

Finance Committee Agenda and Report  
Emily Bonney and Andy Vaughn  
Saturday, November 18, 2023; 11:30 AM CST

1. Call to Order (Bonney)
2. Approval of minutes from prior meeting (may need to postpone until next meeting) (Bonney)
3. Review and approval of agenda (Bonney)
4. Review of Documents and Reports (Bonney and Vaughn)
  - a. FY23 Statement of Audited Financials (Exhibit A)
  - b. Budget to Actual (FY 2023) (Exhibit B)
  - c. ASOR Net Investment Spreadsheet (to September 30, 2023) (Exhibit C)
  - d. Notes to Budget to Actual (FY 2022) (Exhibits F and B)
5. Discussion of Financial Position of ASOR (see exhibits above and Finance Report memo below for background).
6. Action Items (see Exhibit A) Receiving and accepting Audit Report and referring to Board of Trustees.
7. Amendment of Investment and Spending Policy to include Thomas-Bishop Endowment (Exhibit D).
8. Motion to Establish Thomas-Bishop Endowment (Exhibit E)
9. Discussion of ASOR Policies and Procedures (Exhibit F)
10. Discussion and voting on conflict-of-interest disclosures
11. Motion that Finance Committee has reviewed draft 990 and authorizing Director and Treasurer to finalize and sign (Exhibit F)
12. New Business or New Discussion Items.
13. Adjourn.

Memo to Finance Committee

*Stable financial position and expanding services:*

The continuing generosity of ASOR's donors and the recovery of the market have helped ASOR complete fiscal 2023 in a strong position. In contrast to 2022 when the audit revealed a decline in net assets, the 2023 audit shows that at \$7,305,829 ASOR's net assets are at their highest level ever. Both donor generosity the careful management of the Schwab endowments and the successful applications for grants.

The treasurer's report of 15 April, 2023 previously summarized the positive financial events of most of fiscal 2023, and those observations are reiterated here for the reader's convenience.

- Gifts to the Geraty, Meyers, Strange/Midkiff and Dana #3 fund were much higher than forecast in the budget.
- Grant income of \$308,000 was more than twice the budgeted \$125,000.
- The Annual Meeting, conducted in FY 23 as both in person and virtual resulted in a net favorable of from budge of \$12,500 in part because of the particularly positive terms of our contract with the hotel in Boston, but also because Boston continues to be a particularly attractive venue for meeting participants.
- Webinars gave ASOR a web presence, but they generated less net income than budgeted in part because we had fewer webinars and in part because registration and sponsorships were lower than budgeted. The in-person event included in the budget for 2023 did not take place, and that resulted in less net income. We may realize \$20,000 from The FOA trip to Israel. Nevertheless, income in this area was \$11,000 unfavorable from budget because of the underperformance in webinars, and because of the absence of an in-person seminar.
- Revenue from individual memberships was consistent with the budget so that ASOR achieved the budgeted 5% increase in memberships. Accordingly, the budget for FY 2024 includes a 5% increase in individual memberships. By contrast, budgeted institutional memberships continued to weaken. The budget for FY 2024 reflects this decline. Nevertheless, for FY 2024 memberships both individual and institutional combined are budgeted to generate nearly \$280,000 in income.

In addition to the balances presented in the audit (Exhibit A) and in the summary table found in Exhibit C, I call your attention to the following market balances (not accrual based) of the following Accounts (as of September 30, 2023):

- Cash Accounts = \$1,475,285.90
  - BB&T Checking = \$97,545.56
  - Schwab General Fund (quasi-checking) = \$936,015.24
  - Schwab Temporarily Restricted = \$309,000
  - BB&T Temporarily Restricted (Fed. Grants) = \$132,725.10
- Board-designated Accounts = \$685,642.17
  - Opportunity Fund for Publications (Board-designated) = \$128,306.87
  - Building Fund = \$393,587.93
  - Kershaw Fund = \$163,747.37
- General Endowment for Operations = 1,340,070.85
- Accounts with donor restrictions (other than General Endowment) = \$2,518,182.45
  - BIPOC Endowment = \$238,444.77
  - Bishop Endowment = \$51,779.17

