

American Schools of Oriental Research
Finance Committee Report
September 19, 2010

COMMENTS

Fiscal Year Ended June 30, 2010

Fiscal year 2010 ended as a very good year financially, beating our forecast from the spring and helping us recover a good portion of fiscal year 2009's shortfall. While our year-end audit is not yet complete, it appears that our operating revenue for the fiscal year exceeded our operating expenses by approximately \$58,000. \$34,000 of this amount represents true operating benefit, while \$24,000 represents a recovery of the loss recorded last year for the decline in market values below the corpus of the Endowment and the Harris Fund.

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

<u>Budget Item</u>	<u>\$ Impact Favorable (Unfavorable)</u>
Annual fund and archives contributions	(\$10,000)
Annual meeting, before allocation of staff time	\$1,000
Memberships and subscriptions earned	(\$50,000)
Investment income	\$23,000
Institutional memberships	(\$4,000)
Endowment spending release	\$13,000
NEH grant	\$20,000
Journal production costs	\$11,000
Salaries and benefits	\$21,000
Travel	\$8,000
All other, net	\$25,000
Net Impact	\$58,000

There are additional details in the budget vs. actual report.

Memberships and subscription revenue (on a cash receipts basis) increased about 13% from \$318,000 last year to \$360,000 this year. This follows two years of declining revenues. We were able to give away approximately \$21,000 in fellowship grants during the year (Platt and Heritage only), a decrease from \$24,000 in the prior year. The decline primarily relates to the late timing of receipt of Heritage gifts which will carry forward into FY2011. Congratulations to Andy, the ASOR staff and the Board for operating the organization in a fiscally responsible manner again this year.

As it relates to the year-end audit, our auditors have completed their field work in Boston and will have audited financial statements completed well in advance of the Trustee meeting in November. The audit adjustments to date have been reflected in the budget vs. actual report.

From a cash flow standpoint, we ended the year with \$195,000 in the general fund as compared to \$97,000 at June 30, 2009; 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 \$1,215,000 as compared to \$1,065,000 at June 30, 2009.

Fiscal Year Ended June 30, 2010 Investment Results

Fiscal year 2010 was a good year in the investment marketplace. We had net gains from investments of approximately \$43,000 on our fellowship accounts and \$44,000 on our endowment accounts. The gains are approximately 14% on the beginning balances, in line with the S&P 500, which also gained 14%. As noted above, we did recover approximately \$24,000 of the total \$32,000 that the Endowment and Harris Fund were below their corpus amounts at June 30, 2009. The remaining \$8,000 to be recovered relates entirely to the Harris Fund.

Fiscal Year Ended June 30, 2011

It is a little early in the current fiscal year to see any significant issues that would cause a problem with our fiscal year 2011 budget which calls for operating revenues equal to operating expenses. Memberships and subscriptions earned will require close monitoring as we have budgeted for an increase in revenue of \$25,000 over the fiscal year 2010 final figure.

Fiscal Year Ended June 30, 2011 Investment Results

For the two months ended August, 2010, we have earned approximately \$5,000 in investment returns on our fellowship accounts and approximately \$6,000 in investment returns on our endowment accounts, representing increases of 2% on the beginning balances. For comparative purposes, the S&P 500 was up about 2% for the two month period.

REPORTS ATTACHED

ASOR June 30, 2010 Budget to Actual (Preliminary, subject to completion of audit)
Memberships and Subscriptions Cash Flow
ASOR Net Investment Return FY10
ASOR Net Investment Return FY11 (through Aug.)

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

Sheldon Fox

ASOR Budget vs. Actual
June 30, 2010
(Preliminary, subject to completion of the Audit)

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

Income:	FY10 Budget	Unrestricted		Variance Fav (Unfav)	Comments
		Actual (1)			
Annual Fund + Archives Fundraising	\$ 105,000.00	\$ 94,690.00	\$	(10,310.00)	(2)
Royalties and advertising	\$ 31,000.00	\$ 33,117.00	\$	2,117.00	
Subscriptions and memberships	\$ 381,000.00	\$ 330,702.00	\$	(50,298.00)	(3)
Institutional memberships	\$ 92,000.00	\$ 88,000.00	\$	(4,000.00)	(4)
Spending rate release	\$ -	\$ 12,551.00	\$	12,551.00	(5)
Annual Meeting	\$ 110,000.00	\$ 87,722.00	\$	(22,278.00)	(6)
NEH Grant	\$ 143,762.00	\$ 108,960.00	\$	(34,802.00)	(7)
Interest and other Investment Gains (Losses)	\$ 3,000.00	\$ 25,669.00	\$	22,669.00	(8)
Administrative Recovery Fees and Misc. Income	\$ -	\$ 1,707.00	\$	1,707.00	
Total Income	\$ 865,762.00	\$ 783,118.00	\$	(82,644.00)	

