

**American Schools of Oriental Research
Finance Committee Report
FYE June 30, 2015**

**Board of Trustees Meeting
November 22, 2015**

To the ASOR Board of Trustees:

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

- FY 2015 Budget to Actual Comparison (with CHI Breakdown and Notes) (Exhibit A)
- FY 2015 Memberships and Subscriptions Cash Flow Report (Exhibit B)
- FY 2015 Investment Report (Exhibit C)
- FY 2016 Investment Report (through October 31, 2015) (Exhibit D)
- FY 2016 Journals Escrow Recommendation (Exhibit E)
- FY 2015 Audited Financial Statements and Supplemental Information (posted separately), including auditors' letter (Exhibit F)

FY 2015 BIG PICTURE FAST FACTS AT A GLANCE

ITEM	AMOUNT	CHANGE FROM FY 2014
Increase in unrestricted assets available for operations	\$51,062	N.A.
General Fund (<i>i.e.</i> , unrestricted cash available for operations)	\$559,375	+17.64%
Market value of all Investment Accounts	\$1,525,081	+7.12%
Total value of all financial accounts (checking accounts,	\$2,415,579	+15.19%
Memberships and subscriptions revenue (total)	\$405,633	-1.72%
Individual Membership revenue (accrual basis)	\$162,003	-0.69%
Institutional Membership revenue (cash basis)	\$78,000	-1.27%
Subscriptions Revenue (accrual basis)	\$224,614	-2.14%
Investment income (Fellowship Accounts)	\$39,091	+5.8%
Investment income (Endowment Accounts)	\$35,097	+5.4%
2014 Annual Meeting attendance (compared to 2013)	936	+0.43%

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

At the Fall Executive Committee meeting, we projected FY 2015 unrestricted net income would be \$18,250. We, however, far exceeded this projection. The audit is finished; FY 2015 gross unrestricted net income was \$51,062, with a net unrestricted net income of \$42,317 after taking into account FY 2015 fixed asset purchases. See Exhibit A.

FY 2015 MEMBERSHIPS AND SUBSCRIPTION REVENUE

Total memberships and subscription revenue (on a cash receipts basis) decreased 1.72%, from \$412,741 in FY 2014 to \$405,633 in FY 2015. See Exhibit B.

BREAKDOWN OF FY 2015 MEMBERSHIPS AND SUBSCRIPTIONS REVENUE

As reflected in the following tables, Individual Membership revenue, Subscriptions revenue, and Institutional Membership revenue dipped slightly in FY 2015. Subscriptions revenue continues to be a targeted growth area.

Individual Membership Revenue	FY2012	FY 2013	FY 2014	FY 2015
Amount (accrual basis)	\$153,745	\$163,715	\$163,124	\$162,003
Increase (decrease)	+2.2%	+6.5%	-0.36%	-0.69%

Institutional Membership Rev.	FY2012	FY 2013	FY 2014	FY 2015
Amount (cash basis)	\$83,000	\$86,000	\$79,000	\$78,000
Increase (decrease)	-4.6%	+3.6%	-8.1%	-1.27%

Subscription Revenue	FY2012	FY 2013	FY 2014	FY 2015
Amount (accrual basis)	\$215,821	\$231,423	\$229,532	\$224,614
Increase (decrease)	-3.2%	+7.2%	-1.0%	-2.14%

FY 2015 INVESTMENT RESULTS

Changes to the Investment Report. *First*, under the theory that "less is more," several Board members have requested that the Investment Reports be streamlined, so the FY 2015 Investment Report eliminates the columns for FYE 2009, 2010, and 2011. The current year (FY 2015) + three years of comparative financial information is plenty.

Second, a new column to the far right, entitled "ASOR Custom Benchmark," has been added. At the Spring Board Meeting, Sheldon Fox and I discussed migrating from the S&P 500 Index to a new comparative benchmark calculated using a formula that more closely resembles ASOR's actual investment allocations under the Investment and Spending Policy. Comparing ASOR's investment results to the S&P 500 Index is like comparing apples to oranges. It is time for a change. Ergo, the new ASOR Custom

Benchmark, which is a derivative of the benchmark developed by Sheldon's firm to evaluate the investment performance of certain non-profit organizations' endowments.

Eighty percent (80%) of the ASOR Custom Benchmark is composed of the MSCI All Cap World Index ("ACWI"). The ACWI is based on a global stock portfolio of large and mid-cap stocks – as opposed to the S&P 500 Index, which includes only U.S. large cap stocks. It makes more sense to use the ACWI since a portion of ASOR's investments are in international and small cap equities. The ACWI benchmark is commonly used by pensions and endowments.

The remaining 20% of the ASOR Custom Benchmark is composed of the Barclays Aggregate Bond Index, the leading index for benchmarking fixed income returns.

Sheldon suggested the 80% ACWI/20% Barclays Aggregate Bond Index combination because 80% of the Schwab investment model utilized by ASOR consists of equities. For the 12-month period ending June 30, 2015, the ASOR Custom Benchmark is 1.36%, which is calculated as follows: $+1.23\% \text{ (ACWI)} \times .80$ plus $+1.86\% \text{ (Barclay's)} \times .20$. For the 3-month period ending October 31, 2015, the ASOR Custom Benchmark is -1.5%.

