

American Schools of Oriental Research  
Finance Committee Report  
April 21, 2011

Enclosed with this memo are the following reports:

- Memberships and subscriptions cash flow
- March 31, 2011 Investment report
- Budget to forecast comparison and explanations
- FY 2011-12 budget and explanations

Fiscal Year Ending June 30, 2011

From a financial standpoint, it appears that we are going to generate a profit for fiscal year 2011. Major variances from the budget are as follows:

	<u>\$ Amount Favorable (Unfavorable)</u>
Fundraising (annual fund and archives project)	\$12,000
Annual meeting revenues, net of expenses	\$5,000
NEH grant revenues, net of expenses	(\$5,000)
Salaries	\$24,000
Journal production costs	(\$13,000)
All other revenues and expenses	(\$3,000)
TOTAL	\$20,000

If we have a successful year-end fundraising push and meet the challenge goals that were established, we may have an even larger favorable variance, while at the same time adding \$20,000 to our Endowment.

Fiscal Year Ending June 30, 2011 Investment Results

For the fiscal year through the end of March, 2011, we generated net investment gains of \$83,000 and \$85,000 in our endowment accounts and fellowship accounts, respectively. The gains of 24%, on each trailed the 30% gain for the S&P 500 over the same period as we do have some investment allocations to fixed income and cash. The Harris Fellowship account has recovered the remaining \$8,000 of the amount that it fell below corpus in FY09. This recovery will be recorded as unrestricted income for this fiscal year and is in addition to the operating profit discussed above.

Fiscal Year Ending June 30, 2012

The proposed budget for FY 2011-12 is enclosed along with comparisons to FY 2009-10 Actual and FY 2010-11 Forecast, along with detailed explanations. The budget has been approved by the Finance Committee. We believe that the revenue projections in the

budget are reasonable and will allow us to continue to invest in ASOR's major programs. Note that the budget does not assume a renewal of the NEH grant. If we are successful in our application to renew the grant, it will have a favorable impact on our financial situation which is not reflected in this budget.

#### New 3 Year Engagement of Auditors

The Finance Committee approved the renewal of our engagement with Romeo, Wiggins & Company, L.L.P. as auditors for our fiscal years ended June 30, 2011, 2012 and 2013. The audit for the year ended June 30, 2010 completed their initial 3 year engagement. The committee felt that the quality of the work and the benefit of continuity are such that it was not necessary to seek competitive proposals for the next 3 years. The proposed fee, including expenses, for the year ended June 30, 2011 is 2.5% higher than the actual fee for the prior year.

