

American Schools of Oriental Research  
Finance Committee Report  
November 16, 2009

COMMENTS

Fiscal Year Ended June 30, 2009

Fiscal year 2009 was challenging from a financial standpoint as we discussed in our spring meetings. Our year-end audit is complete, and we ended the year with revenues below expenses of \$225,000, primarily due to \$151,000 in net investment losses. On an unrestricted basis, excluding board designated assets, revenues were below expenses by \$95,000, partially due to \$39,000 in net investment losses. The audited financial statements and a comparison of budget vs. actual expenses are included as separate attachments.

Significant variances from the budget that impacted our unrestricted bottom line were as follows:

<u>Budget Item</u>	<u>\$ Impact Favorable (Unfavorable)</u>
Annual fund contributions	(\$36,000)
Royalties and advertising	\$9,000
Memberships and subscriptions earned	(\$67,000)
Investment losses	(\$39,000)
Annual meeting income, net of expenses	\$22,000
Salaries and benefits	\$23,000
Postage and travel	\$13,000
Other expenses	\$18,000
Endowment spending release	(\$14,000)
Institutional memberships	(\$8,000)
Bad debts	(\$26,000)
All other items, net	\$9,000
Net Impact	(\$96,000)

There are additional details in the budget vs. actual report and investment results are discussed in more detail below.

Memberships and subscription revenue (on a cash receipts basis) decreased about 8% from \$344,000 last year to \$318,000 this year. We were able to give away approximately \$24,000 in fellowship grants during the year (Platt and Heritage only), a decrease of \$27,000 from \$51,000 given away last year.

From a cash flow standpoint, we ended the year with \$97,000 in the general fund as compared to \$120,000 at June 30, 2008; however, some of these funds represent next year's 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 \$1,065,000 as compared to \$1,350,000 at June 30, 2008.

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

As you are aware, fiscal year 2009 was a very difficult and volatile year in the investment marketplace. Fortunately, the equities markets began a strong rally in March and we ended up significantly better than our position at the end of February. We had net losses from investments of approximately \$71,000 on both our fellowship accounts and endowment accounts, respectively. The losses are approximately 18% 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 26%. Reports in the Wall Street Journal indicate that our results were in line with averages of university endowments which were down about 18%. Two of our endowments, the General Endowment and the Harris Endowment, ended the year with market values below their corpus in the amounts of \$13,927 and \$18,583, respectively.

#### Fiscal Year Ended June 30, 2010

It is apparent that some of the revenue challenges from last year will carry over into the current fiscal year. In particular, although we appear to have stabilized memberships and subscriptions, we are likely to be significantly below the FY2010 budget. We can make up for some of this by managing expenses and we are exploring potentially significant savings in journal production costs. We will also be able to distribute some funds from the endowment to help with operations this year as the General Endowment exceeds corpus by \$28,000 at the end of October. In order to meet our budget, it is going to be critical that we meet our budgeted revenue for the Annual Fund of \$75,000 and for designated contributions to the NEH archives project of \$30,000.

#### Fiscal Year Ended June 30, 2010 Investment Results

For the four months ended October, 2010, we have earned investment income of approximately \$32,000 on our fellowship accounts and approximately \$34,000 on our endowment accounts, representing gains of approximately 10% on the beginning balances and somewhat below the returns of the S&P 500 of approximately 13%. With the gains to date, we have recovered \$13,927 and \$8,714, respectively, of the amounts that the General Endowment and Harris Endowment were below corpus at year-end.

#### Spending Policy for Endowments

Massachusetts enacted a new statute effective June 30, 2009 which allows for more flexibility in spending from endowments, particularly when they are below corpus. Because of the law change and in order to provide for more consistency in our spending from endowments, I am proposing new spending policies for adoption by the Board. For the General and Platt Endowments, we would distribute 3 ½% and 6%, respectively on an

annual basis, with quarterly distributions using the last 12 quarters' market value for each fund. Distributions would be reduced by one-half if the market value of the endowment fell below the corpus by more than 25%. For the Harris Endowment, we would distribute 5% annually, but would not allow for distributions when the market value is below the corpus, as is currently the case. This is based on a conservative interpretation of the terms of the endowment agreement. These policies have been reviewed by our legal counsel with Arnold & Porter, and I believe they now conform with industry best practices for endowments.