Investment results. That said, ASOR's FY 2015 investment results were solid once again. ASOR Fellowship Accounts generated a collective gain of \$39,091 (+5.8%), while the Endowment Accounts generated a collective gain of \$35,097 (+5.4%) – both of which substantially exceed the FY 2015 ASOR Custom Benchmark of 1.36%. See Exhibit C. For transitional discussion purposes only – and this will be the next to last time – the S&P 500 Index for the 12-month period ending June 30, 2015 was +7.4%.

Sequoia Fund Adjustments. In addition to the normal adjustments to the investment allocations to bring them in line with the Investment and Spending Policy, we recently made significant special adjustments to ASOR's investments in the Sequoia Fund – which are down 15.5% from their value at June 30, 2015. By way of comparison, the S&P 500 is down only 1.5% for the same period. Prior to making the adjustments, Sheldon Fox, B.W. Ruffner, Andy Vaughn, and I discussed them extensively. We all agreed the adjustments should be made, and authorized Andy to proceed. These adjustments will be vetted by the Finance Committee prior to the Board meeting. The following information about the adjustments is included here so the Board may have an opportunity to review it in advance.

Being generally aware that the Sequoia Fund is the largest shareholder of Valeant Pharmaceuticals, a recent hot topic in the financial press, Sheldon probed further and discovered that through prior gains in Valeant, Sequoia Fund management had allowed its investment in Valeant to grow to comprise 28.7% of the Sequoia Fund portfolio at June 30, 2015. Valeant's business model and accounting practices have recently been

under attack, causing the stock to decline in value almost 60% from June 30, 2015 to October 31, 2015.

While Sheldon respects Sequoia Fund management in general, he believes they violated a fundamental investment principle by allowing one stock to comprise almost 30% of the Fund. By way of example, the next largest position of the Sequoia Fund at June 30, 2015 was Berkshire Hathaway at 10.6%. As a result of the investment of approximately 50% of ASOR’s large-cap equity allocation in the Sequoia Fund, Valeant stock effectively comprised approximately 9% of the General Endowment portfolio, and approximately 13% of the Platt and Harris portfolios at June 30, 2015. These are uncomfortable investment levels in a single stock.

Accordingly, Sheldon recommended that ASOR liquidate a portion of its Sequoia Fund investments across the board to reduce the overall Sequoia Fund investment to 25% of ASOR’s large-cap equity allocation for each of the affected ASOR investment portfolios. Sheldon further recommended that the Sequoia Fund sales proceeds be reinvested in the Schwab 1000 Fund, which is ASOR’s other large-cap investment fund. We agreed and the adjustments are in the process of being made.

FY 2015 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, 2015 was \$559,375, which is a 17.64% increase over the June 30, 2014 balance. *See Exhibit B.*

	FY 2012	FY 2013	FY 2014	FY 2015
Year-end General Fund balance	\$400,939	\$494,371	\$475,494	\$559,375
Increase over previous year	N.A.	+23.3%	-3.82%	+17.64%

Investment Accounts. The total market value of the Investment Accounts at June 30, 2015 was \$1,525,081, which is a 7.12% increase over the market value of the Investment Accounts at June 30, 2014. *See Exhibit C.* Since FY 2012, the year-end market value of the Investment Accounts has steadily increased despite fluctuations in the markets.

	FY 2012	FY 2013	FY 2014	FY 2015
Year-end market value of the Investment Accounts	\$930,619	\$1,156,038	\$1,423,738	\$1,525,081
Increase over previous year	N.A.	+24.2%	+23.16%	+7.12%

Total value of all financial accounts. The total value of all financial accounts (checking accounts, savings accounts and Investment Accounts) at June 30, 2015 was \$2,415,579, which is a 15.19% increase over the total value of all financial accounts at

June 30, 2014. See Exhibit C. Since FY 2012, the total year-end value of all financial accounts has steadily increased despite fluctuations in the financial markets.

	FY 2012	FY 2013	FY 2014	FY 2015
Total year-end value of all financial	\$1,459,559	\$1,776,422	\$2,097,097	\$2,415,579
Increase over previous year	N.A.	+21.7%	+18.05%	+15.19%

ANNUAL MEETING ATTENDANCE

Although slowing, Annual Meeting attendance has steadily increased from 2011 through 2014. The final count for the 2015 Annual Meeting will be available at the November 22 Board meeting.

Calendar year of Annual Meeting	2011	2012	2013	2014
Number of attendees	816	921	932	936
Increase over previous year	+18.9%	+12.9%	+1.2%	+0.43%

FY 2015 SCHOLARSHIPS

Due to ASOR's generous donors and sound fiscal management, ASOR awarded 65 scholarships in FY 2015 totaling \$71,400. The following table provides a breakdown of the scholarships awarded, by category, since FY 2012.