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

Sheldon Fox





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<b>Income:</b>				
Annual Meeting:				
1	-Registration fees and other income	\$ 105,000.00	\$ 110,000.00	\$ 5,000.00
NEH Archives Project:				
2	-Salaries ASOR staff	\$ 37,500.00	\$ 35,904.00	\$ (1,596.00)
2	-Consultant and travel	\$ 7,075.00	\$ 8,293.00	\$ 1,218.00
2	-Supplies and services	\$ 285.00	\$ 17,788.00	\$ 17,503.00
2	-Interns, etc.	\$ -	\$ 11,667.00	\$ 11,667.00
2	-External funds raised	\$ 5,000.00	\$ 5,000.00	\$ -
Journals:				
3	-Subscriptions/memberships	\$ 355,000.00	\$ 355,000.00	\$ -
4	-Royalties and advertising	\$ 31,500.00	\$ 33,500.00	\$ 2,000.00
5	-JSTOR support from OF and gifts	\$ -	\$ 1,500.00	\$ 1,500.00
Undesignated Revenue:				
6	-Annual fund contributions	\$ 70,000.00	\$ 82,000.00	\$ 12,000.00
7	-Institutional memberships	\$ 91,000.00	\$ 88,000.00	\$ (3,000.00)
4	-Distribution from Endowment	\$ 12,000.00	\$ 12,659.00	\$ 659.00
4	-Interest income	\$ 2,000.00	\$ 1,100.00	\$ (900.00)
<b>Total Income (Select Items Only)</b>		<b>\$ 611,360.00</b>	<b>\$ 652,411.00</b>	<b>\$ 46,051.00</b>
<b>Expenses:</b>				
Annual Meeting:				
1	-Annual meeting expenses	\$ 65,000.00	\$ 65,000.00	\$ -
1	-Annual meeting grants: Lindstrom, Dorot and Kress	\$ 10,000.00	\$ 10,000.00	\$ -
1	-Travel scholarships	\$ 2,500.00	\$ 2,500.00	\$ -
1	-Jr. Scholars / Outreach	\$ 500.00	\$ 435.00	\$ 65.00
Archaeological and Policy Support:				
	-Regional meetings/Lecture series (CAMP)	\$ 3,000.00	\$ 3,000.00	\$ -
NEH Archives Project				
2	-Consultant and travel	\$ 14,150.00	\$ 13,143.00	\$ 1,007.00
2	-Supplies and services	\$ 570.00	\$ 19,119.00	\$ (18,549.00)
2	-Contract services	\$ 1,200.00	\$ 990.00	\$ 210.00
2	-Interns, etc.	\$ -	\$ 15,977.00	\$ (15,977.00)
Journals:				
12	-BASOR (4 issues per year)	\$ 66,500.00	\$ 66,000.00	\$ 500.00
8	-NEA (4 issues in 2010, 5 issues in 2011; 4 issues in 2012)	\$ 61,000.00	\$ 76,250.00	\$ (15,250.00)
9	-JCS (ASOR portion)	\$ 3,000.00	\$ -	\$ 3,000.00
12	-Newsletter	\$ 12,000.00	\$ 12,000.00	\$ -
12	-Atypn/JSTOR	\$ 5,000.00	\$ 6,250.00	\$ (1,250.00)
Allocable Expenses:				
10	-Salaries and benefits	\$ 387,406.40	\$ 363,000.00	\$ 24,406.40
11	-Other programs/strategic priorities	\$ -	\$ 5,500.00	\$ (5,500.00)
12	-All other	\$ 94,533.60	\$ 92,896.00	\$ 1,637.60
<b>Total Expenses (Select Items Only)</b>		<b>\$ 726,360.00</b>	<b>\$ 752,060.00</b>	<b>\$ (25,700.00)</b>
<b>Net Impact</b>				<b>\$ 20,351.00</b>
<b>Explanations</b>				
1	Annual meeting revenues, net of expenses (before allocation of staff and other costs) came in at \$42,000 vs. \$37,000 budget, up from \$28,000 last year			
2	Archives reimbursements, net of ASOR's portion of expenses came in at \$43,000, \$5,000 below the budget of \$48,000			
3	Subscriptions and memberships are in line with the budget, with a good increase in cash collections during the year, most of which will become revenue next year			
4	Royalties, Endowment Spending Release and Interest are all approximately in line with the budget			
5	Gifts designated for the upfront cost of the JSTOR Current Scholarship Program			
6	Annual fund contributions are expected to exceed budget by about \$12,000, after designating \$20,000 of contributions to the ASOR Endowment			
7	Budgeted for 91 institutional members, actual expected at only 87 (with an extra \$1,000 from one late membership for last year)			
8	NEA is over budget by \$15,000 due to 5 issues mailed during the FY vs. 4 issued budgeted (this is offset by additional revenue)			
9	JCS is underbudget by \$3,000 (plus an additional \$7,500 that is funded by the Nies Trust which does not appear in unrestricted expenses) due to the possibility that the annual journal will not be mailed by June 30			
10	Salary budget savings from careful management of the budget for staff salaries and grad student workers			
11	Funded CAP website project			
12	Other small expense savings totaling approximately \$2,000			

