

**American Schools of Oriental Research
Finance Committee Report
Fiscal Year Ending June 30, 2014**

**Board of Trustees Meeting
November 23, 2014**

To the ASOR Board of Trustees:

Enclosed, for your review, are the following documents and information:

- FY 2014 Budget to Actual Comparison (with Notes) (Exhibit A)
- FY 2014 Investment Report (Exhibit B)
- FY 2015 Investment Report (through October 31, 2014) (Exhibit C)
- Journals Escrow Recommendation (Exhibit D)
- Revised FY 2015 Budget (incorporating the specific line item revenue and expenses associated with the Syrian Heritage Initiative)(Exhibit E)
- FY 2014 Audited Financial Statements and Supplemental Information (posted separately), including letter from auditors (Exhibit F)

FY 2014 BIG PICTURE FAST FACTS AT A GLANCE

ITEM	AMOUNT	CHANGE FROM FY 2013
Increase in unrestricted assets available for operations (<i>i.e.</i> , unrestricted net income from operations)	\$1,624	N.A.
Increase in total net assets (all sources: unrestricted, temporarily restricted, and permanently restricted)	\$302,662	+19.4%
General Fund (<i>i.e.</i> , unrestricted cash available for operations)	\$475,494	-3.82%
Market value of all Investment Accounts	\$1,423,738	+23.16%
Total market value of all financial accounts (checking accounts, savings accounts and Investment Accounts)	\$2,097,097	+18.05%
Individual Membership revenue (accrual basis)	\$163,124	-0.36%
Institutional Membership revenue (cash basis)	\$79,000	-8.1%
Subscriptions revenue (accrual basis)	\$229,532	-1.0%
Investment income (Fellowship Accounts)	\$101,054	+18.7%
Investment income (Endowment Accounts)	\$96,619	+18.3%
2013 Annual Meeting attendance (compared to 2012)	932	+1.2%
2014 summer dig season excavation scholarships and grants	59	+7.3%

FY 2014 INCREASE IN UNRESTRICTED ASSETS AVAILABLE FOR OPERATIONS

At the Spring Meeting, we projected ASOR to break even with a possible slight gain for FY 2014. This projection was on target as the FY 2014 increase in unrestricted assets available for operations (*i.e.*, unrestricted net income from operations) was \$1,624. *See* Exhibit A.

FY 2014 INVESTMENT RESULTS

ASOR’s FY 2014 investment results were solid once again. ASOR Fellowship Accounts generated a collective gain of \$101,054 (+18.7%), while the Endowment Accounts generated a collective gain of \$96,619 (+18.3%). *See* Exhibit B. By way of comparison, the S&P 500 was up 24.6% for the same twelve-month period.

By way of an independent check on the investment performance of the ASOR Endowment Accounts, Sheldon Fox shared recent endowment asset research data from a sample of foundations with average assets of approximately \$20 million each. All of the foundations tend to use some version of the endowment investment model, which includes real estate, commodities, and alternative assets in addition to asset classes used in the simpler Schwab model, such as the bonds and United States and foreign equities ASOR holds.

For the 12-month period ending June 30, 2014, the range of overall net returns for the foundations in the study was 8.9% - 22.1%. The mean return was 14.7% and the median return was 13.9%. Factoring in the FY 2014 net contributions and quarterly withdrawals for the same 12-month period, the overall net return for the ASOR Endowment Accounts was 17.2%.

For the 36-month period ending June 30, 2014, the range of annualized returns for the foundations in the study was 5.7% - 11.5%. The mean return was 7.5% and the median return was 6.8%. Factoring in the net contributions and quarterly withdrawals for the same 36-month period, the overall net return for the ASOR Endowment Accounts was 11.7%.

In short, the FY 2014 net investment performance of the ASOR Endowment Accounts is at the high end of the foundation study, and the performance of the Endowment Accounts for the past 36-month period is better than the best performing foundation in the study.

FY 2014 CASH AND INVESTMENT ACCOUNTS

General Fund. The General Fund comprises the three cash accounts containing unrestricted cash available for operations. The General Fund balance at June 30, 2014 was \$475,494, which is a 3.82% decrease compared with the General Fund balance at June 30, 2013. *See* Exhibit B. This is primarily due to the fact we withheld more money in the temporary restricted account for the Friends of ASOR project.