Expenses:

Administrative Expenses

Annual Meeting expenses	\$ 83,000.00	\$ 59,566.00	\$	23,434.00	(6)
NEH Grant expenses	\$ 199,553.00	\$ 144,821.00	\$	54,732.00	(7)
Journals	\$ 176,000.00	\$ 165,139.00	\$	10,861.00	(9)
Salaries and Benefits	\$ 300,746.00	\$ 279,766.00	\$	20,980.00	(10)
Other Expenses					
Telephone	\$ 4,000.00	\$ 4,369.00	\$	(369.00)	(11)
Postage	\$ 13,500.00	\$ 11,449.00	\$	2,051.00	(11)
Postage machine	\$ 1,600.00	\$ 1,224.00	\$	376.00	(11)
Copier Lease	\$ 1,073.60	\$ (774.00)	\$	1,847.60	(11)
Insurance	\$ 5,000.00	\$ 5,768.00	\$	(768.00)	(11)
Utilities	\$ 3,000.00	\$ 1,878.00	\$	1,122.00	(11)
Bank Charges	\$ 5,000.00	\$ 10,762.00	\$	(5,762.00)	(11)
Equip. & Supplies	\$ 12,500.00	\$ 12,915.00	\$	(415.00)	(11)
Audit	\$ 18,425.00	\$ 18,225.00	\$	200.00	(11)
iMIS/Avecetra Support	\$ 6,000.00	\$ 5,625.00	\$	375.00	(11)
Jibrin	\$ 1,260.00	\$ 699.00	\$	561.00	(11)
Consulting	\$ 1,000.00	\$ -	\$	1,000.00	(11)
Website	\$ 5,000.00	\$ -	\$	5,000.00	(11)
Travel	\$ 16,500.00	\$ 8,334.00	\$	8,166.00	(11)
Office and staff events	\$ 750.00	\$ -	\$	750.00	(11)
Dues and misc.	\$ 3,100.00	\$ 4,208.00	\$	(1,108.00)	(11)
Meetings	\$ 6,500.00	\$ 1,326.00	\$	5,174.00	(11)
Depreciation	\$ -	\$ -	\$	-	(12)
Bad Debts	\$ -	\$ -	\$	-	(12)
Chair Support	\$ 2,000.00	\$ 143.00	\$	1,857.00	(11)
Total Expenses	\$ 865,507.60	\$ 735,443.00	\$	130,064.60	

Net Income (Loss) \$ 254.40 \$ 47,675.00 \$ 47,420.60

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

Books	\$	10,496.00	\$	10,496.00	(13)
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Adjusted Net Income (Loss) \$ 254.40 \$ 58,171.00 \$ 57,916.60

- (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) Although about 10% below budget, total giving increased by almost 50% compared to \$64,000 total in FY2009
- (3) On a cash receipts basis, memberships and subscriptions increased \$42,000 vs. FY2009; however, deferred income increased by \$35,000, so the majority of the benefit of the increase will not occur until FY2011
- (4) Budgeted for an increase of 2 while actual was a decrease of 2
- (5) No distribution was budgeted from the endowment; however, the new spending release policy allowed for quarterly distributions
- (6) Annual meeting revenues, net of expenses of \$28,000 (before allocation of staff time and indirect costs) exceeded the budgeted amount by \$1,000
- (7) NEH Grant Expenses, net of the reimbursement from NEH were budgeted for \$56,000. Through carefully controlling the expenses, the actual expenses, net of the reimbursement were only \$36,000, a savings of \$20,000. Note that the actual expenses included \$112,000 of staff salaries and benefits, of which \$86,000 was reimbursed by NEH, including 100% of the archivist's salary and benefits
- (8) This figure includes \$2,000 of investment income, which declined from the prior year due to lower balances and rates plus a recovery of \$24,000 of the \$32,000 amount the General Endowment and Harris Endowment declined below the corpus in the prior year
- (9) Journal production costs were reduced significantly by obtaining proposals for printing and other costs - this benefit was offset in part from the startup costs of providing online journals through Atypon
- (10) Salaries were managed carefully throughout the year. Note that the budget and actual figures have been reduced by \$61,754, which is the amount of staff salaries and benefits other than the archivist that were charged to the NEH grant. Of this amount, \$35,906 was reimbursed by NEH
- (11) All other expenses were favorable by \$20,000 including a significant savings in travel vs. the budget
- (12) These expenses have not historically been budgeted as they are non-cash - note that there was no bad debt expense this year as writeoffs were reflected instead as a reduction of journal income
- (13) This variance is caused by the difficulty in budgeting for the impact of books on our operating budget - note that this variance has been favorable for each of the last 3 years since we refined our accounting for board designated assets related to books