ASOR FY2011-12 Budget

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		FY10 Actual	FY11 Forecast	FY12 Budget
<b>Income:</b>				
<b>Annual Meeting:</b>				
13	-Registration fees and other income	\$ 87,722.00	\$ 110,000.00	\$ 118,000.00
1	-Annual meeting grants: Lindstrom, Dorot and Kress	\$ -	\$ 10,000.00	\$ 7,500.00
<b>TOTAL</b>		<b>\$ 87,722.00</b>	<b>\$ 120,000.00</b>	<b>\$ 125,500.00</b>
<b>Archaeological and Policy Support:</b>				
2	-Heritage designated donations	\$ -	\$ 24,000.00	\$ 18,000.00
3	-Distributions Platt Fellowship account	\$ -	\$ 15,000.00	\$ 13,000.00
4	-Distributions Harris Fellowship account	\$ -	\$ -	\$ 4,500.00
5	-Directors exchange funds	\$ -	\$ 4,000.00	\$ 1,500.00
6	-Nies Trust income	\$ -	\$ 8,010.00	\$ 14,761.00
<b>TOTAL</b>		<b>\$ -</b>	<b>\$ 51,010.00</b>	<b>\$ 51,761.00</b>
<b>NEH Archives Project</b>				
14	-Salaries ASOR staff	\$ 35,906.00	\$ 35,904.00	\$ 53,900.00
7	-Salaries Archivist, asst.	\$ 49,963.00	\$ 52,131.00	\$ -
14	-Consultant and travel	\$ 5,791.00	\$ 8,293.00	\$ 3,600.00
14	-Supplies and services	\$ 17,300.00	\$ 17,788.00	\$ 2,500.00
14	-Interns, etc.	\$ -	\$ 11,667.00	\$ -
14	-External funds raised	\$ 21,894.00	\$ 5,000.00	\$ 15,000.00
<b>TOTAL</b>		<b>\$ 130,854.00</b>	<b>\$ 130,783.00</b>	<b>\$ 75,000.00</b>
<b>Journals:</b>				
15	-Subscriptions/memberships	\$ 330,702.00	\$ 355,000.00	\$ 365,000.00
16	-Royalties and advertising	\$ 33,117.00	\$ 33,500.00	\$ 34,500.00
17	-JSTOR support from OF and gifts	\$ -	\$ 1,500.00	\$ 18,500.00
<b>TOTAL</b>		<b>\$ 363,819.00</b>	<b>\$ 390,000.00</b>	<b>\$ 418,000.00</b>
<b>Books:</b>				
8	-Funds from Opportunity Fund	\$ -	\$ 25,000.00	\$ 25,000.00
9	-Sales revenue designated for Opportunity Fund	\$ -	\$ 20,000.00	\$ 20,000.00
<b>TOTAL</b>		<b>\$ -</b>	<b>\$ 45,000.00</b>	<b>\$ 45,000.00</b>
<b>Undesignated Revenue:</b>				
18	-Annual fund contributions	\$ 72,796.00	\$ 82,000.00	\$ 85,000.00
19	-Institutional memberships	\$ 88,000.00	\$ 88,000.00	\$ 90,000.00
20	-Distribution from Endowment	\$ 12,551.00	\$ 12,659.00	\$ 13,000.00
21	-Administrative fees and misc. income	\$ 4,265.00	\$ -	\$ -
22	-Interest income	\$ 25,669.00	\$ 1,100.00	\$ 1,100.00
<b>TOTAL</b>		<b>\$ 203,281.00</b>	<b>\$ 183,759.00</b>	<b>\$ 189,100.00</b>
<b>Other Designated Revenue:</b>				
10	-Designated gifts for Endowment	\$ -	\$ 20,000.00	\$ 10,000.00
10	-Other designated gifts	\$ -	\$ 5,000.00	\$ 5,000.00

ASOR FY2011-12 Budget

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	FY10 Actual	FY11 Forecast	FY12 Budget
<b>TOTAL</b>	\$ -	\$ 25,000.00	\$ 15,000.00
<b>In-kind Donations:</b>			
11 -Rent subvention from BU	\$ 33,660.00	\$ 33,660.00	\$ 33,660.00
12 -In kind legal and printing	\$ 3,977.00	\$ 12,000.00	\$ 12,000.00
<b>TOTAL</b>	\$ 37,637.00	\$ 45,660.00	\$ 45,660.00
<b>Total Income</b>	<b>\$ 823,313.00</b>	<b>\$ 991,212.00</b>	<b>\$ 965,021.00</b>

