

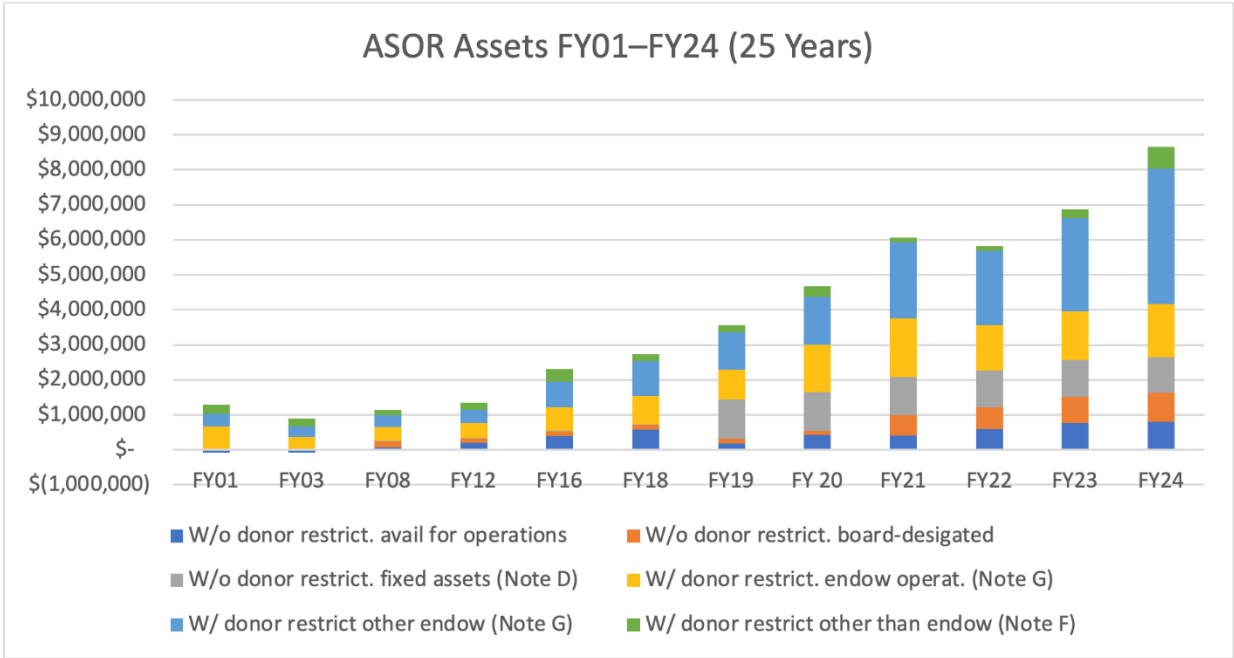
Finance Committee Agenda and Report  
Emily Bonney and Andy Vaughn  
Saturday 23 November 2024 11:30 AM EST

1. Call to Order (Bonney)
2. Approval of minutes from prior meetings (Bonney)
3. Review and approval of agenda (Bonney)
4. Review of Documents and Reports (Bonney and Vaughn)
  - a. Net Investment Spreadsheet (to June 30, 2024) (Exhibit A)
  - b. Net Investment Spreadsheet (to September 30, 2024) (Exhibit B)
  - c. Budget to Actual (FY 2024) (Exhibit C)
  - d. Notes to Budget to Actual (FY 2024) (Exhibit D)
  - e. Comparison of ASOR Investments to Other Organizations (Exhibit E)
  - f. Fiscal Year Audited Financial Statements (Exhibit F)
5. Discussion of Financial Position of ASOR (see exhibits above and Finance Report memo below for background)
6. Action Items:
  - a. Accept FY2025 Audit
  - b. Review Draft 990 and authorize Treasurer and Executive Director to sign
  - c. Review Conflict of Interest forms and determine if there are material conflicts
7. New Business or New Discussion Items.
8. Adjourn.

Memo to Finance Committee

*Stable financial position and expanding services:*

Thanks to the generosity of ASOR donors and the careful management of the Schwab endowments, ASOR continues to be in solid financial condition in spite of the declines in Annual Meeting and membership revenue that we anticipated last year and that may be attributable to the situation in Gaza and Israel. The FY 2024 Audited Financial Statements (Exhibit F) indicate that ASOR's total assets exceeded \$8.6 million dollars as of June 30, 2024, an increase of more than \$1.7 million over the prior year. As more than \$620,000 of this total is from "temporarily restricted assets," we should more conservatively view the total as around \$8 million, still a healthy number. Certainly some of this increase is due to the gains in the equities investments in ASOR's endowments. More noteworthy, a significant portion of this growth is attributable in large part to significant gifts to permanent restricted endowments, evidence again of the generosity of ASOR donors. I want to remind everyone that while we can remove names from the documents we post, those names must be included on filings with the federal government, and so in the end would still be discoverable should anyone wish to do so.



The notes to the budget provide additional information about the line items in the Budget to Actual for 2024, but this report will highlight certain key elements.