	FY 2011	FY 2012	FY 2013	FY 2014
Year-end General Fund balance	\$325,530	\$400,939	\$494,371	\$475,494
Increase (decrease) over previous year	+63.7%	+23.2%	+23.3%	-3.82%

That said, it is important to note some funds in the June 30, 2014 General Fund balance are FY 2015 budgeted revenue received in FY 2014. Some of these funds also will be used to satisfy certain outstanding commitments.

Investment Accounts. The total market value of the Investment Accounts at June 30, 2014 was \$1,423,738, which is a 23.16% increase over the market value of the Investment Accounts at June 30, 2013. See Exhibit B. As reflected in the following table, since FY 2011, the year-end market value of the Investment Accounts has steadily increased despite fluctuations in the financial markets. *Id.*

	FY 2011	FY 2012	FY 2013	FY 2014
Year-end market value of the Investment Accounts	\$972,821	\$930,619	\$1,156,038	\$1,423,738
Increase (decrease) over previous year	+23.5%	-4.3%	+24.2%	+23.16%

Total value of all financial accounts. The total value of all financial accounts (checking accounts, savings accounts and Investment Accounts) at June 30, 2014 was 2,097,097, which is an 18.05% increase over the total value of all financial accounts at June 30, 2013. See Exhibit B. In fact, as reflected in the following table, since FY 2011, the total year-end value of all financial accounts has steadily increased despite fluctuations in the financial markets. *Id.*

	FY 2011	FY 2012	FY 2013	FY 2014
Total year-end value of all financial accounts	\$1,397,459	\$1,459,559	\$1,776,422	\$2,097,097
Increase (decrease) over previous year	+28.4%	+4.4%	+21.7%	+18.05%

FY 2014 MEMBERSHIPS AND SUBSCRIPTIONS REVENUE

As reflected in the following tables, Individual Membership revenue, Subscriptions revenue, and Institutional Membership revenue were essentially flat or dipped slightly in FY 2014. Subscriptions revenue continues to be a targeted growth area as ASOR’s new programs—including the Syrian Heritage Initiative—are rolled out.

Individual Membership Revenue	FY 2011	FY2012	FY 2013	FY 2014
Amount (accrual basis)	\$150,4890	\$153,745	\$163,715	\$163,124
Increase (decrease) over previous year	-13.6%	+2.2%	+6.5%	-0.36%

Institutional Membership Revenue	FY 2011	FY2012	FY 2013	FY 2014
Amount (cash basis)	\$87,000	\$83,000	\$86,000	\$79,000
Increase (decrease) over previous year	-1.1%	-4.6%	+3.6%	-8.1%

Subscription Revenue	FY 2011	FY2012	FY 2013	FY 2014
Amount (accrual basis)	\$222,976	\$215,821	\$231,423	\$229,532
Increase (decrease) over previous year	+8.5%	-3.2%	+7.2%	-1.0%

ANNUAL MEETING ATTENDANCE

As reflected in the following table, Annual Meeting attendance steadily increased through the 2013 Annual Meeting, which is the result of the number and quality of papers presented. The final count for the 2014 Annual Meeting will be available at the November 23 Board meeting.

Calendar year of Annual Meeting	2010	2011	2012	2013
Number of attendees	686	816	921	932
Increase (decrease) over previous year	+14.1%	+18.9%	+12.9%	+1.2%

2014 SUMMER DIG SEASON EXCAVATION SCHOLARSHIPS AND GRANTS

ASOR was privileged to award 59 excavation scholarships and grants for the 2014 summer dig season—an all-time high. Since 2007, ASOR has awarded over 300 excavation scholarships and grants. As reflected in the following table, the number of awarded excavation scholarships and grants has steadily increased since 2011. The goal is to award 60+ excavation scholarships and grants for the 2015 summer dig season.

	2011	2012	2013	2014
Number of awards	38	42	55	59
Increase (decrease) over previous year	+90.0%	+10.5%	+31%	+7.3%

FY 2014 ANNUAL AUDIT

In the opinion of Romeo, Wiggins & Co., LLP, the ASOR independent auditors, ASOR's financial statements present fairly, in all material respects, ASOR's financial position as of June 30, 2014, including the changes in its net assets and its cash flows in accordance with generally accepted accounting principles in the United States of America. *See* Audit Report at 1. *See also* the November 8, 2014 letter from the auditors (Exhibit F).