#### REPORTS ATTACHED

Fiscal year 2009 Audit  
ASOR June 30, 2009 Budget to Actual  
Memberships and Subscriptions Cash Flow  
ASOR Expenses FY10 (Cash Basis)  
ASOR Net Investment Return FY09  
ASOR Net Investment Return FY10 (through Oct.)  
Endowment Spending Resolutions

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

Sheldon Fox

ASOR Budget vs. Actual  
June 30, 2009

**ITEMS EXCLUDING IN AND OUT ITEMS (BUDGETS FOR INCOME AND EXPENSE THE SAME)**

Income:	FY09 Budget	Unrestricted		Comments
		Actual (1)	Variance Fav (Unfav)	
Annual Fund	\$ 100,000.00	\$ 64,236.00	\$ (35,764.00)	(2)
Royalties and advertising	\$ 24,000.00	\$ 32,653.00	\$ 8,653.00	
Subscriptions and memberships above escrow account	\$ 213,000.00	\$ 146,495.00	\$ (66,505.00)	(3)
Institutional memberships	\$ 98,000.00	\$ 90,000.00	\$ (8,000.00)	(4)
Spending rate release	\$ 14,000.00	\$ -	\$ (14,000.00)	(5)
Annual Meeting	\$ 75,000.00	\$ 107,269.00	\$ 32,269.00	(6)
Interest and other Investment Gains (Losses)	\$ 10,000.00	\$ (28,589.00)	\$ (38,589.00)	(7)
Administrative Recovery Fees from Grants	\$ -	\$ 360.00	\$ 360.00	
<b>Total Income</b>	<b>\$ 534,000.00</b>	<b>\$ 412,424.00</b>	<b>\$ (121,576.00)</b>	

**Expenses:**

**Administrative Expenses**

Salaries and Benefits	\$ 349,000.00	\$ 325,937.00	\$ 23,063.00	(8)
G & A:				
Telephone	\$ 4,500.00	\$ 4,451.00	\$ 49.00	(9)
Postage	\$ 16,000.00	\$ 9,519.00	\$ 6,481.00	(9)
Postage machine	\$ 1,600.00	\$ 1,512.00	\$ 88.00	(9)
Copier Lease	\$ 3,300.00	\$ 3,346.00	\$ (46.00)	(9)
Insurance	\$ 5,000.00	\$ 5,224.00	\$ (224.00)	(9)
Utilities	\$ 3,600.00	\$ 2,076.00	\$ 1,524.00	(9)
Bank Charges	\$ 5,500.00	\$ 4,284.00	\$ 1,216.00	(9)
Equip. & Supplies	\$ 10,000.00	\$ 6,474.00	\$ 3,526.00	(9)
Audit	\$ 18,500.00	\$ 18,428.00	\$ 72.00	(9)
iMIS Support	\$ 5,000.00	\$ 2,250.00	\$ 2,750.00	(9)
Jibrin	\$ 1,839.96	\$ 761.00	\$ 1,078.96	(9)
Consulting	\$ 1,000.00	\$ 2,914.00	\$ (1,914.00)	(9)
Website	\$ 8,000.00	\$ -	\$ 8,000.00	(9)
Travel	\$ 16,000.00	\$ 9,469.00	\$ 6,531.00	(9)
Dues etc.	\$ 4,000.00	\$ 5,476.00	\$ (1,476.00)	(9)
Annual Meeting				
Annual Meeting expenses	\$ 66,000.00	\$ 76,620.00	\$ (10,620.00)	(6)
Designated and other				
Meetings	\$ 6,500.00	\$ 1,618.00	\$ 4,882.00	(9)
Miscellaneous	\$ -	\$ 950.00	\$ (950.00)	(9)
Qarqur expenses	\$ 4,250.00	\$ 4,404.00	\$ (154.00)	(9)
Depreciation	\$ -	\$ 2,599.00	\$ (2,599.00)	(10)
Bad Debts	\$ -	\$ 25,676.00	\$ (25,676.00)	(10), (11)
Chair Support	\$ 3,000.00	\$ 3,126.00	\$ (126.00)	(9)
<b>Total Expenses</b>	<b>\$ 532,589.96</b>	<b>\$ 517,114.00</b>	<b>\$ 15,475.96</b>	

**Net Income (Loss) \$ 1,410.04 \$ (104,690.00) \$ (106,100.04)**

**IN AND OUT ITEMS THAT IMPACTED UNRESTRICTED RESULTS FAVORABLE (UNFAVORABLE)**

Heritage grants	\$ 226.00	\$ 226.00	
Harris grants	\$ -	\$ -	
Books	\$ 6,360.00	\$ 6,360.00	(12)
Pottery volume	\$ -	\$ -	
JCS expenses	\$ -	\$ -	
Net change in board designated net assets	\$ -	\$ -	
Other	\$ 3,501.00	\$ 3,501.00	(12)