	2012	2013	2014	2015
Excavation scholarships	45	53	60	51
Annual Meeting scholarships	8	7	8	6
Annual Meeting travel scholarships	10	10	10	8
Total scholarships awarded	63	70	78	65
Total dollar value awarded	\$61,500	\$76,250	\$65,100	\$71,400

FY 2015 ANNUAL AUDIT

Romeo, Wiggins & Co., LLP, the ASOR outside audit firm, has completed the audit. No issues were identified. ASOR received another clean audit report. See Exhibit F.

FY 2016 BUDGET

ASOR is on track with the FY 2016 budget passed by the Board at the Spring Meeting. To date, we have not identified any issues that may significantly impact the budget. The good news is that the projected revenue from the renewed ASOR/Department of State cooperative agreement is greater than anticipated (\$900,000

vs. \$750,000). That said, we have elected not to submit a revised FY 2016 budget since the majority of the additional funds are in/out-designated expenditures for the web application, www.heritagemonitor.org.

FY 2016 INVESTMENT RESULTS TO DATE

For the three-month period ending October 31, 2015, ASOR Fellowship Accounts generated a collective loss of \$40,796 (-5.4%), while the Endowment Accounts generated a collective loss of \$43,132 (-6.4%). *See* Exhibit D. The ASOR Custom Benchmark for the same period was -1.5%.

These are paper losses due to market fluctuations. We expect the Fellowship Accounts and Endowment Accounts to rebound with the market – especially in light of the adjustments to the Sequoia Fund investments. Again, and based on ASOR’s investment strategy outlined in the Investment and Spending Policy, while ASOR generally will not achieve the highest of the highs, ASOR will not experience the lowest of the lows.

FY 2016 JOURNALS ESCROW RECOMMENDATION

The purpose of the Journals Escrow Account is to set aside the funds required to publish ASOR journals so as to fulfill ASOR’s obligations to its members and subscribers. This is an annual calculation requiring Board approval. The FY 2016 Journals Escrow Account analysis and recommendation (Exhibit E) 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, our sincere thanks are due to the generous ASOR donors for their financial support. Our sincere thanks and congratulations also are due to Selma Omerefendic, Andy Vaughn, the hard-working ASOR staff, and the Board for operating ASOR in a transparent and fiscally responsible manner in FY 2015.

If you have any questions about this Report prior to the November 22 Board meeting, please contact me.

Respectfully submitted,



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EXHIBIT A

**American Schools of Oriental Research
Budget to Actual Unrestricted Comparison
FY 2015**

			FY15 Budget	Actual Unrestricted
	INCOME			
NOTES				
	Annual Meeting:			
1	-Registration fees and other income		\$ 210,000.00	\$ 206,964.00
	Archaeological and Policy Support:			
2	-Field Research Support (current Harris distribution)		\$ 7,500.00	
2	-Directors exchange funds		\$ 4,154.00	
3	-Support for Online Media and FOA TR Releases		\$ 36,500.00	\$ 10,000.00
4	Cultural Heritage Initiatives (CHI)			
4	-CHI revenue for continuing FY14 ASOR staff salaries		\$ 16,500.00	
4	-CHI revenue for new employees		\$ 276,750.00	
4	-CHI revenue for travel expenses		\$ 28,580.00	
4	-CHI revenue for equipment and/or rent		\$ 9,000.00	
4	-CHI revenue for contractors		\$ 144,000.00	
4	-CHI revenue for supplies, audit and other		\$ 40,750.00	
4	-CHI revenue for indirect costs (will be used for some ASOR staff and digital media)		\$ 84,420.00	
4	-CHI indirect revenue			\$ 70,138.00
	Archives Project			
5	-External funds raised		\$ 25,000.00	
	Journals/Memberships:			
6	-Subscriptions/memberships		\$ 400,000.00	\$ 393,916.00
7	-Royalties and advertising		\$ 39,500.00	\$ 73,248.44
8	-Support from OF and gifts		\$ 10,000.00	
8	-Other Journal Support			\$ 300.00
	Books:			
9	-Funds from Opportunity Fund		\$ 15,000.00	
	Undesignated Revenue:			
10	-Annual fund contributions		\$ 100,000.00	\$ 61,747.11
11	-Institutional memberships		\$ 85,000.00	\$ 78,000.00
12, 15	-Distribution from Endowment		\$ 17,000.00	\$ 19,121.00
13	-Investment income		\$ 2,600.00	\$ 2,727.13
14	-Administrative fees		\$ 8,500.00	\$ 6,727.00
	Other Designated Revenue:			
15	-Designated gifts for Endowment		\$ 10,000.00	
15	-Development Fund and designated gifts			\$ 2,549.73
	In-kind Donations:			
16	-Rent subvention from BU		\$ 34,000.00	\$ 33,660.00
17	-In kind legal and printing/google advertising		\$ 5,000.00	\$ 32,100.00
	Misc income			\$ 1,810.00
	Total Income		\$ 1,609,754.00	\$ 993,008.41

