

**American Schools of Oriental Research
Finance Committee Report
Board of Trustees Meeting
April 18, 2015**

To the ASOR Board of Trustees:

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

- March 31, 2015 Memberships and Subscriptions Cash Flow Report (Exhibit A)
- March 31, 2015 Investment Report (Exhibit B)
- Comparison of FY 2015 Budget to Forecasted Actual Revenue and Expenses (Exhibit C)
- [Proposed] FY 2016 Budget (Exhibit C)
- Notes to the Comparison of FY 2015 Budget to Forecasted Actual Revenue and Expenses and [Proposed] FY 2016 Budget (Exhibit D)

PROJECTED FY 2015 INCREASE IN UNRESTRICTED ASSETS AVAILABLE FOR OPERATIONS (i.e., UNRESTRICTED NET INCOME)

ASOR is projected to generate a modest FY 2015 increase in unrestricted assets available for operations (*i.e.*, unrestricted net income) of \$1289. *See* Exhibit C.

There are six significant variances between the FY 2015 budgeted and forecasted actual revenue and expenses contributing to the projected \$1289 bottom line—three of which are positive, and three of which are negative.

First, the positive variances. That portion of the Syrian Heritage Initiative (SHI) funds allocated to cover ASOR's overhead and administrative expenses dedicated to the SHI is projected to be approximately +\$74,000 (Note 8). Royalties and advertising revenue is projected to be approximately +\$20,000 due to a one-time royalty payment resulting from an agreement with Logos Systems to provide searchable versions of JCS, BASOR, and NEA on the Internet (Note 11). Salaries and benefits expense is projected to be approximately -\$80,000 because of sound fiscal management and the ability to charge a significant portion of the expense to the SHI (in addition to charging overhead and administrative expenses as noted above) (Note 33).

Now, the negative variances. While San Diego annual meeting revenue was +\$5600 because of strong registrations and concessions from the hotel, the corresponding expenses were +\$28,000; the projected \$22,500 net loss is principally due to the SHI festivities, increased audio/visual expenses, and the decision to pay additional reception expenses (including additional expenses pertaining to the Thursday night event) (Note 1). Subscriptions and memberships revenue is projected to be approximately -\$20,000 due to an unforeseen bankruptcy of one of the agencies (Swets) and the level of effort spent on the SHI and outreach initiatives (Note 10). Annual Fund contributions are projected to be approximately -\$35,000—although total contributions could be higher than forecasted if all Trustees contribute at the same level as in previous years (Note 14).

FY 2015 INVESTMENT RESULTS (THROUGH MARCH 31, 2015)

ASOR's FY 2015 investment results for the nine-month period ending March 31, 2015 are solid. The Fellowship Accounts generated a collective gain of \$38,415 (+5.7%), while the Endowment Accounts generated a collective gain of \$33,703 (+5.2%). *See* Exhibit B. By comparison, the S&P 500 index was +7.1% for the same period.

As noted in prior Finance Committee reports, the S&P 500 index is one of the best representations of the U.S. stock market, and a bellwether for the U.S. economy. Although ASOR's investment returns for the first three quarters of FY 2015 are less than the overall increase in the S&P 500 index, ASOR continues to be on track for the long term under the current Fellowship and Endowment Account investment allocation models.

[PROPOSED] FY 2016 BUDGET

The [Proposed] FY 2016 Budget is presented alongside the Comparison of FY 2015 Budget to Forecasted Actual Revenue and Expenses. *See* Exhibit C. The [Proposed] FY 2016 Budget is consistent with the FY 2015 forecasted actual revenue and expenses, taking into account the dramatic increase in the budget due to the SHI. We, however, are positioned to appropriately manage ASOR's expenses should the projected revenue streams not materialize.

FY 2015 AUDIT

ASOR's policy is to review contracts with vendors every three years to make sure the organization is paying current market prices for goods and services. This is the year ASOR is scheduled to review the contract with Romeo, Wiggins & Co., LLP, ASOR's outside auditors, as part of the competitive bidding process.

At the November 23, 2014 Board meeting, the Finance Committee was granted the authority to vet and select the CPA firm for the FY 2015, 2016, and 2017 audits and tax returns. Pending further negotiations with the State Department, we have not commenced the competitive bidding process. The Executive Director, Treasurer, and the Finance Committee recommend that the process be postponed an additional four to six weeks until a signed renewal of the SHI cooperative agreement is in hand. At that point, we will have a better idea of our audit needs for the next three years, and be in a better position to draft a more precise request for proposal.

In closing, ASOR is financially healthy, on track to meet (or exceed) the FY 2015 Budget, and moving forward to FY 2016. If you have any questions about this Report or ASOR's finances prior to the April 18 Board meeting, please call or email me.