**Adjusted Net Income (Loss) \$ 1,410.04 \$ (94,603.00) \$ (96,013.04)**

- (1) Our budget attempts to focus only on unrestricted net income items, with the in and out items used to account for temporarily restricted, permanently restricted and board designated items
- (2) Significant decline in annual fund giving this year, from \$122,000 actual in FY2008
- (3) On a cash receipts basis, memberships and subscriptions declined \$26,000 vs. FY2008, which had declined \$22,000 vs. FY2007
- (4) Budgeted for an increase of 4 while actual was a decrease of 4
- (5) No distribution was made from the endowment to support operations due to the decline in market value of the endowment below corpus
- (6) Annual meeting revenues, net of expenses of \$31,000 (before allocation of staff time and indirect costs) exceeded the budgeted amount by \$22,000
- (7) The unrestricted investment loss consists of interest income of \$4,000, which was lower than FY2008 due to declining balances and interest rates, offset by losses of \$32,000 due to the decline in market values of the General Endowment and Harris Endowment below corpus
- (8) Salaries were managed carefully throughout the year as the investment losses and revenue challenges were apparent early in the fiscal year
- (9) All other expenses were favorable by \$31,000 primarily for the same reason described above in (8)
- (10) These expenses have not historically been budgeted as they are non-cash
- (11) Bad debts increased from \$5,000 in FY2008 to \$26,000 in FY2009 on only a small increase in accounts receivable as actual writeoffs of \$40,000 exceeded our ending reserve of \$14,000 - this implies with the benefit of hindsight that we recognized too much membership and subscription income in FY2008
- (12) These items are caused by the difficulty in budgeting for board designated and temporarily restricted items, particularly books