			FY15 Budget	Actual Unrestricted
	EXPENSES			
NOTES				
	Annual Meeting:			
1	-Annual meeting expenses		\$ 86,000.00	\$ 111,564.57
	Archaeological and Policy Support:			
2	-Field Research Support (current Harris distribution)		\$ 7,500.00	\$ 3,900.00
2	-Directors exchange funds		\$ 4,154.00	\$ 4,154.00
3	-Campaign Support for Online Digital Media Resources		note: allocated	
4	-New employees for CHI project and ASOR		\$ 318,750.00	
4	-Travel for CHI project		\$ 28,580.00	
4	-Equipment and computers for CHI project		\$ 9,000.00	
4	-Contractors for CHI project		\$ 144,000.00	
4	-CHI project supplies, mitigation projects, and other		\$ 40,750.00	
4	-Contingency for CHI office and non-direct expenses		\$ 28,920.00	
18	-Regional meetings/Lecture series		\$ 2,000.00	
18	-Chair support (moved from allocable exp.)		\$ 8,000.00	\$ 6,846.55
18	-Travel for arch. Support		\$ 2,000.00	\$ -
18	-Meetings (moved from allocable exp.)		\$ 3,000.00	\$ 793.20
18	-Website (moved from allocable exp.)		\$ 15,000.00	
	Archives Project:			
5	-Consultant and travel		\$ 1,000.00	
5	-Supplies and services		\$ 2,000.00	\$ 759.53
5	-Contract services and salaries		\$ 7,500.00	
	Journals/Memberships:			
6	-BASOR (2 issues per year)		\$ 76,000.00	\$ 77,322.00
6	-NEA (4 issues per year)		\$ 66,000.00	\$ 62,838.00
6	-JCS (ASOR portion)		\$ 3,500.00	\$ 3,664.00
6	-JSTOR		\$ 10,000.00	\$ 7,400.00
6	-Other journal expenses		\$ 2,000.00	\$ 684.48
3	-Membership, FOA & Informz expenses		\$ 25,000.00	\$ 22,288.91
	Books:			
9	-Book production		\$ 15,000.00	\$ 18,271.66
	Distribution and marketing			\$ 4,820.82
	Other Designated Expense:			
15	-Designated gifts for Endowment		\$ 10,000.00	
15	-Development Fund and designated gifts		\$ 1,000.00	
	Allocable Expenses:			
19	-Salaries and benefits		\$ 545,000.00	\$ 458,666.00
20	-Rent BU		\$ 34,000.00	\$ 33,660.00
21	-Telephone and Utilities		\$ 7,000.00	\$ 5,187.44
21	-Postage, Postage mach. and Copier		\$ 12,500.00	\$ 12,701.89
21	-Bank charges		\$ 7,000.00	\$ 6,428.15
21	-Insurance		\$ 11,500.00	\$ 9,473.00
21	-Audit		\$ 20,500.00	\$ 20,385.15
21	-Equipment and supplies (incl. computers)		\$ 10,000.00	\$ 5,881.35
21	-Avecra expenses		\$ 11,000.00	\$ 8,400.00
21	-Office events, Jibrin, Payroll services, consulting		\$ 5,000.00	\$ 3,565.09
21	-Dues, etc.		\$ 7,000.00	\$ 6,318.80
21	-Travel		\$ 14,500.00	\$ 11,061.29
17	-In kind legal and printing/Google advertising		\$ 5,000.00	\$ 32,100.00
22	-Development		\$ 5,100.00	\$ 2,810.25
	Total Expenses		\$ 1,611,754.00	\$ 941,946.13
	UNRESTRICTED NET INCOME		\$ 2,000.00	\$ 51,062.28
23	Less fixed assets purchased in FY15			\$ (8,745.00)
23	Net increase in unrestricted assets (available for operations per audit balance sheet)			\$ 42,317.28

**American Schools of Oriental Research
Cultural Heritage Initiatives Breakdown
FY 2015**

			Actual	
	INCOME	FY15 Budget	Unrestricted	Temp. Restr.
NOTES				
8	Cultural Heritage Initiative (CHI)			\$ 756,000.00
8	-Revenue not used from TR account for social media because SHI	\$ (30,000.00)		
8	-CHI revenue for continuing FY14 ASOR staff salaries	\$ 16,500.00		
8	-CHI revenue for new employees	\$ 276,750.00		
8	-CHI revenue for travel expenses	\$ 28,580.00		
8	-CHI revenue for equipment and/or rent	\$ 9,000.00		
8	-CHI revenue for contractors	\$ 144,000.00		
8	-CHI revenue for supplies, audit and other	\$ 40,750.00		
8	-CHI revenue for indirect costs (will be used for some ASOR staff and digital media)	\$ 84,420.00		
8	-CHI designated gifts and grants (Kaplan)			\$ 63,035.00
	-CHI indirect revenue		\$ 70,138.00	
	Total Income	\$ 570,000.00	\$ 70,138.00	\$ 819,035.00
	EXPENSES			
8	-New employees for CHI project and ASOR	\$ 318,750.00		\$ 330,635.73
8	-Travel for CHI project	\$ 28,580.00		\$ 19,531.01
8	-Equipment and computers for CHI project	\$ 9,000.00		
8	-Contractors for CHI project	\$ 144,000.00		\$ 165,526.00
8	-CHI project supplies, mitigation projects, and other	\$ 40,750.00		\$ 40,759.41
8	-Contingency for CHI office and non-direct expenses	\$ 28,920.00		\$ 52,759.00
	-CHI expenses covered by donations (primarily Kaplan)			\$ 11,379.00
8	-Money set aside for CHI audit			\$ 6,000.00
	-CHI costs not specifically identified on trial balance			
	Total Expenses	\$ 570,000.00	\$ -	\$ 626,590.15
	Net Income	\$ -	\$ 70,138.00	\$ 192,444.85