FY 2015 BUDGET

The original FY 2015 Budget was passed by the Board at the Spring Meeting. Thereafter, ASOR entered into a cooperative agreement with the U.S. Department of State for the "ASOR Syrian Heritage Initiative: Planning for Safeguarding Heritage Sites in Syria"—which injected an additional \$600,000 into the FY15 Budget. A Revised FY 2015 Budget incorporating the specific line item revenue and expenses associated with the Syrian Heritage Initiative was reviewed and approved by the Executive Committee of the Board at its September 14, 2014 meeting. *See* Exhibit E.

ASOR is on track with the Revised FY 2015 budget. At this point, it is too early to identify any issues that may significantly impact the budget, which again calls for unrestricted operating revenue to equal operating expenses.

FY 2015 INVESTMENT RESULTS

For the four-month period ending October 31, 2014, the Fellowship Accounts generated a slight collective loss of \$1551.16 (-0.2%), while the Endowment Accounts generated a slight collective loss of \$655.89 (-0.1%). *See* Exhibit C. By way of comparison, the S&P 500 was up approximately 3.6% for the same four-month period.

FY 2015 JOURNALS ESCROW RECOMMENDATION

The purpose of the Journals Escrow Account is to set aside the funds required to publish ASOR journals in order to fulfill ASOR's obligations to its members and subscribers. This is an annual calculation requiring Board approval. The FY 2015 Journals Escrow Account analysis and recommendation (Exhibit D) will be vetted by the Finance Committee prior to the Board meeting. It is included here so the Board may have an opportunity to review it in advance.

In closing, congratulations are due to Selma Omerefendic, Andy Vaughn, the crack ASOR staff, and the Board for operating ASOR in a transparent and fiscally responsible manner in FY 2014, and laying the foundation for a strong FY 2015—especially in light of the Syrian Heritage Initiative and the concomitant financial, academic, and organizational opportunities.

If you have any questions about this Report or ASOR's finances prior to the November 23 Board meeting, please contact me.

Respectfully submitted,



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EXHIBIT A

American Schools of Oriental Research
Budget to Actual Unrestricted Comparison
FY 2014

			FY 2014	FY 2014	Variance
			Budget	Actual	Favorable/ (Unfavorable)
	INCOME			Unrestricted	
NOTES					
	Annual Meeting:				
1	-Registration fees and other income		\$ 180,000.00	\$ 180,433.32	\$ 433.32
	Archaeological and Policy Support:				
	-Fellowships Endowment (P.E. MacAllister, etc.)		\$ 50,000.00		\$ (50,000.00)
2	-Campaign Support for Online Digital Media Resources		\$ 60,000.00		\$ (60,000.00)
	-Nies Trust income		\$ 16,000.00	\$ -	\$ (16,000.00)
	Archives Project				
3	-External funds raised		\$ 35,000.00	\$ -	\$ (35,000.00)
	Journals:				
	-Subscriptions/memberships		\$ 400,000.00	\$ 391,233.37	\$ (8,766.63)
14	-Royalties and advertising		\$ 37,000.00	\$ 41,007.59	\$ 4,007.59
4	-Support from OF and gifts		\$ 10,000.00	\$ 5,000.00	\$ (5,000.00)
	Books:				
	-Funds from Opportunity Fund		\$ 15,000.00	\$ -	\$ (15,000.00)
15	-Sales revenue designated for Opportunity Fund		\$ 20,000.00	\$ 23,807.72	\$ 3,807.72
	Undesignated Revenue:				
	-Annual fund contributions		\$ 100,000.00	\$ 83,823.74	\$ (16,176.26)
	-Institutional memberships		\$ 85,000.00	\$ 79,000.00	\$ (6,000.00)
5	-Distribution from Endowment		\$ 15,300.00	\$ 16,588.00	\$ 1,288.00
6	-Interest income		\$ 2,600.00	\$ 4,622.00	\$ 2,022.00
16	-Miscellaneous income		\$ 4,500.00	\$ 3,324.10	\$ (1,175.90)
17	-Admin fees covered by endowments			\$ 5,434.56	\$ 5,434.56
	Other Designated Revenue:				
	-Development Fund and designated gifts		\$ 1,000.00	\$ 561.28	\$ (438.72)
	In-kind Donations:				
7	-Rent subvention from BU		\$ 34,000.00	\$ 33,660.00	\$ (340.00)
	TOTAL INCOME		\$ 1,065,400.00	\$ 868,495.68	\$ (196,904.32)