Respectfully submitted,

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AMERICAN SCHOOLS OF ORIENTAL RESEARCH
Memberships and Subscriptions
Cash Flow Report March 31, 2015

FY11		FY12		FY13		FY14		FY15	
Jul-10	\$ 15,092.04	Jul-11	\$ 11,731.52	Jul-12	\$ 12,019.50	Jul-13	\$ 12,555.21	Jul-14	\$ 19,464.10
Aug-10	\$ 10,776.97	Aug-11	\$ 11,809.53	Aug-12	\$ 7,477.87	Aug-13	\$ 14,240.79	Aug-14	\$ 15,412.24
Sep-10	\$ 25,833.96	Sep-11	\$ 23,624.83	Sep-12	\$ 26,046.90	Sep-13	\$ 20,853.02	Sep-14	\$ 15,767.14
	<u>\$ 51,702.97</u>		<u>\$ 47,165.88</u>		<u>\$ 45,544.27</u>		<u>\$ 47,649.02</u>		<u>\$ 50,643.48</u>
Oct-10	\$ 13,713.35	Oct-11	\$ 14,382.01	Oct-12	\$ 19,410.84	Oct-13	\$ 22,647.20	Oct-14	\$ 23,627.90
Nov-10	\$ 34,860.64	Nov-11	\$ 42,626.02	Nov-12	\$ 38,474.97	Nov-13	\$ 39,995.89	Nov-14	\$ 30,206.55
Dec-10	\$ 121,610.41	Dec-11	\$ 105,926.70	Dec-12	\$ 111,592.65	Dec-13	\$ 94,598.75	Dec-14	\$ 99,197.37
	<u>\$ 170,184.40</u>		<u>\$ 162,934.73</u>		<u>\$ 169,478.46</u>		<u>\$ 157,241.84</u>		<u>\$ 153,031.82</u>
Jan-11	\$ 33,795.40	Jan-12	\$ 36,935.38	Jan-13	\$ 48,737.61	Jan-14	\$ 66,030.64	Jan-15	\$ 66,437.26
Feb-11	\$ 36,145.03	Feb-12	\$ 47,207.96	Feb-13	\$ 46,150.68	Feb-14	\$ 48,068.13	Feb-15	\$ 40,380.27
Mar-11	\$ 31,855.15	Mar-12	\$ 35,698.93	Mar-13	\$ 28,992.02	Mar-14	\$ 31,383.60	Mar-15	\$ 31,398.63
	<u>\$ 101,795.58</u>		<u>\$ 119,842.27</u>		<u>\$ 123,880.31</u>		<u>\$ 145,482.37</u>		<u>\$ 138,216.16</u>
Apr-11	\$ 13,145.82	Apr-12	\$ 21,453.48	Apr-13	\$ 20,466.53	Apr-14	\$ 18,589.08	Apr-15	
May-11	\$ 16,989.05	May-12	\$ 25,307.51	May-13	\$ 17,561.09	May-14	\$ 18,454.36	May-15	
Jun-11	\$ 31,900.83	Jun-12	\$ 20,916.06	Jun-13	\$ 23,730.67	Jun-14	\$ 25,324.67	Jun-15	
	<u>\$ 62,035.70</u>		<u>\$ 67,677.05</u>		<u>\$ 61,758.29</u>		<u>\$ 62,368.11</u>		<u>\$ -</u>
	\$ 385,718.65		\$ 397,619.93		\$ 400,661.33		\$ 412,741.34		\$ 341,891.46
	Total FY11		Total FY12		Total FY13		Total FY14		Total FY15
	\$ 25,560.95		\$ 11,901.28		\$ 3,041.40		\$ 12,080.01		To Date
	over last year		Over FY11		Over FY12		Compared to FY13		