- There were significant gifts to several of the endowments, particularly to Dana #2 and #3.
- ASOR also benefited from the two new endowments approved last year. The Shepard Endowment for Emergency Action Grants and the M.E. Strange Endowment for Diaspora Heritage Program Educational Programming.
- The Annual Meeting, conducted in FY 24 as both in person and virtual, had financial results that were net unfavorable by about \$110,000. There was a substantial drop in registration and attendance largely because of the circumstances in Gaza and Israel. At the same time costs were up particularly for the Audio/Visual component including the purchase of the laptops and the additional staff expenses required by the hybrid format although costs still came in below budget. The lower attendance at the meeting also resulted in a drop in memberships.
- Projected income for educational events also was down. Webinars gave ASOR a web presence, but they generated less income than budgeted in part because we had fewer webinars and in part because registration and sponsorships were lower than budgeted. There were no trips.
- Individual membership numbers are down likely because of the lower attendance at the annual meeting likely because of the war in Gaza. Memberships dropped from approximately 2,200 as of September 30, 2023, to

approximately 2,000 at September 30, 2024. The anticipated 5% increase in 2023/2024 did not materialize, and institutional memberships continue the slow but steady decline. We have set a goal for memberships to return to 2,100 by September 30, 2025.

- The ambitious ASOR 2025 campaign already has realized \$4 million in pledges and contributions reinforcing our sense that ASOR will continue to grow. We are well on our way to achieving the \$5 million goal by the end of 2025.

In addition to the balances presented in ASOR Net Investments to September 30, 2024 (Exhibit B) and to June 30, 2024 (Exhibit A) I call your attention to the following market balances (not accrual based) of the following Accounts (as of September 30, 2024):

- Cash Accounts = \$1,629,327.49
  - Truist Checking = \$89,138.87
  - Schwab General Fund (quasi-checking) = \$894,647.01
  - Schwab Temporarily Restricted = \$,4,541.61
  - Truist Temporarily Restricted (Fed. Grants) = \$641,000
- Board-designated Accounts = \$833,7783.92
  - Opportunity Fund for Publications (Board-designated) = \$154,291.62
  - Building Fund = \$482,296.86
  - Kershaw Fund = 197,195.44
- General Endowment for Operations = \$1,604,250.16
- Accounts with donor restrictions (other than General Endowment) = \$4,022,917.75
  - Harris Endowment = \$179,402.72
  - Platt Endowment = \$302,474.36
  - G. E. Wright / Shirlee Meyers Endowment = \$146,222.53
  - MacAllister Endowment = \$192,032.19
  - Strange / Midkiff Endowment = \$259,778.76
  - Carol and Eric Meyers Endowment = \$293,679.74
  - Seger Endowment = \$97,902.64
  - Dana 1 Scholarships Endowment = \$406,736.06
  - Geraty Endowment = \$164,337.39
  - Mason Endowment = \$60,298.07
  - BIPOC Endowment = \$293,003.54
  - Dana 2 Scholarships Endowment = \$470,560.56
  - Dana 3 Excavation Endowment = \$514,174.90
  - Thomas/Bishop = \$61,748.32
  - E. Strange Endowment = \$474,931.16
  - Shepard Endowment = \$105,634.81

The increase in the value of the endowment accounts overall can be attributed in large part to the generous contributions to existing accounts and the creation of new accounts. We also have been fortunate to enjoy significant increases from the improvements in the investment world with a percentage increase for individual accounts, excluding the value of contributions, of nearly 6%. ASOR continues to benefit from the generosity of those who support the institution's mission.

ASOR continues to allocate assets as provided in our Investment Policy. While our policy provides for a semi-annual rebalancing to maintain the allocations set forth below, our practice has been to do such rebalancing on a quarterly basis. The handout presents our investment performance.

Large Cap = 45%  
Small Cap = 15%  
International = 20%  
Fixed = 15%  
Cash = 5%

### *Challenges*

In the face of the good news from both the ASOR 2025 campaign and the growth of our endowments, ASOR nevertheless confronts the same issues that everyone in higher education does. As we underscored in our April report to the Finance Committee and to the Board in our May meeting, institutional subscriptions are down about 5% for University of Chicago Press, and with the acceleration of adopting open access modes of sharing information that situation is unlikely to change. We cannot expect to get more than our guaranteed minimums from UCP and may face a request to lower that minimum. Book sales also remain down, and the path forward is not clear. While we are for the moment committed to continuing book publication our present approach of publishing internally may not be sustainable. The budget for the Annual Meeting was predicated on the reality of more favorable terms for the venue in Boston than we had in Chicago and on the hope that circumstances in Gaza and Israel will have improved. While we have realized the former the latter remains out of reach. At the same time, we were grateful that once again the Annual Fund surpassed our optimistic goal of \$125,000 with a final figure of \$144,919. Finally, we will also note that the goal was to establish a Building Fund of \$500,000, a target we have not yet reached because of a few pledges that have not and will not be fulfilled. A potential incentive is the mounting of a bronze plaque adjacent to the entry at the Strange Center with enough spaces for the names of donors of five more gifts of \$10,000 each toward that fund has not yet prompted a surge in gifts to the fund. Alas we have yet to achieve the ultimate fund of \$500,000.

*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 dedication and commitment of our members and of the Trustees who support the work keep the organization true to its mission. The Executive Director and Finance Manager should be commended for their work in securing grants and for managing the Schwab and other financial accounts effectively. Finally, thank you to the Finance Committee for its work.