		FY 2014	FY 2014	Variance
		Budget	Actual	Favorable/ (Unfavorable)
	EXPENSES		Unrestricted	
	Annual Meeting:			
1	-Annual meeting expenses	\$ 86,000.00	\$ 71,513.05	\$ 14,486.95
	Archaeological and Policy Support:			
	-Fellowships Endowment (P.E. MacAllister etc.)	\$ 50,000.00	\$ 3,437.00	\$ 46,563.00
	-Campaign Support for Online Digital Media Resources		\$ -	\$ -
	-Nies Trust expenses	\$ 8,500.00	\$ -	\$ 8,500.00
18	-Regional meetings/Lecture series	\$ 3,000.00	\$ 750.00	\$ 2,250.00
19	-Chair support (moved from allocable exp.)	\$ 8,000.00	\$ 9,617.81	\$ (1,617.81)
	-Travel		\$ 779.13	\$ (779.13)
	-Meetings (moved from allocable exp.)	\$ 2,500.00	\$ 2,052.39	\$ 447.61
20	-Website (moved from allocable exp.)	\$ 14,000.00	\$ 521.02	\$ 13,478.98
	Archives Project:			
	-Consultant and travel	\$ 1,000.00	\$ 57.74	\$ 942.26
	-Supplies and services	\$ 5,000.00	\$ 1,192.09	\$ 3,807.91
	-Contract services and salaries	\$ 5,000.00		\$ 5,000.00
	Journals:			
8	-BASOR (2 issues per year)	\$ 78,000.00	\$ 74,478.79	\$ 3,521.21
8	-NEA (4 issues per year)	\$ 66,000.00	\$ 63,271.98	\$ 2,728.02
8	-JCS (ASOR portion)	\$ 3,500.00	\$ 3,500.00	\$ -
8	-JCS (Nies Trust portion)	\$ 7,500.00		\$ 7,500.00
	-Newsletter	\$ 3,000.00	\$ (2,402.00)	\$ 5,402.00
8	-JSTOR	\$ 8,000.00	\$ 11,206.00	\$ (3,206.00)
	-Other journal expenses	\$ 12,000.00	\$ 1,380.19	\$ 10,619.81
9	-Memb & Informz exp.	\$ 15,000.00		\$ 15,000.00
	Books:			
	-Book production	\$ 15,000.00	\$ 15,000.00	\$ -
	-Transfer of book revenue to Opportunity Fund	\$ 20,000.00	\$ 12,056.86	\$ 7,943.14
	Other Designated Expense:			
	-Development Fund and designated gifts	\$ 1,000.00		\$ 1,000.00
	Allocable Expenses:			
10	-Salaries and benefits	\$ 512,500.00	\$ 471,235.47	\$ 41,264.53
11	-Rent BU	\$ 34,000.00	\$ 33,660.00	\$ 340.00
12	-Telephone and Utilities	\$ 6,500.00	\$ 5,719.26	\$ 780.74
12	-Postage, Postage mach. and Copier	\$ 13,000.00	\$ 9,060.57	\$ 3,939.43
12	-Bank charges	\$ 6,600.00	\$ 6,564.07	\$ 35.93
12	-Insurance	\$ 9,400.00	\$ 9,358.00	\$ 42.00
12	-Audit	\$ 20,500.00	\$ 20,300.00	\$ 200.00
12	-Equipment and supplies (incl. computers)	\$ 9,000.00	\$ 10,785.56	\$ (1,785.56)
13	-Avecetra expenses	\$ 7,500.00	\$ 10,500.00	\$ (3,000.00)
	-Office events, Jibrin, Payroll services, consulting	\$ 4,500.00	\$ 3,567.99	\$ 932.01
	-Dues, etc.	\$ 6,400.00	\$ 4,254.00	\$ 2,146.00
	-Travel	\$ 14,000.00	\$ 10,600.27	\$ 3,399.73
	-Development	\$ 9,500.00	\$ 2,854.35	\$ 6,645.65
	TOTAL EXPENSES	\$ 1,065,400.00	\$ 866,871.59	\$ 198,528.41
	UNRESTRICTED NET			
	INC. FROM OPERATIONS	\$ -	\$ 1,624.09	\$ 1,624.09