AMERICAN SCHOOLS OF ORIENTAL RESEARCH
Investment Report
March 31, 2015

Account Name & Bank											
	30-Jun-11	30-Jun-12	30-Jun-13	30-Jun-14	31-Mar-15	Net Change	Contributions	Distributions	FY15 to date Investment Return	FY15 to date % Return	
ASOR Fellowships:											
1 Harris Fell. - Sequoia Fund	\$ 53,969.49	\$ 57,282.98	\$ 63,303.23	\$ 69,945.12	\$ 68,058.84	\$ (1,886.28)	\$ -	\$ 11,100.00	\$ 9,213.72	13.2%	
Harris Fell. - Charles Schwab	\$ 67,335.99	\$ 62,417.21	\$ 72,059.09	\$ 81,499.70	\$ 88,436.19	\$ 6,936.49	\$ 11,704.98	\$ 5,095.00	\$ 326.51	0.4%	
Total Harris Fellowship	\$ 121,305.48	\$ 119,700.19	\$ 135,362.32	\$ 151,444.82	\$ 156,495.03	\$ 5,050.21	\$ 11,704.98	\$ 16,195.00	\$ 9,540.23	6.3%	
2 Platt Fellowship - Sequoia Fund	\$ 114,360.62	\$ 109,682.74	\$ 121,628.86	\$ 131,126.49	\$ 127,060.07	\$ (4,066.42)	\$ -	\$ 21,350.00	\$ 17,283.58	13.2%	
Platt Fell. - Charles Schwab	\$ 126,322.84	\$ 121,408.90	\$ 135,212.91	\$ 153,306.36	\$ 164,484.56	\$ 11,178.20	\$ 22,484.39	\$ 11,646.00	\$ 339.81	0.2%	
Total Platt Fellowship	\$ 240,683.46	\$ 231,091.64	\$ 256,841.77	\$ 284,432.85	\$ 291,544.63	\$ 7,111.78	\$ 22,484.39	\$ 32,996.00	\$ 17,623.39	6.2%	
3 Wright/Meyers Fund - Charles Schwab	\$ 53,855.74	\$ 55,184.06	\$ 64,339.68	\$ 83,230.04	\$ 83,425.60	\$ 195.56		\$ 2,524.00	\$ 2,719.56	3.3%	
4 PE MacAllister Fellowship - Charles Schwab			\$ 84,532.19	\$ 112,470.84	\$ 123,277.88	\$ 10,807.04	\$ 10,025.00	\$ 3,915.00	\$ 4,697.04	4.2%	
5 Jim Strange Fellowship - Charles Schwab				\$ 30,950.05	\$ 51,858.17	\$ 20,908.12	\$ 19,100.00		\$ 1,808.12	5.8%	
6 Carol and Eric Meyers Scholarship - Charles Schwab				\$ 7,000.00	\$ 57,228.78	\$ 50,228.78	\$ 48,202.67		\$ 2,026.11	28.9%	
Total ASOR Fellowships	\$ 415,844.68	\$ 405,975.89	\$ 541,075.96	\$ 669,528.60	\$ 763,830.09	\$ 94,301.49	\$ 111,517.04	\$ 55,630.00	\$ 38,414.45	5.7%	
ASOR Endowment:											
1 Endowment (ASOR) - Charles Schwab	\$ 321,615.39	\$ 307,079.49	\$ 360,796.66	\$ 461,561.33	\$ 457,695.92	\$ (3,865.41)	\$ 2,981.42	\$ 14,090.00	\$ 7,243.17	1.6%	
Endowment - Sequoia Fund	\$ 124,824.83	\$ 132,488.53	\$ 166,905.96	\$ 192,396.83	\$ 218,856.48	\$ 26,459.65	\$ -		\$ 26,459.65	13.8%	
Total ASOR Endowment	\$ 446,440.22	\$ 439,568.02	\$ 527,702.62	\$ 653,958.16	\$ 676,552.40	\$ 22,594.24	\$ 2,981.42	\$ 14,090.00	\$ 33,702.82	5.2%	
Publications OF - Charles Schwab (Books)	\$ 110,536.23	\$ 85,074.62	\$ 87,259.77	\$ 100,251.09	\$ 103,190.73	\$ 2,939.64	\$ 250.00		\$ 2,689.64	2.7%	
INVESTMENTS SUBTOTAL	\$ 972,821.13	\$ 930,618.53	\$ 1,156,038.35	\$ 1,423,737.85	\$ 1,543,573.22	\$ 119,835.37	\$ 114,748.46	\$ 69,720.00	\$ 74,806.91	5.3%	
1 Temp. Restricted - Charles Schwab	\$ 28,376.69	\$ 45,453.34									
Citizens Savings	\$ 70,730.28	\$ 82,548.06	\$ 126,012.17	\$ 197,864.99	\$ 364,704.45						
	\$ 99,106.97	\$ 128,001.40	\$ 126,012.17								
2 ASOR General Fund- Charles Schwab	\$ 89,226.67	\$ 96,849.38	\$ 81,802.57	\$ 115,145.00	\$ 117,033.91						
Citizens Savings	\$ 233,539.71	\$ 298,527.37	\$ 411,199.84	\$ 353,298.73	\$ 447,240.26						
Citizens Bank Checking	\$ 2,764.07	\$ 5,562.67	\$ 1,368.86	\$ 7,050.34	\$ 4,335.34						
	\$ 325,530.45	\$ 400,939.42	\$ 494,371.27	\$ 475,494.07	\$ 568,609.51						
3 Journals Escrow Account - Charles Schwab											
Citizens savings	\$ -										
GRAND TOTAL	\$ 1,397,458.55	\$ 1,459,559.35	\$ 1,776,421.79	\$ 2,097,096.91	\$ 2,476,887.18	\$ 119,835.37	\$ 114,748.46	\$ 69,720.00	\$ 74,806.91		
DSP - Calvert Account	\$ 43,409.24	\$ 43,413.41	\$ 0.28	\$ 0.28							
DSP - Citizens Account	\$ 4,944.04	\$ 4,935.04	\$ 46,514.39	\$ 46,439.39	\$ 46,439.39						
HESI - Huntington Bank	\$ 32,828.94	\$ 30,770.43	\$ 28,778.59	\$ -							
Total Sponsored projects	\$ 81,182.22	\$ 79,118.88	\$ 75,293.26	\$ 46,439.67	\$ 46,439.39	\$ -					
Nies Fund - Citigroup	\$ 424,252.39	\$ 398,234.30	\$ 440,263.29	\$ 506,506.59	\$ 493,260.89	\$ (13,245.70)					