American Schools of Oriental Research
Notes to FY 2015 Budget to Actual Unrestricted Comparison

1. Annual meeting income/expenses. Income includes registration fees, exhibitor fees, program advertising, grants (TFBA, AIIrS), hotel concessions and reimbursements from research centers. Income was higher in FY 2015 because of strong registrations and concessions from the hotel. Expenses were higher due to the San Diego venue and additional receptions and food and beverage expenses.

2. Fellowship income and expenses. Most of the fellowship income and expenses are either Temporarily Restricted or Permanently Restricted column. Only Unrestricted revenue and expenses are detailed here.

3. Support for Online Media and FOA Income / expenses. The Temporarily Restricted account still has approximately \$55,000 to use for the Friends of ASOR (FOA) program. The \$10,000 in revenue is from a designated gift in FY 2015. Other expenses related to FOA and online media were supported from undesignated revenue in FY 15.

4. Cultural Heritage Initiatives. Almost of the revenue and expenses flow through the Temporarily Restricted account for the Cultural Heritage Initiatives (CHI). The CHI Breakdown details how these funds were used. Approximately \$192,000 from the cooperative agreement remained as of June 30, 2015. All of these funds were spent by September 30, 2015 (by the end of the first quarter of FY 2016).

5. Archives Project. There was a greatly reduced amount of designated income for Archives. The program continues to be supported by unrestricted dollars used to pay a portion of the Archivist's salary.

6. Subscription and membership and journal expenses. The FY 2015 revenue was less than budgeted due to an unforeseen bankruptcy of one of the agencies (Swets). There also was a shortfall of anticipated revenue from the JSTOR Current Scholarship Program. The ASOR staff is actively working on ways to recoup the lost customers. That said, FY 2015 revenue was better than forecasted at the Spring Board meeting. Expenses for journals have remained consistent with the budget.

7. Royalties and advertising. Income is substantially higher than budgeted because of unexpected Logos System royalty income, which is most likely a one-time event.

8. A small amount of designated revenue for journals from other support or gifts.

9. Book proceeds from Opportunity Fund and from sales that were mostly in/out items for the budget. These items impact our Board designated unrestricted net assets. They, however, have little impact on our net assets available for operations.

10. Annual Fund. FY 2015 is lower than previous years because we encouraged gifts to support areas identified in the Strategic Plan and the Foundational Campaign. Overall giving is on par with previous years especially when foundation support is taken into account. The Annual Fund goal is currently \$100,000. The Board might consider whether to reduce this goal.

11. Institutional memberships. Has leveled out at slightly less than 80 member institutions.

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

13. Interest income remains small due to low rates.

14. Administrative fees and miscellaneous income. We had a slight increase in FY15 levels due to higher market values and more Permanently Restricted funds.

15. Development Fund and designated gifts. Gifts to support development travel, fundraising events, and other development activities.

16. Rent subvention. In-kind support from Boston University.

17. Other In-kind gifts. In/out items that do not affect ASOR's bottom line—principally consists of legal services performed by Arnold and Porter, our law firm.

18. Designated categories in Archaeology and Policy Support.

19. Salaries. The FY 2015 number is lower than budgeted due to support received from CHI project and other designated funding.

20. Rent expense. In-kind support from Boston University.

21. Allocable Expenses. Most were within the budget or slightly lower.

22. Development expenses for special events or travel. Supported, in part, through designated gifts.

23. Fixed Asset Purchases. Page one of the audited balance sheet reflects an increase in fixed assets. FY 2015 fixed asset purchases must be subtracted from Unrestricted Net Income in order to tie out to the audited balance sheet.