ASOR Investment Report
June 30, 2010

Account Name & Bank	Info.	30-Jun-06	30-Jun-07	30-Jun-08	30-Jun-09	30-Jun-10	Net Change	Contributions	Distributions	FY10 to date Investment Return	FY10 to date % Return
ASOR Fellowships:											
		(\$195,202.00 FY06 end)	(\$107,176.00 FY07 end)	(\$197,176.00 FY08 end)	\$2,751.69 added to \$909,006 balance						
1) Harris Fell. - Sequoia Fund	373,903 shares	\$ 107,880.50	\$ 116,616.72	\$ 45,699.42	\$ 36,391.98	\$ 42,740.85	\$ 6,348.87	\$ -	\$ 15.63	\$ 6,364.50	17.5%
Harris Fell. - Charles Schwab	capital gain			\$ 59,745.98	\$ 52,201.17	\$ 57,541.57	\$ 5,340.40	\$ 15.63		\$ 5,324.77	10.2%
Total Harris Fellowship				\$ 104,444.40	\$ 88,593.15	\$ 100,282.42	\$ 11,689.27	\$ 15.63	\$ 15.63	\$ 11,689.27	13.2%
2) Platt Fellowship - Sequoia Fund	864,345 shares	\$ 243,337.69	\$ 266,196.65	\$ 105,632.42	\$ 84,120.47	\$ 98,803.30	\$ 14,682.83	\$ -	\$ 13.22	\$ 14,696.05	17.5%
Platt Fell. - Charles Schwab	Capital gain			\$ 133,017.18	\$ 106,225.20	\$ 106,514.53	\$ 289.33	\$ 13.22	\$ 12,000.00	\$ 12,276.11	11.6%
Total Platt Fellowship				\$ 238,649.60	\$ 190,345.67	\$ 205,317.83	\$ 14,972.16	\$ 13.22	\$ 12,013.22	\$ 26,972.16	14.2%
3) Wright/Meyers Fund - Charles Schwab		\$ 34,391.75	\$ 41,426.98	\$ 41,639.03	\$ 32,783.91	\$ 38,484.42	\$ 5,700.51	\$ 1,500.00		\$ 4,200.51	12.8%
Total ASOR Fellowships		\$ 385,609.94	\$ 424,240.35	\$ 384,733.03	\$ 311,722.73	\$ 344,084.67	\$ 32,361.94	\$ 1,528.85	\$ 12,028.85	\$ 42,861.94	13.8%
ASOR Endowment:											
1) Endowment (ASOR) - Charles Schwab		\$ 210,866.85	\$ 240,440.03	\$ 285,062.97	\$ 236,825.72	\$ 254,060.28	\$ 17,234.56	\$ 13.23	\$ 12,551.00	\$ 29,772.33	12.6%
Endowment - Sequoia Fund	864,977 shares	\$ 118,222.79	\$ 134,602.43	\$ 105,709.66	\$ 84,181.98	\$ 98,875.52	\$ 14,693.54	\$ -	\$ 13.23	\$ 14,706.77	17.5%
Total ASOR Endowment		\$ 329,089.64	\$ 375,042.46	\$ 390,772.63	\$ 321,007.70	\$ 352,935.80	\$ 31,928.10	\$ 13.23	\$ 12,564.23	\$ 44,479.10	13.9%
		(\$390,589 End. Bal. @ FY06)	(\$302,419 End. Bal. @ FY07)	(\$343,675 End. Bal. @ FY08)							
Publications OF - Vanguard Fund (Books)		\$ 86,851.80	\$ 105,408.63	\$ 101,001.03	\$ 83,444.31	\$ 90,821.98	\$ 7,377.67	\$ 6,823.26	\$ 8,062.86	\$ 8,617.27	10.3%
INVESTMENTS SUBTOTAL		\$ 801,551.38	\$ 904,691.44	\$ 876,506.69	\$ 716,174.74	\$ 787,842.45	\$ 71,667.71	\$ 8,365.34	\$ 32,655.94	\$ 95,958.31	13.4%
1) Temp. Restricted - Charles Schwab		\$ 117,910.89	\$ 91,639.16	\$ 123,812.99	\$ 91,871.18	\$ 10,762.49	\$ 9,376.62			\$ 6.52	
Citizens savings						\$ 90,485.31				\$ 577.06	
2) ASOR General Fund- Charles Schwab		\$ 40,933.34	\$ 61,951.12	\$ 144,794.25	\$ 120,979.05	\$ 145,828.93	\$ 73,693.41			\$ 7.52	
Citizens savings						\$ 48,843.53				\$ 181.64	
3) Journals Escrow Account - Charles Schwab		\$ 131,151.77	\$ 218,206.27	\$ 150,414.25	\$ 61,021.96	\$ 62.13	\$ (60,868.43)			\$ 4.50	
Citizens savings						\$ 91.40				\$ 642.73	
Citizens Bank		\$ 843.00	\$ 1,415.00	\$ 914.55	\$ 1,443.80	\$ 4,597.63	\$ 3,153.83				
GRAND TOTAL		\$ 1,092,390.38	\$ 1,277,902.99	\$ 1,296,442.73	\$ 991,490.73	\$ 1,088,513.86	\$ 97,023.13	\$ 8,365.34	\$ 32,655.94	\$ 95,976.85	
DSP - Calvert Account		\$ 45,204.00	\$ 45,754.73	\$ 42,449.05	\$ 43,383.17	\$ 43,403.86	\$ 20.69				
DSP - Citizens Account		\$ 8,019.00	\$ 3,999.00	\$ 6,346.17	\$ 4,815.01	\$ 4,930.71	\$ 115.70				
HESI - Huntington Bank		\$ 36,092.00	\$ 36,616.00	\$ 34,944.17	\$ 32,749.98	\$ 32,766.49	\$ 16.51				
Total Sponsored projects		\$ 89,315.00	\$ 86,369.73	\$ 83,739.39	\$ 80,948.16	\$ 81,101.06	\$ 152.90				
Nies Fund - Clligroup		\$ 445,045.00	\$ 521,419.48	\$ 438,218.42	\$ 323,689.30	\$ 392,229.86	\$ 68,560.56				