American Schools of Oriental Research
 Comparison of FY 2015 Budget to Forecasted Actual
 Revenue and Expenses/Proposed FY 2016 Budget
 April 2015

INCOME

Notes:

		FY2015 Budget	FY2015 Forecast	FY2016 Budget
Annual Meeting:				
1	-Registration fees and other income	\$ 210,000.00	\$ 215,661.82	\$ 215,000.00
2	-Other educational events	\$ 60,000.00		
	-Designated gifts for other events	\$ 15,000.00		
Archaeological and Policy Support:				
3	-Fellowships Awarded (Heritage, Platt, Designated, etc.)	\$ 55,000.00	\$ 48,000.00	\$ 50,000.00
3	-Fellowships Endowment (P.E. MacAllister, Meyers/Wright, Strange, C&E Meyers)	\$ 125,000.00	\$ 78,500.00	\$ 40,000.00
4	-Field Research Support (current Harris distribution)	\$ 7,500.00	\$ 4,500.00	\$ 10,000.00
4	-Field Research Support (endowment)	\$ 5,000.00		\$ 50,000.00
5	-Directors exchange funds	\$ 4,154.00	\$ 4,154.54	\$ -
6	-Campaign Support for Online Digital Media Resources	\$ 66,500.00	\$ 37,000.00	\$ 40,000.00
7	-Nies Trust income	\$ 25,000.00	\$ 19,000.00	\$ 20,000.00
8	Syrian Heritage Initiative (SHI)			
8	-Revenue not used from TR account for social media because SHI	\$ (30,000.00)	\$ -	
8	-SHI revenue for continuing FY14 ASOR staff salaries	\$ 16,500.00	\$ 31,000.00	\$ 20,000.00
8	-SHI revenue for new employees	\$ 276,750.00	\$ 325,000.00	\$ 430,675.00
8	-SHI revenue for travel expenses	\$ 28,580.00	\$ 25,880.00	\$ 30,000.00
8	-SHI revenue for equipment and/or rent	\$ 9,000.00	\$ 16,000.00	\$ 5,000.00
8	-SHI revenue for contractors	\$ 144,000.00	\$ 141,000.00	\$ 135,000.00
8	-SHI revenue for supplies and other	\$ 40,750.00	\$ 31,700.00	\$ 20,500.00
8	-SHI revenue for indirect costs (will be used for some ASOR staff and digital media)	\$ 84,420.00	\$ 97,000.00	\$ 131,325.00
8	-Money set aside for SHI audit			
Archives Project				
9	-Salaries ASOR staff			
	-Salaries Archivist, asst.			
	-Consultant and travel			
	-Supplies and services			
9	-External funds raised	\$ 25,000.00	\$ 25,000.00	\$ 1,000.00
Journals/Memberships:				
10	-Subscriptions/memberships	\$ 400,000.00	\$ 380,000.00	\$ 395,000.00
11	-Royalties and advertising	\$ 39,500.00	\$ 59,500.00	\$ 41,000.00
12	-Support from OF and gifts	\$ 10,000.00	\$ 4,131.80	\$ 500.00
12	-Other Journal Support		\$ 3,741.61	
Books:				
13	-Funds from Opportunity Fund	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
13	-Sales revenue designated for Opportunity Fund	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
	- Book subventions		\$ 10,000.00	
Undesignated Revenue:				
14	-Annual fund contributions	\$ 100,000.00	\$ 65,000.00	\$ 80,000.00
15	-Institutional memberships	\$ 85,000.00	\$ 81,000.00	\$ 81,000.00
16	-Distribution from Endowment	\$ 17,000.00	\$ 19,121.00	\$ 20,500.00
17	-Investment income	\$ 2,600.00	\$ 4,500.00	\$ 4,500.00
18	-Administrative fees and misc. income	\$ 8,500.00	\$ 6,686.64	\$ 7,200.00
Other Designated Revenue:				
19	-Designated gifts for Endowment	\$ 10,000.00	\$ 1,500.00	\$ 85,000.00
20	-Other designated gifts (including printing)	\$ 5,000.00	\$ 850.00	\$ 1,000.00
21	-Development Fund and designated gifts		\$ 1,050.00	\$ 1,000.00
In-kind Donations:				
22	-Rent subvention from BU	\$ 34,000.00	\$ 34,000.00	\$ 34,000.00
23	-In kind legal	\$ 5,000.00	\$ 5,000.00	\$ 20,000.00
Total Income		\$ 1,919,754.00	\$ 1,810,477.41	\$ 2,004,200.00