American Schools of Oriental Research
Notes to FY 2014 Budget to Actual Unrestricted Comparison

1. Annual meeting income/expenses. Income includes registration fees, exhibitor fees, grants (*e.g.*, TFBA), hotel concessions and reimbursements from research centers. Income was higher in FY 2014 because of strong registrations and concessions from the hotel. FY 2015 revenue is forecast to grow a net 5% from increased registrations and increased exhibitor fees and sponsorships, although hotel concessions will be reduced. Expenses will be higher in San Diego because (i) AV, food and beverage costs will be higher, and (ii) ASOR's travel expenses will be higher with staff traveling to the west coast.

2. Campaign Support for online digital media resources. The goal was to raise \$250,000 over three years to transform ASOR's capacity with online digital resources. The FY 2014 amount consists of funds spent in FY 2014. Approximately \$60,000 will be left in this account to be spent in FY 2015. This line item supports the Friends of ASOR initiative.

3. Archives Project. This line item is what was spent from the David Berg Foundation on the Glueck Collection. Most of the expenses for the Archives Project in FY 2014 are in the salary line item.

4. BASOR and NEA support: This line item includes startup costs from the OF for increasing the BASOR page count. These amounts were approved by COP and the ASOR Executive Committee. Only \$5,000 was spent in FY 2014 for BASOR, so \$5,000 carries over to FY 2015. This line item also includes support for NEA from UBC.

5. Endowment distribution. Distributions (3.5% on the average of the last 12 quarters) were made in compliance with the ASOR Investment and Spending Policies. Distributions are trending up slightly each year as more funds are added to the endowment through gifts and the market generates higher than normal returns.

6. Interest income. Although slightly higher than forecasted, interest income is minimal due to low rates.

7. Rent. Boston University provides ASOR with free rent. ASOR did not receive any in-kind legal services in FY 2014. Google, Inc. also did not provide in-kind advertising in 2014.

8. Journal expenses. Direct expenses of the journals, including editing, pre-press, layout and design, printing, copy editing, postage and fulfillment, and JSTOR fees.

9. Membership and Information Expense. Direct expenses of Friends of ASOR and membership drives that are not included in the salary line item. This line item also includes Informz expenses and the News@ASOR expenses (not including most staff time).

10. Salaries and benefits. Salaries and benefits include payments to ASOR employees, including insurance and other payroll expenses that in prior years were separate line items.

11. Rent BU. Expenses to reimburse Boston University for actual costs.

12. Various operating expenses. Allocable expenses as described in the spreadsheet.

13. Avectra is ASOR's online database and online store. These expenses relate to membership, journals, and the annual meeting.

14. Royalties and advertising revenue are almost exclusively from ASOR journals. In FY14, ASOR generated some revenue from the ASOR Blog and e-mail blast. ASOR looks to grow these revenue streams in FY15 and beyond.

15. Book sales are passed through the Opportunity Fund, although these revenues are not unrestricted.

16. Miscellaneous income. This line item consists of other fees and interest.

17. Administrative fees. These fees consist of up to a 1% administrative fee charged to permanently restricted accounts per the ASOR Investment and Spending Policies.

18. Regional meetings/lectures. Funds used to support lectures and regional meetings approved by the Chairs of the Lectures and Regional Affiliations Committees.

19. Chair support. Funds used to support the direct work of academic committee chairs. Expenses include reimbursement of contract support, meals, travel, meetings (*e.g.*, CCC retreat), and the work of the various committees.

20. Website. Direct expenses of the ASOR website excluding most salaries and other expenses funded by temporarily restricted funds (*e.g.*, Friends of ASOR expenses, ANE Today expenses and/or News@ASOR expenses).

EXHIBIT B

EXHIBIT C

EXHIBIT D

**American Schools of Oriental Research
FY 2015 Journals Escrow Recommendation**

Purpose of the Journals Escrow Account. The purpose of the Journals Escrow Account is to set aside the funds necessary to publish ASOR journals in order to fulfill ASOR's obligation to its members and subscribers. This is an annual calculation requiring Board approval.

Policy adopted in FY 2010. Segregate a designated percentage of deferred journal income so the funds will not otherwise be spent on operations.