EXHIBIT B

EXHIBIT C

AMERICAN SCHOOLS OF ORIENTAL RESEARCH FY 2015 REPORT
(THROUGH JUNE 30, 2015)

Account Name & Bank											
ASOR Fellowships:	30-Jun-12	30-Jun-13	30-Jun-14	30-Jun-15	Net Change	Contributions	Distributions	FY15 to date Investment Return	FY15 to date % Return	ASOR Custom Benchmark	
1) Harris Fell. - Sequoia Fund	FY12 rest. bal. \$110,936 \$ 57,282.98	\$ 63,303.23	\$ 69,945.12	\$ 68,736.68	\$ (1,208.44)	\$ -	\$ 11,100.00	\$ 9,891.56	14.1%		
Harris Fell. - Charles Schwab	\$ 62,417.21	\$ 72,059.09	\$ 81,499.70	\$ 85,630.99	\$ 4,131.29	\$ 12,385.35	\$ 8,275.67	\$ 21.61	0.0%		
Total Harris Fellowship	\$ 119,700.19	\$ 135,362.32	\$ 151,444.82	\$ 154,367.67	\$ 2,922.85	\$ 12,385.35	\$ 19,375.67	\$ 9,913.17	6.5%		
2) Platt Fellowship - Sequoia Fund	\$ 109,682.74	\$ 121,628.86	\$ 131,126.49	\$ 128,325.54	\$ (2,800.95)	\$ -	\$ 21,350.00	\$ 18,549.05	14.1%		
Platt Fell. - Charles Schwab	\$ 121,408.90	\$ 135,212.91	\$ 153,306.36	\$ 158,702.09	\$ 5,395.73	\$ 23,754.59	\$ 18,334.30	\$ (24.56)	0.0%		
Total Platt Fellowship	\$ 231,091.64	\$ 256,841.77	\$ 284,432.85	\$ 287,027.63	\$ 2,594.78	\$ 23,754.59	\$ 39,684.30	\$ 18,524.49	6.5%		
3) Wright/Meyers Fund - Charles Schwab	\$ 55,184.06	\$ 64,339.68	\$ 83,230.04	\$ 81,631.04	\$ (1,599.00)		\$ 4,147.77	\$ 2,548.77	3.1%		
4) PE MacAllister Fellowship - Charles Schwab		\$ 84,532.19	\$ 112,470.84	\$ 120,636.46	\$ 8,165.62	\$ 10,025.00	\$ 6,335.89	\$ 4,476.51	4.0%		
5) Jim Strange Fellowship - Charles Schwab			\$ 30,950.05	\$ 51,112.78	\$ 20,162.73	\$ 19,100.00	\$ 648.23	\$ 1,710.96	5.5%		
6) Carol and Eric Meyers Scholarship - Charles Schwab			\$ 7,000.00	\$ 56,403.78	\$ 49,403.78	\$ 48,202.67	\$ 716.11	\$ 1,917.22	27.4%		
Total ASOR Fellowships	\$ 405,975.89	\$ 541,075.96	\$ 669,528.60	\$ 751,179.36	\$ 81,650.76	\$ 113,467.61	\$ 70,907.97	\$ 39,091.12	5.8%	1.36%	
ASOR Endowment:											
1) Endowment (ASOR) - Charles Schwab	\$ 307,079.49	\$ 360,796.66	\$ 461,561.33	\$ 454,092.35	\$ (7,468.98)	\$ 5,194.29	\$ 19,121.00	\$ 6,457.73	1.4%		
Endowment - Sequoia Fund	\$ 132,488.53	\$ 166,905.96	\$ 192,396.83	\$ 221,036.22	\$ 28,639.39	\$ -	\$ 28,639.39	\$ 28,639.39	14.9%		
Total ASOR Endowment	\$ 439,568.02	\$ 527,702.62	\$ 653,958.16	\$ 675,128.57	\$ 21,170.41	\$ 5,194.29	\$ 19,121.00	\$ 35,097.12	5.4%	1.36%	
Publications OF - Charles Schwab (Books)	\$ 85,074.62	\$ 87,259.77	\$ 100,251.09	\$ 98,773.28	\$ (1,477.81)	\$ 250.00	\$ 3,881.80	\$ 2,153.99	2.1%		
INVESTMENTS SUBTOTAL	\$ 930,618.53	\$ 1,156,038.35	\$ 1,423,737.85	\$ 1,525,081.21	\$ 101,343.36	\$ 118,911.90	\$ 93,910.77	\$ 76,342.23	5.4%	1.36%	
1) Temp. Restricted - Charles Schwab	\$ 45,453.34										
Citizens Savings	\$ 82,548.06	\$ 126,012.17	\$ 197,864.99	\$ 331,123.19							
	\$ 128,001.40	\$ 126,012.17									
2) ASOR General Fund- Charles Schwab	\$ 96,849.38	\$ 81,802.57	\$ 115,145.00	\$ 129,536.67							
Citizens Savings	\$ 298,527.37	\$ 411,199.84	\$ 353,298.73	\$ 427,303.08							
Citizens Bank Checking	\$ 5,562.67	\$ 1,368.86	\$ 7,050.34	\$ 2,535.34							
	\$ 400,939.42	\$ 494,371.27	\$ 475,494.07	\$ 559,375.09							
3) Journals Escrow Account - Charles Schwab											
Citizens savings											
GRAND TOTAL	\$ 1,459,559.35	\$ 1,776,421.79	\$ 2,097,096.91	\$ 2,415,579.49	\$ 101,343.36	\$ 118,911.90	\$ 93,910.77	\$ 76,342.23			
DSP - Calvert Account	\$ 43,413.41	\$ 0.28	\$ 0.28								
DSP - Citizens Account	\$ 4,935.04	\$ 46,514.39	\$ 46,439.39	\$ 46,652.53							
HESI - Huntington Bank	\$ 30,770.43	\$ 28,778.59	\$ -								
Total Sponsored projects	\$ 79,118.88	\$ 75,293.26	\$ 46,439.67	\$ 46,652.53	\$ -						
Nies Fund - Citigroup	\$ 398,234.30	\$ 440,263.29	\$ 506,506.59	\$ 497,147.68	\$ (9,358.91)						