EXPENSES

Notes:

		FY2015 Budget	FY2015 Forecast	FY2016 Budget
Annual Meeting:				
1	-Annual meeting expenses	\$ 85,000.00	\$ 113,831.19	\$ 85,000.00
2	-Other Educational Events	\$ 75,000.00		
Archaeological and Policy Support:				
3	-Fellowships Awarded (Heritage, Platt, Designated, etc.)	\$ 55,000.00	\$ 48,000.00	\$ 50,000.00
3	-Fellowships Endowment (P.E. MacAllister, Meyers/Wright, Strange, C&E Meyers)	\$ 125,000.00	\$ 78,500.00	\$ 40,000.00
4	-Field Research Support (current Harris distribution)	\$ 7,500.00	\$ 4,500.00	\$ 10,000.00
4	-Field Research Support (endowment)	\$ 5,000.00		\$ 50,000.00
5	-Directors exchange funds	\$ 4,154.00	\$ 4,154.54	\$ -
6	-Campaign Support for Online Digital Media Resources	note: allocated		
7	-Nies Trust expenses	\$ 17,500.00	\$ 11,500.00	\$ 12,500.00
8	-New employees for SHI project and ASOR	\$ 318,750.00	\$ 360,000.00	\$ 443,000.00
8	-Travel for SHI project	\$ 28,580.00	\$ 25,880.00	\$ 30,000.00
8	-Equipment and computers for SHI project	\$ 9,000.00	\$ 16,000.00	\$ 5,000.00
8	-Contractors for SHI project	\$ 144,000.00	\$ 145,000.00	\$ 135,000.00
8	-SHI project supplies, mitigation projects, and other	\$ 40,750.00	\$ 31,700.00	\$ 20,500.00
8	-Contingency for SHI project office and indirect expenses	\$ 28,920.00	\$ 74,000.00	\$ 34,700.00
8	-Money set aside for SHI audit		\$ 15,000.00	\$ 15,000.00
	-Regional meetings/Lecture series	\$ 2,000.00		\$ -
24	-Chair support (moved from allocable exp.)	\$ 8,000.00	\$ 7,500.00	\$ 7,500.00
25	-Travel for arch. Support	\$ 2,000.00		\$ 2,000.00
26	-Meetings (moved from allocable exp.)	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
27	-Website (moved from allocable exp.)	\$ 15,000.00	\$ 1,000.00	\$ 20,000.00
28	-Presidential discretionary wxpenses			\$ 3,000.00
Tel El Hesi distributions				
Dead Seas distributions				
Archives Project:				
9	-Consultant and travel	\$ 1,000.00		\$ 1,000.00
9	-Supplies and services	\$ 2,000.00	\$ 137.11	\$ 1,000.00
9	-Contract services and salaries	\$ 7,500.00	\$ 25,200.00	\$ -
Journals/Memberships:				
28	-BASOR (2 issues per year)	\$ 76,000.00	\$ 80,200.00	\$ 76,000.00
28	-NEA (4 issues per year)	\$ 66,000.00	\$ 68,750.00	\$ 66,000.00
28	-JCS (ASOR portion)	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00
7	-JCS (Nies Trust portion)	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
	-JCS Supplement			
28	-Newsletter			
29	-JSTOR	\$ 10,000.00	\$ 7,400.00	\$ 8,000.00
30	-Other journal expenses	\$ 2,000.00	\$ 1,500.00	\$ 2,000.00
31	-Membership, FOA & Informz expenses	\$ 25,000.00	\$ 27,000.00	\$ 25,000.00
Books:				
13	-Book production	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
13	-Transfer of book revenue to Opportunity Fund	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Other Designated Expense:				
19	-Designated gifts for Endowment	\$ 10,000.00	\$ 1,500.00	\$ 85,000.00
20	-Other designated gifts (including printing)	\$ 5,000.00	\$ 850.00	\$ 1,000.00
21	-Development Fund and designated gifts			
Allocable Expenses:				
32	-Salaries and benefits	\$ 545,000.00	\$ 465,300.00	\$ 551,000.00
22	-Rent subvention from BU	\$ 34,000.00	\$ 34,000.00	\$ 34,000.00
33	-Telephone and Utilities	\$ 7,000.00	\$ 7,200.00	\$ 7,500.00
34	-Postage, Postage mach. and Copier	\$ 12,500.00	\$ 12,000.00	\$ 12,500.00
35	-Bank charges	\$ 7,000.00	\$ 7,500.00	\$ 8,000.00
36	-Insurance	\$ 11,500.00	\$ 9,000.00	\$ 12,000.00
37	-Audit	\$ 20,500.00	\$ 20,385.15	\$ 23,000.00
38	-Equipment and supplies (incl. computers)	\$ 10,000.00	\$ 9,000.00	\$ 11,000.00
39	-Avecetra expenses	\$ 11,000.00	\$ 8,400.00	\$ 11,000.00
40	-Office events, Jibrin, Payroll services, consulting	\$ 5,000.00	\$ 4,500.00	\$ 5,000.00