Account Name & Bank	30-Jun-06	30-Jun-07	30-Jun-08	30-Jun-09	Net Change	Contributions	Distributions	FY08 to date Investment Return	FY 09 to date % Return
<b>ASOR Fellowships:</b>				\$2,751.60 added to 6/30/08 balance					
1) Harris Fell. - Sequoia Fund	(8105,702.00 FY08 end) \$ 107,880.50	(8107,176.00 FY07 end) \$ 116,616.72	(8107,176.00 FY08 end) \$ 45,699.42	\$ 36,391.98	\$ (9,306.44)	\$ -	\$ 1,460.46	\$ (7,845.98)	-17.2%
Harris Fell. - Charles Schwab			\$ 58,745.98	\$ 52,201.17	\$ (6,544.81)	\$ 4,192.06		\$ (10,736.87)	-18.3%
<b>Total Harris Fellowship</b>			\$ 104,444.40	\$ 88,593.15	\$ (15,851.25)	\$ 4,192.06	\$ 1,460.46	\$ (18,582.85)	-17.8%
2) Platt Fellowship - Sequoia Fund			\$ 243,337.69	\$ 266,196.65	\$ 105,632.42	\$ -	\$ 3,375.89	\$ (18,136.06)	-17.2%
Platt Fell. - Charles Schwab			\$ 133,017.18	\$ 106,225.20	\$ (26,791.98)	\$ 3,375.89	\$ 6,700.00	\$ (23,467.87)	-17.6%
<b>Total Platt Fellowship</b>			\$ 238,649.60	\$ 190,345.67	\$ (48,303.93)	\$ 3,375.89	\$ 10,075.89	\$ (41,603.93)	-17.4%
3) Wright/Meyers Fund - Charles Schwab			\$ 34,391.75	\$ 41,426.98	\$ 32,783.91	\$ 2,000.00		\$ (10,855.12)	-26.1%
<b>Total ASOR Fellowships</b>	\$ 385,609.94	\$ 424,240.35	\$ 384,735.03	\$ 311,722.73	\$ (73,010.30)	\$ 9,567.95	\$ 11,536.35	\$ (71,041.90)	-18.5%
<b>ASOR Endowment:</b>									
1) Endowment (ASOR) - Charles Schwab	\$ 210,866.85	\$ 240,440.03	\$ 285,062.97	\$ 236,826.72	\$ (48,237.25)	\$ 4,639.03		\$ (52,876.28)	-18.5%
Endowment - Sequoia Fund	\$ 118,222.79	\$ 134,602.43	\$ 105,708.66	\$ 84,181.98	\$ (21,527.68)	\$ -	\$ 3,379.35	\$ (18,148.33)	-17.2%
<b>Total ASOR Endowment</b>	\$ 329,089.64	\$ 375,042.46	\$ 390,772.63	\$ 321,007.70	\$ (69,764.93)	\$ 4,639.03	\$ 3,379.35	\$ (71,024.61)	-18.2%
<b>Publications OF - Vanguard Fund (Books)</b>	\$ 86,851.80	\$ 105,408.63	\$ 101,001.03	\$ 83,444.31	\$ (17,556.72)	\$ 9,360.46	\$ 7,246.18	\$ (19,671.00)	-19.5%
<b>INVESTMENTS SUBTOTAL</b>	\$ 801,551.38	\$ 904,691.44	\$ 876,506.69	\$ 716,174.74	\$ (160,331.95)	\$ 23,567.44	\$ 22,161.88	\$ (161,737.51)	-18.5%
1) Temp. Restricted - Charles Schwab	\$ 117,910.89	\$ 91,639.16	\$ 123,812.99	\$ 91,871.18	\$ (31,941.81)			\$ 1,120.61	
2) ASOR General Fund- Charles Schwab	\$ 40,933.34	\$ 61,951.12	\$ 144,794.25	\$ 120,979.05	\$ (23,815.20)			\$ 663.32	
3) Journals Escrow Account - Charles Schwab	\$ 131,151.77	\$ 218,206.27	\$ 150,414.25	\$ 61,021.96	\$ (89,392.29)			\$ 1,067.27	
Citizens Bank	\$ 843.00	\$ 1,415.00	\$ 914.55	\$ 1,443.80	\$ 529.25				
<b>GRAND TOTAL</b>	\$ 1,092,390.38	\$ 1,277,902.99	\$ 1,296,442.73	\$ 991,490.73	\$ (304,952.00)	\$ 23,567.44	\$ 22,161.88	\$ (158,886.31)	
DSP - Calvert Account	\$ 45,204.00	\$ 45,754.73	\$ 42,449.05	\$ 43,314.64	\$ 865.59				
DSP - Citizens Account	\$ 8,019.00	\$ 3,999.00	\$ 6,346.17	\$ 4,815.01	\$ (1,531.16)				
HESI - Huntington Bank	\$ 36,092.00	\$ 36,616.00	\$ 34,944.17	\$ 32,744.51	\$ (2,199.66)				
<b>Total Sponsored projects</b>	\$ 89,315.00	\$ 86,369.73	\$ 83,739.39	\$ 80,874.16	\$ (2,865.23)				
Nies Fund - Citigroup	\$ 445,045.00	\$ 521,419.48	\$ 438,218.42	\$ 323,669.30	\$ (114,549.12)				