**Expenses:**

	FY10 Actual	FY11 Forecast	FY12 Budget
<b>Annual Meeting:</b>			
13 -Annual meeting expenses	\$ 59,566.00	\$ 65,000.00	\$ 70,000.00
1 -Annual meeting grants: Lindstrom, Dorot and Kress	\$ -	\$ 10,000.00	\$ 7,500.00
13 -Travel scholarships	\$ -	\$ 2,500.00	\$ 2,500.00
13 -Jr. Scholars / Outreach	\$ -	\$ 435.00	\$ 500.00
<b>TOTAL</b>	\$ 59,566.00	\$ 77,935.00	\$ 80,500.00

	FY10 Actual	FY11 Forecast	FY12 Budget
<b>Archaeological and Policy Support:</b>			
2 -Heritage fellowships	\$ -	\$ 24,000.00	\$ 18,000.00
3 -Platt fellowships	\$ -	\$ 15,000.00	\$ 13,000.00
4 -Harris fellowships	\$ -	\$ -	\$ 4,500.00
5 -Directors exchange funds	\$ -	\$ 4,000.00	\$ 1,500.00
23 -Regional meetings/Lecture series (CAMP)	\$ -	\$ 3,000.00	\$ 3,000.00
6 -Nies Trust expenses	\$ -	\$ 8,010.00	\$ 7,261.00
<b>TOTAL</b>	\$ -	\$ 54,010.00	\$ 47,261.00

	FY10 Actual	FY11 Forecast	FY12 Budget
<b>NEH Archives Project</b>			
7 -Salaries Archivist, asst.	\$ 49,963.00	\$ 52,131.00	\$ -
14 -Consultant and travel	\$ 10,541.00	\$ 13,143.00	\$ 7,200.00
14 -Supplies and services	\$ -	\$ 19,119.00	\$ 3,500.00
14 -Contract services	\$ 22,563.00	\$ 990.00	\$ 3,500.00
14 -Interns, etc.	\$ -	\$ 15,977.00	\$ -
14 -ASOR staff salaries	\$ -	\$ -	\$ -
<b>TOTAL</b>	\$ 83,067.00	\$ 101,360.00	\$ 14,200.00

	FY10 Actual	FY11 Forecast	FY12 Budget
<b>Journals:</b>			
24 -BASOR (4 issues per year)	\$ 69,163.00	\$ 66,000.00	\$ 59,100.00
24 -NEA (4 issues in 2010, 5 issues in 2011; 4 issues in 2012)	\$ 77,237.00	\$ 76,250.00	\$ 61,536.00
24 -JCS (ASOR portion)	\$ 1,348.00	\$ -	\$ 3,000.00
6 -JCS (Nies Trust portion)	\$ -	\$ -	\$ 7,500.00
24 -Newsletter	\$ 7,850.00	\$ 12,000.00	\$ 10,000.00
17 -Atypon/JSTOR	\$ 9,541.00	\$ 6,250.00	\$ 18,500.00
<b>TOTAL</b>	\$ 165,139.00	\$ 160,500.00	\$ 159,636.00

Books:

