

American Schools of Oriental Research  
Finance Committee Report  
November 17, 2008

COMMENTS

Fiscal Year Ended June 30, 2008

Fiscal year 2008 ended positively from a financial standpoint. Our year-end audit is complete, and we ended the year with revenues in excess of expenses of \$67,000, including \$45,000 unrestricted revenues in excess of expenses. The audited financial statements and a comparison of budget vs. actual expenses are included as separate attachments.

During the year, we grew our endowment despite the equity market losses discussed below, due to net gifts designated to the endowment of \$64,000. Memberships and subscription revenue (on a cash receipts basis) decreased about 6% from \$366,000 in fiscal year 2007 to \$344,000 in fiscal year 2008. We were able to give away approximately \$51,000 in fellowship grants during the year (Harris, Platt, Heritage and Meyers/Wright), an increase of \$15,000 over \$36,000 given away the previous year. Congratulations to Andy, the ASOR staff and the Board for operating the organization in a fiscally responsible manner once again.

From a cash flow standpoint, we ended the year with \$120,000 in the general fund as compared to \$59,000 at June 30, 2007; however, some of these funds represent fiscal year 2009 budgeted revenue received in advance and some will be used to satisfy certain outstanding commitments. Total cash and securities, including our fellowships and other temporarily restricted funds, our endowment accounts, our journals and publications accounts and our general fund totaled approximately \$1,350,000 at June 30, 2008 as compared to \$1,362,000 at June 30, 2007.

Fiscal Year Ended June 30, 2008 Investment Results

Fiscal year 2008 was a difficult and volatile year in the investment marketplace. We had net losses from investments of approximately \$26,000 and \$31,000 on our fellowship accounts and endowment accounts, respectively. The losses are approximately 6% and 8%, respectively on the beginning balances in the fellowship and endowment accounts. For the same period, the broader stock market as measured by the S&P 500 was down about 13%.

Fiscal Year Ended June 30, 2009

It is a little early in the current fiscal year to see any significant issues that would cause a problem with our fiscal year 2009 budget which calls for operating revenues equal to operating expenses. Memberships and subscriptions earned will require close monitoring based on the shortfall we experienced last year and the cash flow to date this year. We

also may need to do without the \$14,000 spending release from the endowment that was budgeted, due to the market losses in our endowment account thus far this year.

#### Fiscal Year Ended June 30, 2009 Investment Results

For the four months ended October, 2008, we have incurred losses of approximately \$68,000 on our fellowship accounts and approximately \$71,000 on our endowment accounts, representing losses of approximately 18% on the beginning balances. For comparative purposes, the S&P 500 was down about 24% for the four month period.

#### REPORTS ATTACHED

Fiscal year 2008 Audit  
ASOR June 30, 2008 Budget to Actual  
ASOR September 30, 2008 Budget to Actual  
Memberships and Subscriptions Cash Flow  
ASOR Expenses FY09 (Cash Basis)  
ASOR Net Investment Return FY08  
ASOR Net Investment Return FY09

I look forward to seeing everyone in Boston. If there are any questions prior to the meeting, feel free to call me.

Sheldon Fox