ASOR Investment Report  
October 31, 2009

Account Name & Bank	Info.	30-Jun-06	30-Jun-07	30-Jun-08	30-Jun-09	30-Oct-09	Net Change	Contributions	Distributions	FY10 to date Investment Return	FY 10 to date % Return
		(\$105,702.09 FY06 end)	(\$107,176.00 FY07 end)	(\$107,176.00 FY08 end)	\$2,731.60 added to 6/30/08 balance						
<b>ASOR Fellowships:</b>											
1) Harris Fell. - Sequoia Fund	373,903 shares	\$ 107,880.50	\$ 116,616.72	\$ 45,698.42	\$ 36,391.98	\$ 39,908.67	\$ 3,514.69	\$ -	\$ -	\$ 3,514.69	9.7%
Harris Fell. - Charles Schwab	capital gain			\$ 58,745.98	\$ 52,201.17	\$ 57,400.38	\$ 5,199.21			\$ 5,199.21	10.0%
Total Harris Fellowship				\$ 104,444.40	\$ 88,593.15	\$ 97,307.05	\$ 8,713.90	\$ -	\$ -	\$ 8,713.90	9.8%
2) Platt Fellowship - Sequoia Fund	864,281 shares	\$ 243,337.69	\$ 266,196.65	\$ 105,632.42	\$ 84,120.47	\$ 92,244.71	\$ 8,124.24	\$ -	\$ -	\$ 8,124.24	9.7%
Platt Fell. - Charles Schwab	Capital gain			\$ 133,017.18	\$ 106,225.20	\$ 117,088.91	\$ 10,863.71			\$ 10,863.71	10.2%
Total Platt Fellowship				\$ 238,649.60	\$ 190,345.67	\$ 209,333.62	\$ 18,987.95	\$ -	\$ -	\$ 18,987.95	10.0%
3) Wright/Meyers Fund - Charles Schwab		\$ 34,391.75	\$ 41,426.98	\$ 41,639.03	\$ 32,783.91	\$ 37,032.50	\$ 4,248.59	\$ -	\$ -	\$ 4,248.59	13.0%
Total ASOR Fellowships		\$ 385,609.94	\$ 424,240.35	\$ 384,733.03	\$ 311,722.73	\$ 343,673.17	\$ 31,950.44	\$ -	\$ -	\$ 31,950.44	10.2%
<b>ASOR Endowment:</b>											
1) Endowment (ASOR) - Charles Schwab	864,913 shares	\$ 210,866.85	\$ 240,440.03	\$ 285,062.97	\$ 236,825.72	\$ 263,122.62	\$ 26,296.90			\$ 26,296.90	11.4%
Endowment - Sequoia Fund		\$ 118,222.79	\$ 134,602.43	\$ 105,709.66	\$ 84,181.98	\$ 92,312.16	\$ 8,130.18			\$ 8,130.18	9.7%
Total ASOR Endowment		\$ 329,089.64	\$ 375,042.46	\$ 390,772.63	\$ 321,007.70	\$ 355,434.78	\$ 34,427.08	\$ -	\$ -	\$ 34,427.08	10.7%
Publications OF - Vanguard Fund (Books)		\$ 86,851.80	\$ 105,408.63	\$ 101,001.03	\$ 83,444.31	\$ 89,901.78	\$ 6,457.47	\$ 6,573.26	\$ 8,062.86	\$ 7,947.07	9.5%
<b>INVESTMENTS SUBTOTAL</b>		\$ 801,551.38	\$ 904,691.44	\$ 876,506.69	\$ 716,174.74	\$ 789,009.73	\$ 72,834.99	\$ 6,573.26	\$ 8,062.86	\$ 74,324.59	10.4%
1) Temp. Restricted - Charles Schwab	Citizens savings	\$ 117,910.89	\$ 91,639.16	\$ 123,812.99	\$ 91,871.18	\$ 7,702.49	\$ 27,971.24			\$ 6.52	
						\$ 112,139.93				\$ 332.14	
2) ASOR General Fund- Charles Schwab	Citizens savings	\$ 40,933.34	\$ 61,951.12	\$ 144,794.25	\$ 120,979.05	\$ 53,047.95	\$ (64,826.55)			\$ 7.52	
						\$ 3,104.55				\$ 104.55	
3) Journals Escrow Account - Charles Schwab	Citizens savings	\$ 131,151.77	\$ 218,206.27	\$ 150,414.25	\$ 61,021.96	\$ 62.13	\$ (29.41)			\$ 4.50	
						\$ 60,930.42				\$ 369.94	
Citizens Bank		\$ 843.00	\$ 1,415.00	\$ 914.55	\$ 1,443.80	\$ 1,502.26	\$ 58.46				
<b>GRAND TOTAL</b>		\$ 1,092,390.38	\$ 1,277,902.99	\$ 1,296,442.73	\$ 991,490.73	\$ 1,027,499.46	\$ 36,008.73	\$ 6,573.26	\$ 8,062.86	\$ 74,343.13	
DSP - Calvert Account		\$ 45,204.00	\$ 45,754.73	\$ 42,449.05	\$ 43,383.17	\$ 43,401.92	\$ 18.75				
DSP - Citizens Account		\$ 8,019.00	\$ 3,999.00	\$ 6,346.17	\$ 4,815.01	\$ 4,888.45	\$ 73.44				
HESI - Huntington Bank		\$ 36,092.00	\$ 36,616.00	\$ 34,944.17	\$ 32,749.98	\$ 32,752.76	\$ 2.78				
Total Sponsored projects		\$ 89,315.00	\$ 86,369.73	\$ 83,739.39	\$ 80,948.16	\$ 81,043.13	\$ 94.97				
Nies Fund - Citigroup		\$ 445,045.00	\$ 521,419.48	\$ 438,218.42	\$ 323,669.30	\$ 368,383.34	\$ 44,714.04				



## **AMERICAN SCHOOLS FOR ORIENTAL RESEARCH**

### **Resolutions before the Board of Trustees for Approval**

**November 22, 2009**

**WHEREAS**, the Board of Trustees has in the past approved spending from ASOR's endowment funds on an annual basis in the context of approving the annual budget;

**WHEREAS**, Massachusetts has adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective as of June 30, 2009;

**WHEREAS**, UPMIFA provides greater flexibility to non-profit organizations in managing and expending from their endowment funds;