ASOR FY2011-12 Budget

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		FY10 Actual	FY11 Forecast	FY12 Budget
8	-Book production	\$ (10,496.00)	\$ 25,000.00	\$ 25,000.00
9	-Transfer of book revenue to Opportunity Fund	\$ -	\$ 20,000.00	\$ 20,000.00
	<b>TOTAL</b>	\$ (10,496.00)	\$ 45,000.00	\$ 45,000.00
<b>Other Designated Expense:</b>				
10	-Designated gifts for Endowment	\$ -	\$ 20,000.00	\$ 10,000.00
10	-Other designated gifts	\$ -	\$ 5,000.00	\$ 5,000.00
	<b>TOTAL</b>	\$ -	\$ 25,000.00	\$ 15,000.00
<b>Allocable Expenses:</b>				
25	-Salaries and benefits	\$ 341,520.00	\$ 363,000.00	\$ 432,500.00
11	-Rent BU	\$ 33,660.00	\$ 33,660.00	\$ 33,660.00
26	-Telephone	\$ 4,369.00	\$ 4,500.00	\$ 4,500.00
26	-Postage	\$ 11,449.00	\$ 11,500.00	\$ 12,000.00
26	-Postage machine	\$ 1,224.00	\$ 1,200.00	\$ 1,250.00
26	-Copier lease	\$ (774.00)	\$ (500.00)	\$ (500.00)
26	-Insurance	\$ 5,768.00	\$ 5,800.00	\$ 6,000.00
26	-Utilities	\$ 1,878.00	\$ 1,900.00	\$ 2,000.00
26	-Bank charges	\$ 10,762.00	\$ 6,500.00	\$ 7,000.00
26	-Equipment and supplies	\$ 5,310.00	\$ 7,000.00	\$ 7,000.00
27	-Audit	\$ 18,225.00	\$ 18,936.00	\$ 19,900.00
26	-Avectra expenses	\$ 5,625.00	\$ 7,500.00	\$ 8,000.00
26	-Jibrin	\$ 699.00	\$ 1,260.00	\$ 1,260.00
26	-Consulting	\$ -	\$ -	\$ 1,000.00
26	-Office and staff events	\$ -	\$ 600.00	\$ 750.00
28	-Travel	\$ 8,334.00	\$ 9,000.00	\$ 14,500.00
26	-Equipment and computer reserve	\$ 7,605.00	\$ 4,500.00	\$ 4,500.00
12	-In kind legal and printing	\$ 3,977.00	\$ 12,000.00	\$ 12,000.00
26	-Website	\$ -	\$ 500.00 \$0 through 3/31/11	\$ 500.00
26	-Meetings	\$ 1,326.00	\$ 7,500.00	\$ 1,500.00
26	-Chair support	\$ 143.00	\$ 1,000.00 \$250 through 3/31/11	\$ 750.00
29	-Depreciation	\$ -	\$ -	\$ -
29	-Bad Debts	\$ -	\$ -	\$ -
30	-Other programs/strategic priorities	\$ -	\$ 5,500.00	\$ 28,854.00
26	-Dues, etc.	\$ 4,210.00	\$ 4,200.00	\$ 4,500.00
	<b>TOTAL</b>	\$ 465,310.00	\$ 507,056.00	\$ 603,424.00
<b>Total Expenses</b>		<b>\$ 762,586.00</b>	<b>\$ 970,861.00</b>	<b>\$ 965,021.00</b>
<b>Total</b>		<b>\$ 60,727.00</b>	<b>\$ 20,351.00</b>	<b>\$ -</b>

Note: Shaded cells include equal amounts of revenue and expense, budgeted to reflect true cost of operating ASOR



## ASOR Explanations of FY2011-12 Budget Items

**In/out items – equal amounts of revenue and expense, budgeted to reflect true cost of operating ASOR (Note FY 2009-10 numbers are actual unrestricted amounts from our audit, so many of the in/out items are ignored and for others, the income and expense are not exactly equal)**

1. Different foundations that give scholarships for students to attend the annual meeting.
2. \$2,000 portion of Heritage membership and related fellowship grants.
3. Income and related distributions from Platt Fellowship account based on endowment spending policy adopted in November 2009 (6% of trailing 12 quarters average balance).
4. Income and related distributions from the Harris Fellowship account. This account balance now exceeds the corpus amount so we are budgeting for distributions in FY2011-12.
5. Money already in temporarily restricted account to pay for directors' exchange.
6. Income from trust held with Citigroup. Per a court ruling, funds must primarily support JCS and the Mesopotamian fellowship and are authorized by the ASOR board after receiving recommendations from the Baghdad Committee. Note that in FY 2011-12, we are budgeting \$7,500 which will pay about 70% of the cost of JCS.
7. The Project Archivist position was fully paid by the grant through the end of FY2010-11.
8. Funds already in Publications escrow account for books (Opportunity Fund). These funds pay direct production costs of books, and then sales revenues goes back into the fund.
9. Revenue from sale of books and journal reprints that were funded by the Opportunity Fund.
10. Various designated gifts to general endowment and to funds like Wright/Meyers. The amount of designated gifts was relatively small in FY2009-10, but includes \$20,000 from one donor designated to the endowment in FY2010-11 forecast. We can increase or decrease the expense side accordingly.
11. Fair market value of the rent subvention that ASOR receives from BU.
12. Donations in kind of legal and printing (a board member has been making designated gifts for printing services). If we no longer receive these gifts, we will need to increase revenue to pay for these items or reduce other expenses.