ASOR Investment Report
August 31, 2010

Account Name & Bank	Info.	30-Jun-06	30-Jun-07	30-Jun-08	30-Jun-09	30-Jun-10	30-Aug-10	Net Change	Contributions	Distributions	FY11 to date Investment Return	FY 11 to date % Return
ASOR Fellowships:												
1. Harris Fell - Sequoia Fund	373,003 shares capital gain	\$ 107,860.50	\$ 116,616.72	\$ 45,698.42	\$ 36,391.98	\$ 42,740.85	\$ 42,733.37	\$ (7.48)	\$ -	\$ -	\$ 1,430.18	0.0%
Harris Fell - Charles Schwab		\$ 58,745.98	\$ 57,541.57	\$ 52,201.17	\$ 52,201.17	\$ 57,541.57	\$ 56,971.75	\$ 1,430.18	\$ -	\$ -	\$ 1,430.18	2.5%
Total Harris Fellowship		\$ 104,444.40	\$ 88,593.15	\$ 100,282.42	\$ 100,282.42	\$ 100,282.42	\$ 101,705.12	\$ 1,422.70	\$ -	\$ -	\$ 1,422.70	1.4%
2. Platt Fellowship - Sequoia Fund	864,345 shares Capital gain	\$ 243,337.69	\$ 266,195.65	\$ 105,632.42	\$ 84,123.47	\$ 98,803.30	\$ 98,785.99	\$ (17.31)	\$ -	\$ -	\$ (17.31)	0.0%
Platt Fell. - Charles Schwab		\$ 133,017.18	\$ 106,225.20	\$ 105,514.53	\$ 106,225.20	\$ 108,514.53	\$ 109,460.14	\$ 2,945.61	\$ -	\$ -	\$ 2,945.61	2.8%
Total Platt Fellowship		\$ 238,649.60	\$ 190,945.67	\$ 205,317.83	\$ 205,317.83	\$ 205,317.83	\$ 206,246.13	\$ 2,928.30	\$ -	\$ -	\$ 2,928.30	1.4%
3. Wright/Meyers Fund - Charles Schwab		\$ 34,391.75	\$ 41,426.98	\$ 41,639.03	\$ 32,783.91	\$ 38,484.42	\$ 39,338.79	\$ 854.37	\$ -	\$ -	\$ 854.37	2.2%
Total ASOR Fellowships		\$ 385,009.94	\$ 424,240.35	\$ 384,773.03	\$ 311,722.73	\$ 344,084.67	\$ 349,290.04	\$ 5,205.37	\$ -	\$ -	\$ 5,205.37	1.5%
ASOR Endowment:												
1. Endowment (ASOR) - Charles Schwab	864,077 shares	\$ 210,866.85	\$ 240,440.03	\$ 285,062.97	\$ 236,825.72	\$ 254,060.28	\$ 260,371.21	\$ 6,310.93	\$ -	\$ -	\$ 6,310.93	2.5%
Endowment - Sequoia Fund		\$ 118,222.79	\$ 134,502.43	\$ 105,709.66	\$ 84,181.98	\$ 98,675.52	\$ 98,656.22	\$ (17.30)	\$ -	\$ -	\$ (17.30)	0.0%