		FY2015 Budget	FY2015 Forecast	FY2016 Budget
41	-Dues, etc.	\$ 7,000.00	\$ 6,800.00	\$ 8,000.00
42	-Travel	\$ 14,500.00	\$ 14,000.00	\$ 15,000.00
23	-In kind legal	\$ 5,000.00	\$ 5,000.00	\$ 20,000.00
43	-Development	\$ 5,100.00	\$ 4,000.00	\$ 5,000.00
44	-Depreciation		\$ 4,000.00	\$ 4,000.00
45	-Bad Debts			
46	-Contingency for office space rental (SHI)			
	-Tell el Hesi Account transfer			
Total Expenses		\$ 1,919,754.00	\$ 1,809,187.99	\$ 2,004,200.00
Total		\$ -	\$ 1,289.42	\$ -

American Schools of Oriental Research
Notes to FY 2015 Budget to Forecast Comparison and [Proposed] FY 2016 Budget
April 18, 2015

1. Annual meeting income/expenses. Income includes registration fees, exhibitor fees, program advertising, grants (TFBA, AIIrS), hotel concessions and reimbursements from research centers. While the annual meeting revenue was +\$5600 because of strong registrations and concessions from the hotel, the corresponding expenses were +\$28,000; the projected \$22,500 net loss is principally due to the SHI festivities, increased audio/visual expenses, and the decision to pay additional reception expenses (including additional expenses pertaining to the Thursday night event). FY 2016 is budgeted at the FY 2015 level.

2. No ASOR/BAS events occurred in FY 2015, and none are planned for FY 2016.

3. Fellowship income.

a. FY 2015. Amounts listed are the distributions from all of the ASOR fellowships accounts, annual gifts to March Fellowship Madness, the Heritage program and other designated gifts. Fellowship income includes, for the first time, the William G. Dever Archaeological Fellowship for Biblical Scholars. The fellowship income forecast is preliminary because some Heritage donors who gave in FY 2014 have not yet made their FY 2015 gifts. Endowment gifts include gifts to the MacAllister Fund, Meyers/Wright Fund, and Strange/Midkiff Fund.

b. FY 2016. The budget is at near the same level of the FY 2016 forecast for fellowships awarded. The budgeted endowment amount includes finishing a challenge campaign for the Meyers Fellowship.

4. Field Research Support (for affiliated projects).

a. FY 2015. The forecast is preliminary because the Committee has not made its final determination. About \$6,000 will remain in the TR account at the end of the fiscal year. No designated gifts were received.

b. FY 2016. The forecast includes approximately \$5,000 of Harris revenue plus funds left over from the previous year. Designated gifts are forecasted to be \$50,000 due to an anticipated challenge gift.

5. Directors' exchange funds. The remaining funds were used in FY 2015 to pay travel expenses incurred by the CAARI Director and AIAR Director. Because this temporarily restricted account is fully depleted, there is not a budget line item for FY 2016 and beyond.

6. Support for online digital media resources. This line item continues to be a priority as identified in the Foundational Campaign.

a. FY 2015. This figure consists of the funds spent in FY 2015. About \$27,000 will be left in this temporarily restricted account to be spent in FY 2016. This line item supports the Friends of ASOR initiative, and also includes designated support for News@ASOR by the Kershaw Family Trust.

b. FY 2016. This figure consists of the amount to be carried over from FY 2015 and two anticipated designated gifts.