EXHIBIT D

**AMERICAN SCHOOLS OF ORIENTAL RESEARCH FY 2016 REPORT
(THROUGH OCTOBER 31, 2015)**

Account Name & Bank													ASOR Custom Benchmark
	30-Jun-12	30-Jun-13	30-Jun-14	30-Jun-15	31-Oct-15	Net Change	Contributions	Distributions	FY16 to date Investment Return	FY16 to date % Return			
ASOR Fellowships:													
1) Harris Fell. - Sequoia Fund	FY12 rest. bal. \$110,936 \$ 57,282.98	\$ 63,303.23	\$ 69,945.12	\$ 68,736.68	\$ 58,074.08	\$ (10,662.60)	\$ -		\$ (10,662.60)	-15.5%			
Harris Fell. - Charles Schwab	\$ 62,417.21	\$ 72,059.09	\$ 81,499.70	\$ 85,630.99	\$ 79,950.43	\$ (5,680.56)		\$ 3,624.00	\$ (2,056.56)	-2.4%			
Total Harris Fellowship	\$ 119,700.19	\$ 135,362.32	\$ 151,444.82	\$ 154,367.67	\$ 138,024.51	\$ (16,343.16)	\$ -	\$ 3,624.00	\$ (12,719.16)	-8.2%			
2) Platt Fellowship - Sequoia Fund	\$ 109,682.74	\$ 121,628.86	\$ 131,126.49	\$ 128,325.54	\$ 108,419.37	\$ (19,906.17)	\$ -		\$ (19,906.17)	-15.5%			
Platt Fell. - Charles Schwab	\$ 121,408.90	\$ 135,212.91	\$ 153,306.36	\$ 158,702.09	\$ 145,520.85	\$ (13,181.24)		\$ 8,193.00	\$ (4,988.24)	-3.1%			
Total Platt Fellowship	\$ 231,091.64	\$ 256,841.77	\$ 284,432.85	\$ 287,027.63	\$ 253,940.22	\$ (33,087.41)	\$ -	\$ 8,193.00	\$ (24,894.41)	-8.7%			
3) Wright/Meyers Fund - Charles Schwab	\$ 55,184.06	\$ 64,339.68	\$ 83,230.04	\$ 81,631.04	\$ 79,831.64	\$ (1,799.40)		\$ 930.00	\$ (869.40)	-1.1%			
4) PE MacAllister Fellowship - Charles Schwab		\$ 84,532.19	\$ 112,470.84	\$ 120,636.46	\$ 121,706.07	\$ 1,069.61	\$ 5,000.00	\$ 2,729.00	\$ (1,201.39)	-1.0%			
5) Jim Strange Fellowship - Charles Schwab			\$ 30,950.05	\$ 51,112.78	\$ 49,947.26	\$ (1,165.52)		\$ 643.57	\$ (521.95)	-1.0%			
6) Carol and Eric Meyers Scholarship - Charles Schwab			\$ 7,000.00	\$ 56,403.78	\$ 54,413.57	\$ (1,990.21)		\$ 1,400.58	\$ (589.63)	-1.0%			
Total ASOR Fellowships	\$ 405,975.89	\$ 541,075.96	\$ 669,528.60	\$ 751,179.36	\$ 697,863.27	\$ (53,316.09)	\$ 5,000.00	\$ 17,520.15	\$ (40,795.94)	-5.4%			-1.50%
ASOR Endowment:													
1) Endowment (ASOR) - Charles Schwab	\$ 307,079.49	\$ 360,796.66	\$ 461,561.33	\$ 454,092.35	\$ 510,119.63	\$ 56,027.28	\$ 75,435.00	\$ 10,563.00	\$ (8,844.72)	-1.9%			
Endowment - Sequoia Fund	\$ 132,488.53	\$ 166,905.96	\$ 192,396.83	\$ 221,036.22	\$ 186,748.53	\$ (34,287.69)	\$ -		\$ (34,287.69)	-15.5%			
Total ASOR Endowment	\$ 439,568.02	\$ 527,702.62	\$ 653,958.16	\$ 675,128.57	\$ 696,868.16	\$ 21,739.59	\$ 75,435.00	\$ 10,563.00	\$ (43,132.41)	-6.4%			-1.50%
Publications OF - Charles Schwab (Books)	\$ 85,074.62	\$ 87,259.77	\$ 100,251.09	\$ 98,773.28	\$ 101,099.02	\$ 2,325.74	\$ 2,381.80		\$ (56.06)	-0.1%			
INVESTMENTS SUBTOTAL	\$ 930,618.53	\$ 1,156,038.35	\$ 1,423,737.85	\$ 1,525,081.21	\$ 1,495,830.45	\$ (29,250.76)	\$ 82,816.80	\$ 28,083.15	\$ (83,984.41)	-5.5%			-1.50%
1) Temp. Restricted - Charles Schwab Citizens Savings	\$ 45,453.34 \$ 82,548.06 \$ 128,001.40	\$ 126,012.17	\$ 197,864.99	\$ 331,123.19	\$ 932,356.81								
2) ASOR General Fund- Charles Schwab Citizens Savings Citizens Bank Checking	\$ 96,849.38 \$ 298,527.37 \$ 5,562.67 \$ 400,939.42	\$ 81,802.57 \$ 411,199.84 \$ 1,368.86 \$ 494,371.27	\$ 115,145.00 \$ 353,298.73 \$ 7,050.34 \$ 475,494.07	\$ 129,536.67 \$ 427,303.08 \$ 2,535.34 \$ 559,375.09	\$ 103,214.61 \$ 321,701.67 \$ 2,410.93 \$ 427,327.21								
3) Journals Escrow Account - Charles Schwab Citizens savings													
GRAND TOTAL	\$ 1,459,559.35	\$ 1,650,409.62	\$ 2,097,096.91	\$ 2,415,579.49	\$ 2,855,514.47	\$ (29,250.76)	\$ 82,816.80	\$ 28,083.15	\$ (83,984.41)				
DSP - Calvert Account	\$ 43,413.41	\$ 0.28	\$ 0.28										
DSP - Citizens Account	\$ 4,935.04	\$ 46,514.39	\$ 46,439.39	\$ 46,652.53	\$ 46,652.53								
HESI - Huntington Bank	\$ 30,770.43	\$ 28,778.59	\$ -										
Total Sponsored projects	\$ 79,118.88	\$ 75,293.26	\$ 46,439.67	\$ 46,652.53	\$ 46,652.53	\$ -							
Nies Fund - Citigroup	\$ 398,234.30	\$ 440,263.29	\$ 506,506.59	\$ 497,147.68	\$ 497,147.68	\$ -							