### All other notes

13. Revenue and expenses from annual meeting. Note that revenue exceeded expenses by approximately \$28,000 in FY 2009-10 and \$42,000 in FY 2010-11. For FY 2011-12, we are budgeting for revenue in excess of expenses of \$45,000. Expenses include 10 scholarships of \$250 each for students at institutional member schools. Note that salaries allocable to the annual meeting are not included in the annual meeting expenses.
14. In addition to fully funding the project archivist, the NEH grant funded in excess of \$30,000 of ASOR staff positions in FY2009-10 and FY2010-11. Based on the remaining funds in the grant, we will have approximately \$54,000 remaining in FY2011-12 to allocate to the archivist and other ASOR staff salaries. For FY2011-12, we have budgeted \$15,000 in designated gifts to the archives project in addition to funds raised in our annual fund. Note that the budget does not assume the successful renewal of the NEH grant, which we should be hearing about soon. If the grant is renewed it would have a favorable impact on our financial situation which is not reflected in this budget; however, the majority of the favorable impact will be in future years.
15. Note that on a cash basis, membership and subscription income for the first 9 months of FY 2010-11 is running about \$33,000 ahead of the same period in the prior year.
16. Various royalties that do not go into the Opportunity Fund, primarily JSTOR, plus a small amount of advertising income.
17. Per the action taken at the November 2010 Executive Committee meeting, the upfront cost of the JSTOR Current Scholarship Program will be funded from designated contributions and any shortfall will be funded by the Opportunity Fund. \$1,500 of the \$20,000 total cost is included in the FY2010-11 forecast and \$18,500 in the FY2011-12 budget for both revenue and expense. The revenue of \$1,500 for this year has already been received as a designated gift.

18. Annual fund: Forecast FY 2010-11 and budget FY 2011-12 for \$82,000 and \$85,000, respectively in unrestricted gifts. Includes \$100 from each contributing membership and \$500 from each Heritage membership.
19. Assumes 87 institutional memberships for FY 2010-11 and 90 for FY 2011-12. We have billed for 89 institutional memberships but have only collected 85 to date. 4 are still outstanding. In addition, we had one late payment for last year which counts toward FY2010-11 revenue.
20. Budget based on endowment spending policy adopted in November 2009 (3.5% of trailing 12 quarters average balance).
21. Miscellaneous income includes administrative fees charged and small adjustments made in the annual audit. Not budgeted.
22. Interest from all accounts except for the Endowment, the Platt, Harris and Wright/Meyers fellowship accounts and the Opportunity Fund.
23. Various CAMP events outside annual meeting: lecture series and regional committees.
24. Significant savings for journal production as a result of bidding for services conducted last year. The forecast for FY2010-11 includes 5 issues of NEA vs. 4 issues in the FY2011-12 budget.
25. The salaries budget assumes a 3% increase to staff base salaries in total. The Executive Director reviews the performance of the staff individually and will consider raises based on performance. The Executive Committee reviews the Executive Director's performance and must approve any adjustment to his salary.
26. These expenses range from \$60,000 to \$65,000 per year and are fairly consistent. FY201-11 is toward the high end due to costs related to the Washington DC meeting.
27. A modest increase in accounting fees based on a new 3 year proposal.
28. Includes staff travel to annual meeting and other board meetings. Includes funds for executive director to travel to/from Boston and other places. Also includes professional development for staff. This amount (director's travel) will be lower if honoraria are received. The executive director places all honoraria received into this travel account in order to reduce travel expenses and to enable fund-raising. Although FY2009-10 and FY2010-11 were lower than normal expenses, we are budgeting for expenses in FY2011-12 more consistent with previous years so as not to incur a shortfall.
29. These are noncash expenses that are not budgeted.
30. This is a number used to balance the budget to zero and represents funds that are available to invest in ASOR's programs and strategic priorities. For example, it has been proposed that we budget for full color for BASOR at a cost of \$10,000 per year. These funds could be allocated from this budget item.