7. Nies Trust. This figure consists of \$7,500 of JCS support, and the remaining trust funds for the Mesopotamian Fellowship and other Baghdad Committee activities.

8. ASOR Syrian Heritage Initiative. The SHI is anticipated to continue in FY 2016; similar funding is forecasted with only a cost of living increase. Approximately 17% of the SHI funds are allocated to cover ASOR's overhead and administrative expenses dedicated to the project. That said, revenues and expenses continue to be negotiated with the State Department. The expenses reflect the best estimate as of the date the budget was prepared, and the Executive Director, President, and Treasurer will make sure the final agreement does not negatively impact the organization's bottom line.

9. Archives Project. This FY 2015 amount consists of David Berg Foundation funds spent on the Glueck Collection. Apart from one \$500 donation, all of the funds were deferred from FY 2014 and kept in the temporarily restricted account for use in FY 2015. The FY 2016 budgeted amount reflects minimal fundraising since it is uncertain if the David Berg Foundation will award new funding.

10. Subscriptions and memberships revenue. The projected FY 2015 shortfall is due to (i) an unforeseen bankruptcy of one of the agencies (Swets), (ii) a drop in revenue from the JSTOR Current Scholarship Program, and (iii) the level of effort spent on the SHI and ASOR's outreach initiatives. The ASOR staff is actively working on ways to recoup the Swets customers and, as of today, has identified and captured approximately 50% of the Swets customers. This number may increase since some of the customers have a June 30, 2015 subscription expiration date. The staff also is working on a plan to grow subscription revenue in general.

11. Royalties and advertising. FY 2015 actual income was higher than budgeted due to a one-time royalty payment of approximately \$20,000 resulting from an agreement with Logos Systems to provide a searchable version of JCS, BASOR, and NEA on the Internet. The Executive Director and Publications Manager negotiated this agreement in FY 2014, and online sales have greatly exceeded expectations. While a positive benefit to the organization, it cannot be forecasted to repeat itself in FY 2016. FY 2016 revenue includes only the expected revenue streams, which are forecast to increase slightly.

12. BASOR and NEA support. Opportunity Fund support for BASOR and UBC support for NEA, which were used to fund Aries Systems Corporation for both journals. BASOR is over budget because the previous editor was paid concurrently with the new editors

for six months in FY 2015. The Opportunity Fund may be used to pay the overage if it cannot be absorbed elsewhere. A return to prior year levels is budgeted for FY 2016.

13. Book proceeds from the Opportunity Fund and from sales. This is an in and out item that impacting Board-designated unrestricted net assets, but not impacting net assets available for operations.

14. Annual Fund. The projected FY 2015 shortfall is because ASOR has recently encouraged gifts to support areas identified in the strategic plan and Foundational Campaign. Overall giving is on par with previous years, especially when foundation support is taken into account. The FY 2016 Annual Fund is budgeted for \$80,000, which is below the typical \$100,000 level, but more in keeping with the FY 2015 experience.

15. Institutional memberships have leveled out at approximately 80 institutions.

16. Endowment distribution. There is a slight increase in the distribution due to positive market returns, and steady, but modest, contributions to the endowment.

17. Interest income remains low due to low rates.

18. Administrative fees and misc. income. A slight increase is projected for FY 2016 due to higher market values and more permanently restricted funds.

19. Designated gifts for Endowment. A relatively small amount is forecasted for FY 2015. The FY 2016 budgeted amount includes an anticipated legacy gift from the W. Weir Estate. ASOR has been notified of the gift, but the Estate will not be settled until sometime in FY 2016. It is uncertain at this point where the Board will place these new permanently restricted funds, so they have been accounted for here as a placeholder.

20. Other designated gifts. From time to time, ASOR receives designated gifts to reimburse the organization for designated expenses.

21. Development Fund and designated gifts. These gifts support development travel, fundraising events, and other development expenses.

22. Rent. In-kind support from Boston University.

23. Other In-kind gifts. In/out items that do not affect the profit/loss of the organization. The principal in-kind gift is legal services performed by Arnold and Porter.

24. Chair support. Funding to support the work of the Chairs of the academic committees. Expense items include travel, meals, receptions for Chairs, special requests, and CCC expenses (including a retreat, if any).

25. Travel for Archaeological Support. Travel support for the Executive Director and other staff or officers to visit archaeological sites or affiliated research centers. Expenditures

have been minimal to non-existent in recent years because designated gifts (usually by the Executive Director) have paid such expenses.