**WHEREAS**, UPMIFA specifically permits non-profit organizations to spend from an endowment fund even when the fund has fallen below its historic dollar value, unless such spending would violate the clear terms of the gift instrument creating the endowment fund;

**WHEREAS**, the Board of Trustees desires to adopt spending policies for its endowment funds that can be applied consistently over time regardless of short-term fluctuations in the market value of the funds; and

**WHEREAS**, the Board of Trustees, in adopting the spending policies below, intends that the spending rates will allow for long-term growth in the corpus of each of its endowments, while also providing funds for ASOR to expend on a current basis to fulfill its mission;

**NOW, THEREFORE**, be it resolved as follows:

**RESOLVED**, that the Board of Trustees hereby adopts the following spending policies, effective as of the beginning of its fiscal year which began on July 1, 2009:

**a) General Endowment**

The General Endowment fund shall annually distribute an amount equal to three and one-half percent of the fund's average value as calculated in this paragraph. The distributions shall be made quarterly in an amount equal to .875 percent of the calculated distribution value. The distribution value is the average of the fair market value of the fund as of the close of each of the preceding 12 calendar quarters. The fund's market value shall be based upon all assets in the fund including principal and retained income, adjusted for all gains and losses, whether realized or unrealized, and determined as of the last business day of the quarter. The distributions shall be made promptly following the close of each quarter. In the event that the fund's market value as of the close of the most recent calendar quarter is less than 75% of the fund's historic dollar value, then the distribution calculated above shall be only one-half of the calculated distribution.

**b) Platt Endowment**

The Platt Endowment fund shall annually distribute an amount equal to six percent of the fund's average value as calculated in this paragraph. The distributions shall be made quarterly in an amount equal to one and one-half percent of the calculated distribution value. The distribution value is the average of the fair market value of the fund as of the close of each of the preceding 12 calendar quarters. The fund's market value shall be based upon all assets in the fund including principal and retained income, adjusted for all gains and losses, whether realized or unrealized, and determined as of the last business day of the quarter. The distributions shall be made promptly following the close of each quarter. In the event that the fund's market value as of the close of the most recent calendar quarter is less than 75% of the fund's historic dollar value, then the distribution calculated above shall be only one-half of the calculated distribution.

**c) Harris Endowment**

Without making a conclusive determination regarding the interpretation of the terms and conditions of the Harris Endowment, and until such time as the Board of Trustees finds otherwise, the Board of Trustees will interpret the Harris Endowment to preclude distributions when the fund's market value is below its historic dollar value and also require 10% of the annual income to be added to the principal amount of the fund. Accordingly, the endowment fund shall annually distribute an amount equal to five percent of the fund's average value as calculated in this paragraph, provided such distribution will be reduced to the extent the distribution causes the fund's market value to fall below its historic dollar value. The distributions shall be made quarterly in an amount equal to one and one-quarter percent of the calculated distribution value. The distribution value is the average of the fair market value of the fund as of the close of each of the preceding 12 calendar quarters. The fund's market value shall be based upon all assets in the fund including principal and retained income, adjusted for all gains and losses, whether realized or unrealized, and determined as of the last business day of the quarter. The distributions shall be made promptly following the close of each quarter.

**ASOR  
Proposed Endowment Spending Policy**

**Trailing 12 Quarters Avg. Balance**

**6/30/2009**

	<b><u>Endowment</u></b>	<b><u>Platt</u></b>	<b><u>Harris</u></b>
6/30/2009	321,008	190,346	88,593
3/31/2009	286,709	176,019	79,931
12/31/2008	312,803	192,355	87,406
9/30/2008	371,895	230,518	101,352
6/30/2008	390,773	238,650	104,444
3/31/2008	370,668	264,479	115,712
12/31/2007	392,296	238,367	104,287
9/30/2007	395,938	272,361	119,159
6/30/2007	375,042	266,197	116,617
3/31/2007	359,329	264,221	111,257
12/31/2006	356,586	262,640	116,438
9/30/2006	327,026	253,911	112,604
<b>AVERAGE</b>	<b>355,006</b>	<b>237,505</b>	<b>104,817</b>
Spending Policy at	<b>3.5%</b>	<b>6.0%</b>	<b>5.0%</b>
Annual Distribution	<b>12,425</b>	<b>14,250</b>	<b>5,241</b>
Quarterly Distribution	<b>3,106</b>	<b>3,563</b>	<b>1,310</b>

No distribution as  
market value is  
still below corpus