

**American Schools of Oriental Research  
Treasurer's Report  
Spring Board of Trustees Meeting  
Alexandria, VA  
April 6, 2018**

**A HOME FOR ASOR**

Thanks to the vision of the Board of Trustees, the diligence of our President and Executive Director, and most importantly, the transformative generosity of our donors, ASOR has found a home. On January 28, 2019, ASOR agreed to purchase the property at 209 Commerce Street, Alexandria, VA for \$1,100,000. As needed, the purchase of the property will be financed by a 3-year line of credit (up to \$550,000) with monthly interest payments based on the 3 month Libor rate plus 1.60 percent. The loan will be collateralized by transfer of the ASOR endowment account funds of at least \$750,000 from the current Charles Schwab account to BB&T. As of April 1, ASOR has raised approximately \$472,000 in cash and pledges of approximately \$600,000. We also received a pledge of \$450,000 that is a conditional 2 to 1 match. These generous gifts will fund the retirement of the line of credit, the purchase of furnishing, and the establishment of a building maintenance account.

**FYE 2018 AUDIT (EXHIBIT A)**

As discussed at the November 2018 Annual Meeting, the 2018 Audit was delayed due to the move to Alexandria, staffing transitions at ASOR and at our auditing firm, Romeo, Wiggins & Co. ASOR expects to receive the finalized audited financial statements and notes by April 3, 2019, with the SAS 114 letter forthcoming soon (hopefully next week). While ASOR received a clean opinion, we expect the auditors will recommend additional improvements to our temporarily restricted accounts tracking process. Since November, we have taken steps to align our Quickbooks accounts with the audit categories and have made our accounting system available on-line to the audit team. Both of these steps will improve the efficiency of future audit engagements.

**FYE 2018 Audit Highlights**

ITEM	AMOUNT
Increase in unrestricted assets available for operations ( <i>i.e.</i> , unrestricted net income)	\$108,565
Unrestricted net assets available for operations	\$568,407
Market value of all Investment Accounts	\$1,921,942
Total market value of all Cash and Investment Accounts	\$3,055,852
Net Investment Income	\$189,893
Boston Annual Meeting Revenue	\$247,800
Membership Revenue	\$241,553
Books and Journals Revenue	\$240,989

### **FY2019 BUDGET TO FORECAST (EXHIBITS B and C)**

When the 2019 budget was developed and approved, we knew we had to prepare for multiple contingencies related to our move out of Boston. We approached the possibility of continuing CHI funding with caution and did not expect to be so successful so quickly in finding a property and raising money for our home for ASOR. The extraordinary success of ASOR's "Home for ASOR" campaign helped increase our projected revenues for FY19 from a budgeted \$1,301,600 to \$2,174,885 – a difference of \$873,285. However, much of that revenue is restricted for the purchase of 209 Commerce Street and the salaries associated with the CHI State Department Grant remain to be allocated. We have set aside approximately \$100,000 of our "rainy day fund" (the 2018 increase in unrestricted net assets) to cover remaining salary expenses associated with the move to Alexandria. To date, contributions to the Annual Fund have not kept pace with the budget. In order to meet our projections of a very small surplus, Annual Fund giving must be a focus throughout the rest of this year and into 2020.

### **FY2020 PROPOSED BUDGET (EXHIBITS B and C)**

The proposed FY2020 Budget includes \$400,000 for designated gifts to the building, furnishings and maintenance fund and sets conservative estimates for the amount of grant funding available for CHI salaries. Beginning January 1, 2019 ASOR's publication partner, The University of Chicago Press, assumed the costs of the publication and fulfillment of journal subscriptions. As a result, the 2020 budget items for Journals and Subscriptions reflect decreased expenses and revenues. ASOR will continue to receive the full membership revenues associated with journal subscriptions. While the success of the building fund is a cause for celebration, in order for ASOR to successfully continue its mission in its new home, the proposed FY2020 Budget establishes a challenging goal for Annual Fund giving. We hope ASOR's Board, donors, and friends will embrace this challenge as we go forth into the new fiscal year.

### **FY2018 BUDGET TO ACTUAL (EXHIBIT D)**

Beginning this year, The Exhibit D Budget to Actual worksheet presents income and expenses broken out into unrestricted, property and equipment, board designated, temporarily restricted, and permanently restricted categories. The worksheet also includes additional income and expense items (rows) to better align with audit account classifications.

### **MARCH 31, 2019 INVESTMENT REPORT (EXHIBIT E)**

#### **Historical Overview of Cash and Investment Accounts**

**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, 2018 (FY 2018) was \$815,979. This amount included a late deposit from the State Department grant, increased giving, and the increase in net assets available for operations. As of March 31, 2019 the General Fund balance stands at \$668,006. Significant expenditures from this fund since FY 2018 include a \$100,000 escrow payment for the purchase of 208 Commerce Street.

	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>As of 3/31/19</b>
Year-end General Fund balance	\$573,663	\$600,636	\$815,979	\$668,006
Increase (decrease) over previous year	-	+5%	+36%	-18%

**Investment Accounts.** The total market value of the Investment Accounts increased 4% from FY 2018 to March 31, 2019. As of 3/31/19, the total market value of the Investment Accounts is \$1,994,654.

	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>As of 3/31/19</b>
Year-end market value of the Investment Accounts	\$1,520,965	\$1,776,128	\$1,914,946	\$1,994,654
Increase (decrease) over previous year	-	+17%	+8%	+4%

**Total value of all financial accounts.** The total value of all financial accounts (checking accounts, savings accounts and investment accounts) is down 3% as of March 31, 2019.

	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>As of 3/31/19</b>
Total year-end value of all financial Accounts	\$2,305,113	\$2,647,804	\$2,730,925	\$2,662,659
Increase over previous year	-	+15%	+3%	-3%

#### **FY 2019 Investment Returns as of March 31, 2019**

Since the beginning of fiscal year 2019, ASOR Fellowship Accounts generated a collective return of \$14,411 (average 1.6%), while the Endowment Accounts generated a collective return of \$9,322 (average 1.1%).

#### **Notable changes and additions to Investment Funds.**

As of April 1, 2019 ASOR has divested of its holding in Sequoia Funds in the Harris, Platt, and Endowment Funds. Disbursements from this divestment will be reinvested and rebalanced in the Charles Schwab holdings for each fund. In order to satisfy the collateral requirements of line of credit funding to purchase 209 Commerce Street, we will transfer the entirety of ASOR Endowment Fund (currently about \$800,000) to BB&T. The March 31, 2019 Report includes the addition of the Stevan B. Dana Endowment Fund to support scholarships at the Yigael Yadin Excavations at Hazor (or other projects in Israel).