Analysis. During the last eight fiscal years, FY 2007-FY 2014, direct production costs have ranged from 29.4% to 47.3% of memberships and subscriptions revenue (with an average of 36.2%), with FY 2011-FY 2014 at about 30% due to lower costs resulting from competitive bidding. See table below. To be conservative, the Finance Committee again recommends that 40% of the FY 2014 deferred journal income be escrowed for FY 2015.

Fiscal Year	(i) Individual Memberships + Subscriptions Revenue	(ii) Institutional Membership Revenue	(iii) Total M & S Revenue [(i) + (ii)]	(iv) Direct Production Costs	(v) Percent of Revenue [(iv)/(iii)]
FY 2007	\$307,889	\$89,200	\$397,089	\$155,805	39.2%
FY 2008	\$425,532	\$93,700	\$519,232	\$237,055	45.7%
FY 2009	\$361,265	\$90,000	\$451,265	\$213,632	47.3%
FY 2010	\$338,698	\$88,000	\$426,698	\$163,191	38.2%
FY2011	\$391,642	\$87,000	\$478,642	\$140,805	29.4%
FY 2012	\$375,272	\$83,000	\$458,272	\$136,393	29.8%
FY 2013	\$395,138	\$86,000	\$481,138	\$142,933	29.7%
FY 2014	\$391,233	\$79,000	\$470,233	\$142,631	30.3%

Resolution. In order to set aside the funds necessary to fulfill ASOR's FY 2015 obligation to its members and subscribers to publish journals, ASOR will segregate, either in a separate bank account or by memorandum entry in its financial records, forty percent (40%) of the FY 2014 deferred journal income. For purposes of this calculation, deferred journal income will be reduced by outstanding accounts receivable since there is no obligation related to memberships and subscriptions that have not yet been paid. The proposed Journals Escrow Account reserve, calculated by quarter, is as follows:

Quarter Ending	(i) Deferred Journal Income	(ii) Less: Accounts Receivable	(iii) Net Def. Journal Income [(i)-(ii)]	(iv) Reserve Percentage	(v) Reserve [(iii) x (iv)]	(vi) General Fund Balance
Sept. 2013	\$180,740	\$29,461	\$151,279	40%	\$60,512	\$386,572
Dec. 2013	\$277,552	\$70,103	\$207,449	40%	\$82,980	\$454,974
March 2014	\$270,258	\$19,067	\$251,191	40%	\$100,476	\$486,270
June 2014	\$222,882	\$22,800	\$200,082	40%	\$80,033	\$475,494