- Dana 1 Scholarships Endowment = \$341,009.75
- Dana 2 Scholarships Endowment = \$270,303.94
- Dana 3 Excavation Endowment = \$248,368.59
- Geraty Endowment = \$122,605.63
- Harris Endowment = \$150,637.90
- MacAllister Endowment = \$161,243.28
- Mason Endowment = \$49,331.36
- Carol and Eric Meyers Endowment = \$231,501.30
- Platt Endowment = \$256,931.71
- Seger Endowment = \$72,089.23
- Strange / Midkiff Endowment = \$206,533.39
- G. E. Wright / Shirlee Meyers Endowment = \$117,402.43

### *Challenges*

Last year we still faced challenges because of the persistence of the pandemic and the ensuing economic and political uncertainties. Some of those issues remain. As we said then, there is no going back to pre-pandemic conditions. Institutional subscriptions still are down, and we do not yet know whether the addition of *Maarev* to our University of Chicago Press will as we had hoped fully earn our guaranteed minimum royalties with UCP. Book sales were unfavorable coming in just under the budget forecast for FY 23, and institutional memberships continued to decline at only \$54,000 for FY 2023 reflecting the continued budgetary stresses on institutions of higher learning. In April 2023 we were uncertain whether the Annual Fund would reach the budgeted target of \$125,000. Achieving that goal required members donating an additional \$45,000. As the budget to actual shows donors outperformed, by nearly \$12,000. With continuing inflation and the potential of a recession it may be difficult for supporters to maintain that level of generosity. Grants will continue to provide support for administrative work. We will have our first hybrid Annual Meeting returning to a single meeting format as opposed to the VAM and in-person combination while retaining the virtual possibility for those unable to attend in Chicago. As the Executive Director points out in his report, the tragedy of the war in Israel and Gaza clearly will have an impact on attendance although how much remains to be seen. There will certainly be no clear indication of the efficacy of the hybrid format in enhancing participation in the Annual Meeting.

### *Investment and Audit Strategy*

The wisdom of the Board recommendations as to both ASOR's investment strategy and the acceptance of the Romeo & Wiggins proposal for the audit is borne out by the financial documents submitted with this report. The Schwab self-managed accounts all fared well. The Board Investment Targets and Ranges adopted in 2012 continue to serve us well. Romeo & Wiggins performed as hoped for having completed the audit and the draft 990 by mid-November. These documents provide this Board with the breadth of information to allow for truly informed decisions about future directions. Andy would like to recognize and thank Britta

and Sheldon Fox for their excellent work in preparing our financial records to the FY23 audit and appreciation to Angie, the representative for Romeo, Wiggins for delivering the audit on time.

Action item: Receive and accept the 2023 audit.

#### *Comments about the 2025 Campaign*

At the April 2023 Board Meeting Trustees made the bold decision to initiate a \$5 million campaign – “ASOR 2025 – Strengthening Our Foundation/Expanding Horizons – A Call to Action.” Within the context of an already strong financial position, the trustees concluded the time was right to celebrate ASOR’s 125<sup>th</sup> anniversary in 2025 with a fundraising project that when successful would carry ASOR well into the future. The aims of the campaign listed on the Case Statement documents that have been distributed to the membership. In the current circumstances the aims of this campaign to expand ASOR’s outreach and accessibility in the creation of knowledge and as a champion of cultural heritage seem even more prescient. If we follow the Executive Director’s call to see ASOR as a family, the efforts to further strengthen our financial capabilities seem essential to the welfare of that family.

#### *Conclusion:*

ASOR’s financial stability made possible by the generous contributions of ASOR’s supporters and the number and amount of endowment funds bodes well for ASOR’s future. The willingness of the board to undertake the 2025 campaign that will take us far into that future reflects the trustees’ confidence in the institution. The dedication and commitment of our members and of the Trustees who support the work keep the organization true to its mission. The Executive Director should be commended for the work in securing grants and for managing the Schwab accounts effectively. Finally, thank to the Finance Committee for its work.