26. Meetings. Meetings other than the annual meeting, including Board meetings and other special events and conferences.

27. Website. Increased funds have been allocated to this line item over the last few years, but have not been spent because other expenses required management. The FY 2016 budgeted amount has been increased to \$20,000 because it has been reported by quite a few groups (including the CCC) that the ASOR website is in need of a major upgrade. While \$20,000 will not accomplish the entire task, it will pay for a significant portion of the upgrade.

28. Presidential discretionary expenses. Funds the President may allocate for events or special needs in his or her discretion. The funds also may be used to cover expenses the President may incur working as a volunteer on behalf of ASOR.

29. Journal expenses. Increased BASOR budget instituted a few years ago for color and 25% more pages. The organization incurred some one-time expenses moving to an editorial manager system in FY 2015. BASOR was over budget in FY 2015, in part, because the previous editor was paid a reduced rate for six months concurrently with the new editors. BASOR and NEA expenses are budgeted to return to FY 2014 levels in FY 2016.

30. JSTOR. Expenses to provide online access to ASOR journals through JSTOR CSP—excluding sales commissions and other charges deducted directly from JSTOR revenue.

31. Other Journal Expenses. Includes expenses incurred by the Publications Manager to provide materials to the printers and journal editors.

32. Membership, FOA and Informz expenses. Direct expenses of the Friends of ASOR and membership drives not included in the salaries line item, including a stipend for the editor of ANE Today, Informz expenses and News@ASOR expenses (excluding staff time).

33. Salaries and benefits. The FY 2015 forecasted actual amount is less than the budgeted amount due to sound fiscal management and the ability to charge a significant portion of the expense to the SHI (in addition to charging overhead and administrative expenses to the SHI as described in Note 8). FY 2016 budgeted salaries and benefits include a 1.5% increase for raises and a 3% increase to enable ASOR to offer retirement benefits, effective January 1, 2016. FY 2016 salaries and benefits assume a full-time meetings manager. FY 2016 salaries and benefits pertaining to the SHI are included in SHI expenses.

34. Telephone and Utilities. FY 2016 budgeted expense is based on the FY 2015 forecasted actual expense.

35. Postage, Postage machine and copier. FY 2016 budgeted expenses are based on the FY 2015 forecasted actual expenses.

36. Bank Charges. FY 2016 budgeted expense is based on the FY 2015 forecasted actual expense. Bank charges (credit card fees) continue to increase each year as more memberships, registrations, and donations are made online.

37. Insurance. FY 2016 budget is based on the FY 2015 forecasted actual expense.

38. Audit. The annual audit expense is forecasted to increase due to the substantially increased budget. That portion of the increased audit expense attributable to the A-133 audit required for the SHI is included in the SHI portion of the budget.

39. Equipment and Supplies. FY 2016 budgeted expense is based on the FY 2015 forecasted actual expense. Expenses are anticipated to be slightly higher in FY 2016 because of the need for a new copier and several new computers.

40. Avectra expenses. Pertain to ASOR online store and database.

41. Office events, Jibrin, Payroll, and other expenses. FY 2016 budgeted expense is based on the FY 2015 forecasted actual expense. The Jibrin expense is a retirement benefit paid by ASOR to the widow of a former AIAR cook (Omar Jibrin) as part of a long-standing agreement. Payroll expenses are for PayChex to process ASOR's payroll and related expenses.

42. Dues, etc. FY 2016 budgeted expense is based on the FY 2015 forecasted actual expense, including dues for organizations, such as ACLS and NHA, but excluding dues for individual staff members or ASOR officers.

43. Travel. Includes the Executive Director's travel account (\$8,000) and travel expenses incurred by staff members to travel to Board meetings, conferences, development meetings, and other events. SHI travel is included in the SHI portion of the budget.

44. Development. Now that the temporarily restricted fund is depleted, this expense will be approximately \$5,000 per year unless there are special events, which will cause the expense to be higher. This budget item also provides funds for the President, Development Committee Chair, and Executive Director to use for fundraising and development purposes.

45. Depreciation. A non-cash expense calculated by the auditors during the annual audit that does not affect the unrestricted budget.

46. Bad Debt Expense. Past outstanding pledges have been paid. No bad debts are anticipated for FY 2015 or FY 2016.

47. Tell el-Hesi Account transfer. A transfer of funds that have been held in the temporarily restricted account since the 1970's. ASOR has not used the funds for any purpose other than the Hesi project, and has never received an administrative fee for the account. By mutual agreement, the funds were transferred to a temporarily restricted account at Mississippi State University to directly pay for work at Tell el-Hesi.