Endowment Net Assets, end of year	$ -	$ 1,152,500	$ 1,152,500

Changes in Endowment Net Assets

June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, beginning of year	$ -	$ 1,088,034	$ 1,088,034
Investment income, net	-	64,466	64,466
Endowment Net Assets, end of year	$ -	$ 1,152,500	$ 1,152,500

11. Support from the University of Haifa

The University of Haifa provides for annual support to cover a portion of management and general and fundraising expenses of ASUH. For the year ended June 30, 2023, $1,259,008 has been reflected in these financial statements as support from the University of Haifa. As of June 30, 2023, this has been fully collected.

12. Liquidity and Availability of Resources

Financial assets available for general expenditure—that is, without donor or other restrictions limiting their use—within one year of June 30, 2023 comprise the following:

Cash and cash equivalents	$ 1,275,168
Investments, at fair value	1,152,500
Contributions receivable, current portion	3,312,158
Total Assets Available to Management	5,739,826
Less: net assets with donor restrictions	(4,504,627)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 1,235,199

ASUH manages its liquidity and reserves following two guiding principles: operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs. ASUH monitors its future cash flows, liquidity, and reserves on a monthly basis.

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13. Contributed Nonfinancial Assets

The following summarizes ASUH's contributed nonfinancial assets for the year ended June 30, 2023:

		Revenue Recognized	Donor Restrictions	Valuation Techniques and Inputs
Donated rent	$	140,700	None associated	Based on comparable prices in the real estate market.
Televised coverage		1,000	None associated	Based on fair value of third-party appraisal.
Donated sign		275	None associated	Based on fair value of third-party appraisal.
Total	$	141,975		

14. Subsequent Events

ASUH's management has performed subsequent event procedures through December 8, 2023, which is the date the financial statements were available to be issued, and there were no other subsequent events requiring adjustment to the financial statements or disclosures as stated herein.