EXHIBIT E

AMERICAN SCHOOLS OF ORIENTAL RESEARCH
FALL EXECUTIVE COMMITTEE MEETING
REVISED FY 2015 BUDGET

INCOME		FY15 Budget Previously Adopted	Syrian Heritage Initiative Budget Additions	Revised Consolidated FY15 Budget
Annual Meeting:				
1	-Registration fees and other income	\$ 210,000.00		\$ 210,000.00
2	-Other educational events	\$ 60,000.00		\$ 60,000.00
	-Designated gifts for other events	\$ 15,000.00		\$ 15,000.00
TOTAL				
Archaeological and Policy Support:				
3	-Fellowships Awarded (Heritage, Platt, Designated, etc.)	\$ 55,000.00		\$ 55,000.00
3	-Fellowships Endowment (P.E. MacAllister, Meyers/Wri)	\$ 125,000.00		\$ 125,000.00
4	-Field Research Support (current Harris distribution)	\$ 7,500.00		\$ 7,500.00
4	-Field Research Support (endowment)	\$ 5,000.00		\$ 5,000.00
5	-Directors exchange funds	\$ 4,154.00		\$ 4,154.00
6	-Campaign Support for Online Digital Media Resources	\$ 66,500.00		\$ 66,500.00
7	-Nies Trust income	\$ 25,000.00		\$ 25,000.00
7* Syrian Heritage Initiative (SHI) items are in light green shading				
7*	-Revenue not used from TR account for social media because of SHI		\$ (30,000.00)	\$ (30,000.00)
7*	-SHI revenue for continuing FY14 ASOR staff salaries		\$ 16,500.00	\$ 16,500.00
7*	-SHI Revenue for new employees		\$ 276,750.00	\$ 276,750.00
7*	-SHI Revenue for Travel Expenses		\$ 28,580.00	\$ 28,580.00
7*	-SHI Revenue for Equipment and/or rent		\$ 9,000.00	\$ 9,000.00
7*	-SHI Revenue for contractors		\$ 144,000.00	\$ 144,000.00
7*	-SHI Revenue for supplies and other		\$ 40,750.00	\$ 40,750.00
7*	-SHI Revenue for indirect (will be used for some ASOR staff and dig. media)		\$ 84,420.00	\$ 84,420.00
TOTAL				
Archives Project (formally NEH)				
8	-Salaries ASOR staff			
	-Salaries Archivist, asst.			
	-Consultant and travel			
	-Supplies and services			
8	-External funds raised (including foundations)	\$ 25,000.00		\$ 25,000.00
TOTAL				
FBA donation				
Dever donation				
Journals:				
9	-Subscriptions/memberships	\$ 400,000.00		\$ 400,000.00
10	-Royalties and advertising	\$ 39,500.00		\$ 39,500.00
11	-Support from OF and gifts	\$ 10,000.00		\$ 10,000.00
TOTAL				
Books:				
12	-Funds from Opportunity Fund	\$ 15,000.00		\$ 15,000.00
12	-Sales revenue designated for Opportunity Fund	\$ 20,000.00		\$ 20,000.00
\$ -				
TOTAL				
Undesignated Revenue:				
13	-Annual fund contributions	\$ 100,000.00		\$ 100,000.00
14	-Institutional memberships	\$ 85,000.00		\$ 85,000.00
15	-Distribution from Endowment	\$ 17,000.00		\$ 17,000.00
16	-Interest income	\$ 2,600.00		\$ 2,600.00
17	-Administrative fees and misc. income	\$ 8,500.00		\$ 8,500.00
TOTAL				
Other Designated Revenue:				
18	-Designated gifts for Endowment	\$ 10,000.00		\$ 10,000.00
18	-Other designated gifts	\$ 5,000.00		\$ 5,000.00
19	-Gala event in Indianapolis	\$ -		\$ -
20	-Designated Development Support	\$ -		\$ -
TOTAL				
In-kind Donations:				
21	-Rent subvention from BU	\$ 34,000.00		\$ 34,000.00
22	-In kind (legal and printing)	\$ 5,000.00		\$ 5,000.00
TOTAL				
Total Income		\$ 1,349,754.00	\$ 570,000.00	\$ 1,919,754.00

