

**American Schools of Oriental Research  
Finance Committee Report  
National Meeting – Denver, CO  
November 17, 2018**

Despite the challenges of the move to Alexandria, VA and changes in key financial staff, and thanks to generous gifts, better than benchmark investment performance, and prudent management, ASOR’s financial position is strong.

In addition to the financial outcomes noted below, I would like to highlight two management decisions that underscore our conservative yet proactive approach. First, we wrote-down our book inventory by an additional \$5,000 to better reflect actual sales. Second, we created a Vacation Allowance Account of \$38,000 that better reflects our anticipated expenses. Granted, our current bottom line would be even better if we had not taken these steps, but taking advantage of the opportunity to do so puts us on stronger footing for the future.

**FYE 2018 BIG PICTURE FACTS AT A GLANCE**

ITEM	AMOUNT
Increase in unrestricted assets available for operations ( <i>i.e.</i> , unrestricted net income)	\$103,563
General Fund ( <i>i.e.</i> , unrestricted cash available for operations)	\$815,979
Market value of all Investment Accounts	\$1,914,946
Total value of all financial accounts (checking accounts, savings accounts and Investment Accounts)	\$2,730,925
Memberships and subscriptions revenue	\$482,542
Investment income (Fellowship Accounts)	\$93,712
Investment income (Endowment Accounts)	\$79,728

**FY 2018 CHANGE IN UNRESTRICTED ASSETS AVAILABLE  
FOR OPERATIONS (*i.e.*, UNRESTRICTED NET INCOME)**

At the April Board Meeting, we projected a small budget surplus of \$85. Instead, subject to the completion of the FY18 audit, we finished fiscal year 2018 with a surplus of \$103,563 in unrestricted net income.

## FY 2015 THROUGH FY 2018 INVESTMENT RESULTS

### CASH AND INVESTMENT ACCOUNTS

#### (EXHIBIT A)

**General Fund.** The General Fund is comprised of the three cash accounts containing unrestricted cash available for operations. The General Fund balance at June 30, 2017 was \$600,636. Subject to the completion of the FY18 audit, as of June 30, 2018, the General Fund balance stands at \$815,979.

	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Year-end General Fund balance	\$559,375	\$573,663	\$600,636	\$815,979
Increase over previous year	N.A.	+3%	+5%	+36%

**Investment Accounts.** The total market value of the Investment Accounts increased 8% from FY 2017 to FY 2018. At 2018, the total market value of the Investment Accounts is \$1,914,946.

	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Year-end market value of the Investment Accounts	\$1,525,081	\$1,520,965	\$1,776,128	\$1,914,946
Increase over previous year	N.A.	-0.3%	+17%	+8%

**Total value of all financial accounts.** Subject to audit adjustments, the total value of all financial accounts (checking accounts, savings accounts and investment accounts) increased by 3% between FY 2017 and 2018. The total market value of all financial accounts for FY 2018 is \$2,730,925.

	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Total year-end value of all financial Accounts	\$2,415,579	\$2,305,113	\$2,647,804	\$2,730,925
Increase over previous year	N.A.	-5%	+15%	+3%

### FY 2018 INVESTMENT RESULTS TO DATE

#### (EXHIBIT A)

For the fiscal year ending June 30, 2018, ASOR Fellowship Accounts generated a collective gain of \$93,712 (average 10.4%), while the Endowment Accounts generated a collective gain of \$79,728 (average 10.5%). The ASOR Custom Benchmark for the same period was 9%.

Fellowship and Endowment account performance through the first quarter of fiscal year 2019 slowed to average gains of 4.3% and 4.0% respectively. However, both exceeded the 9/30/18 ASOR Custom Benchmark of 3.5%.

## **FY 2018 AUDIT**

The 2018 audit is nearing completion. We have received drafts of the Statements of Financial Position and the Statement of Activities. The auditors do not anticipate significant adjustments to these statements upon completion of the final audit report, and we expect a clean opinion.

The move to our new office and staffing changes contributed to a delay in our reporting for this fiscal year. At the same time, the transition has created opportunities to modernize, standardize, streamline, and simplify our accounting systems and processes. For example, adopting a web-based version of Quickbooks accounting software will have the advantage of secure remote log-in for a limited number of authorized users. Along with remote access, this upgrade will enable the Executive Director, Treasurer, and our auditors to view and analyze accounting data in real time, thereby improving work flow and turn-around time for future audits.

## **FY 2018 BUDGET TO ACTUAL**

A Budget to Actual comparison will be available upon receipt of the final audit statements.

## **FY 2019 BUDGET**

### **(EXHIBIT B)**

The FY 2019 budget was passed by the Board at the Spring Meeting. To date, we have not identified and do not anticipate any items that may lead to significant variances.

## **CONCLUSION**

I would like to take this opportunity to express my thanks to Selma Omerefendic for her many years of dedicated and expert service. Selma's excellent work has built a strong foundation for ASOR's continued success. Britta Abeln has stepped right in and provided outstanding support in her role as Financial Specialist. Congratulations to Andy and the ASOR Board for boldly and successfully leading the organization to a new place and into a new era. Last but not least, I'm deeply grateful to ASOR's donors whose generosity make our mission possible.

Submitted By:  
Heather J. McKee  
ASOR Treasurer  
11/14/2018