Total ASOR Endowment		\$ 329,089.64	\$ 375,042.46	\$ 390,772.63	\$ 321,007.70	\$ 352,735.80	\$ 359,027.43	\$ 6,293.63	\$ -	\$ -	\$ 6,293.63	1.8%
Publications OF - Vanguard Fund (Books)		\$ 86,851.80	\$ 105,408.63	\$ 101,001.03	\$ 83,444.31	\$ 90,821.98	\$ 93,373.35	\$ 2,551.37	\$ -	\$ -	\$ 2,551.37	2.8%
INVESTMENTS SUBTOTAL												
1. Temp. Restricted - Charles Schwab		\$ 117,910.89	\$ 91,639.16	\$ 123,812.99	\$ 91,871.18	\$ 10,762.49	\$ 10,762.49	\$ 93,342.44	\$ -	\$ -	\$ 93,342.44	
Citizens savings		\$ 40,933.34	\$ 61,951.12	\$ 144,794.25	\$ 120,979.05	\$ 145,928.93	\$ 28,386.92	\$ 58,623.45	\$ -	\$ -	\$ 58,623.45	
2. ASOR General Fund - Charles Schwab		\$ 131,151.77	\$ 218,206.27	\$ 150,414.25	\$ 61,021.96	\$ 62.13	\$ 62.13	\$ 158.38	\$ -	\$ -	\$ 158.38	
Citizens savings		\$ 843.00	\$ 1,415.00	\$ 914.55	\$ 1,443.80	\$ 4,214.42	\$ 4,261.92	\$ 47.50	\$ -	\$ -	\$ 47.50	
GRAND TOTAL		\$ 1,092,390.38	\$ 1,277,902.99	\$ 1,296,442.73	\$ 991,490.73	\$ 1,088,130.65	\$ 1,114,932.56	\$ 166,222.14	\$ -	\$ -	\$ 14,050.37	1.8%
DSP - Calvert Account		\$ 45,204.00	\$ 45,754.73	\$ 42,449.05	\$ 43,383.17	\$ 43,404.97	\$ 43,404.87	\$ -	\$ -	\$ -	\$ -	
DSP - Citizens Account		\$ 5,019.00	\$ 3,899.00	\$ 6,346.17	\$ 4,815.01	\$ 4,930.71	\$ 4,930.71	\$ -	\$ -	\$ -	\$ -	
HESI - Huntington Bank		\$ 36,092.00	\$ 36,616.00	\$ 34,944.17	\$ 32,749.98	\$ 32,785.53	\$ 32,785.53	\$ -	\$ -	\$ -	\$ -	
Total Sponsored projects		\$ 86,315.00	\$ 86,269.73	\$ 85,739.39	\$ 80,948.16	\$ 81,121.21	\$ 81,121.21	\$ -	\$ -	\$ -	\$ -	
Nies Fund - Citigroup		\$ 445,045.00	\$ 521,419.48	\$ 438,218.42	\$ 323,669.30	\$ 348,699.23	\$ 348,699.23	\$ -	\$ -	\$ -	\$ -	

52,731.60 added to Goldman Sachs

(5,107,176.00) FV06 (cash)

(5,107,176.00) FV07 (cash)

(5,107,176.00) FV08 (cash)

(5,107,176.00) FV09 (cash)

(5,107,176.00) FV10 (cash)

(5,107,176.00) FV11 (cash)

(5,107,176.00) FV12 (cash)

(5,107,176.00) FV13 (cash)