EXHIBIT E

**American Schools of Oriental Research
FY 2016 Journals Escrow Recommendation**

Purpose of the Journals Escrow Account. Pursuant to the policy adopted in FY 2010, funds are set aside in the Journals Escrow Account to publish ASOR journals so as to fulfill ASOR's obligation to its members and subscribers. The Journals Escrow is an annual calculation requiring Board approval.

Analysis. From FY 2009-FY 2015, direct production costs have ranged from 29.4% to 47.3% of memberships and subscriptions revenue (with an average of 33.6%), with FY 2011-FY 2015 at or 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 2015 deferred journal income be escrowed for FY 2016.

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 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%
FY 2015	\$393,916	\$78,000	\$471,916	\$143,824	30.5%

Resolution. In order to set aside the funds necessary to fulfill ASOR's FY 2016 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 2015 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 FY 2016 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. 2014	\$178,647	\$22,995	\$155,652	40%	\$62,260.80	\$431,948.00
Dec. 2014	\$275,108	\$70,044	\$205,064	40%	\$82,025.60	\$566,251.00
March 2015	\$263,702	\$17,264	\$246,438	40%	\$98,575.20	\$568,610.00
June 2015	\$228,912	\$17,928	\$210,984	40%	\$84,393.60	\$559,375.00

EXHIBIT F



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

November 13, 2015

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

We have audited the financial statements of The American Schools of Oriental Research (ASOR) for the year ended June 30, 2015, and have issued our report thereon dated November 13, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated July 22, 2015, 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 (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered ASOR's internal control over financial reporting 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. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (OMB Circular A-133).

As part of obtaining reasonable assurance about whether ASOR's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about ASOR's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on ASOR's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on ASOR's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed our audit fieldwork according to the planned scope and timing previously communicated in our engagement letter dated July 22, 2015. However, the presentation of draft financial statements was delayed due to the resignation of an audit team member in late-September. We sincerely apologize for this delay.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by ASOR 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 2015. We noted no transactions entered into

The American Schools of Oriental Research

November 13, 2015

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by ASOR 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.

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.

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 auditor's 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 ASOR'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 ASOR'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

Supplementary Information

The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the financial statements. The other supplementary schedules are also presented for purposes of additional analysis and are not a required part of the financial statements. With respect to such information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with GAAP, 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.

Compliance Reports

Please refer also to our report on internal control over financial reporting and on compliance and other matters as required by *Government Auditing Standards* and to our report on compliance as pertains to major federal programs

The American Schools of Oriental Research

November 13, 2015

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as required by OMB Circular A-133. Both of the aforementioned reports are presented with ASOR's audited financial statements for the year ended June 30, 2015 and are dated November 13, 2015.

This information is intended solely for the use of the Finance and Audit Committee, and management of The 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