AMERICAN SCHOOLS OF ORIENTAL RESEARCH
FALL EXECUTIVE COMMITTEE MEETING
REVISED FY 2015 BUDGET

Expenses		FY15 Budget Previously Adopted	Syrian Heritage Initiative Budget Additions	Revised Consolidated FY15 Budget
Annual Meeting:				
1	-Annual meeting expenses	\$ 85,000.00		\$ 85,000.00
2	-Other educational events	\$ 75,000.00		\$ 75,000.00
TOTAL				
Archaeological and Policy Support:				
3	-Fellowships (Heritage, Platt, Designated, etc.)	\$ 55,000.00		\$ 55,000.00
3	-Fellowships Endowment (P.E. MacAllister and Meyers)	\$ 125,000.00		\$ 125,000.00
4	-Field Research Support (current Harris distribution)	\$ 7,500.00		\$ 7,500.00
	-Field Research Support (endowment)	\$ 5,000.00		\$ 5,000.00
5	-Directors exchange funds	\$ 4,154.00		\$ 4,154.00
6	-Campaign Support for Online Digital Media Resources			
7	-Nies Trust expenses	\$ 17,500.00		\$ 17,500.00
7*	-New employees for SHI project and ASOR		\$ 318,750.00	\$ 318,750.00
7*	-Travel for SHI project	\$ -	\$ 28,580.00	\$ 28,580.00
7*	-Equipment and computers for SHI project	\$ -	\$ 9,000.00	\$ 9,000.00
7*	-Contractors for SHI Project	\$ -	\$ 144,000.00	\$ 144,000.00
7*	-SHI Project supplies, mitigation projects, and other	\$ -	\$ 40,750.00	\$ 40,750.00
7*	-Contingency for SHI Project office and indirect expenses	\$ -	\$ 28,920.00	\$ 28,920.00
23	-Regional meetings/Lecture series	\$ 2,000.00		\$ 2,000.00
23	-Chair support (moved from allocable exp)	\$ 8,000.00		\$ 8,000.00
23	-Meetings (moved from allocable exp)	\$ 3,000.00		\$ 3,000.00
	-Travel for arch. Support	\$ 2,000.00		\$ 2,000.00
23	-Website (moved from allocable exp)	\$ 15,000.00		\$ 15,000.00
TOTAL				
Tel El Hesi distributions				
Dead Seas distributions				
Archives Project (formally NEH)				
8	-Consultant and travel	\$ 1,000.00		\$ 1,000.00
8	-Supplies and services	\$ 2,000.00		\$ 2,000.00
8	-Contract services and interns	\$ 7,500.00		\$ 7,500.00
TOTAL				
Journals/ Memberships:				
24	-BASOR (4 issues per year)	\$ 76,000.00		\$ 76,000.00
24	-NEA (4 issues per year)	\$ 66,000.00		\$ 66,000.00
24	-JCS (ASOR portion)	\$ 3,500.00		\$ 3,500.00
7	-JCS (Nies Trust portion)	\$ 7,500.00		\$ 7,500.00
-JCS Supplement				
24	-Newsletter (print)	\$ -		\$ -
24	JSTOR	\$ 10,000.00		\$ 10,000.00
	-Other journal expenses	\$ 2,000.00		\$ 2,000.00
25	-Memb & Informz exp	\$ 25,000.00		\$ 25,000.00
TOTAL				
Books:				
12	-Book production	\$ 15,000.00		\$ 15,000.00
12	-Transfer of book revenue to Opportunity Fund	\$ 20,000.00		\$ 20,000.00
TOTAL				
Other Designated Expense:				
18	-Designated gifts for Endowment	\$ 10,000.00		\$ 10,000.00
18	-Other designated gifts	\$ 5,000.00		\$ 5,000.00
19	-Gala event in Indianapolis	\$ -		\$ -
20	-Development expenses (campaign)	\$ -		\$ -
TOTAL				
Allocable Expenses:				
26	-Salaries and benefits	\$ 545,000.00		\$ 545,000.00
21	-Rent BU	\$ 34,000.00		\$ 34,000.00
27	-Telephone and Utilities	\$ 7,000.00		\$ 7,000.00
27	-Postage and Copier	\$ 12,500.00		\$ 12,500.00
27	-Bank charges	\$ 7,000.00		\$ 7,000.00
27	-Insurance	\$ 11,500.00		\$ 11,500.00
27	-Audit	\$ 20,500.00		\$ 20,500.00
27	-Equipment and supplies (incl. computers)	\$ 10,000.00		\$ 10,000.00
27	-Avecra expenses	\$ 11,000.00		\$ 11,000.00
27	-Office events, Jibrin, payroll services, consulting	\$ 5,000.00		\$ 5,000.00
27	-Dues, etc	\$ 7,000.00		\$ 7,000.00
28	-Travel	\$ 14,500.00		\$ 14,500.00
22	-In kind legal and printing	\$ 5,000.00		\$ 5,000.00
29	-Development	\$ 5,100.00		\$ 5,100.00
30	-Depreciation			
30	-Bad Debts			
TOTAL				
Total Expenses		\$ 1,349,754.00	\$ 570,000.00	\$ 1,919,754.00
		\$ -	\$ -	\$ -

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

EXHIBIT F



Geoffrey E. Wiggins
Jeffrey S. Romeo
Angela B. Goodwin
J. Kelly Lanier
Joseph L. Hill, Jr.

November 8, 2014

Finance and Audit Committee
American Schools of Oriental Research
Boston, Massachusetts

We have audited the financial statements of American Schools of Oriental Research (“the Organization”) for the year ended June 30, 2014, and have issued (or soon will issue) our report thereon dated November 8, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated September 1, 2014, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

In planning and performing our audit, we considered the Organization’s internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously discussed with management and as communicated to the Board in our engagement letter dated September 1, 2014.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Management’s estimate of the fair value of investments is based on quoted market prices and, as such, is subject to market volatility.

American Schools of Oriental Research

November 8, 2014

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Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary schedule of support and revenue and functional expenses, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Finance and Audit Committee and management of American Schools of Oriental Research and is not intended to be, and should not be used by anyone other than these specified parties.

Sincerely,

Romeo, Wiggins & Company, L.L.P.

Romeo, Wiggins & Company, L.L.P