

**American Schools of Oriental Research
Treasurer's Report
National Meeting – San Diego, CA
November 22, 2019**

Thanks to the overwhelming generosity of our donors, the visionary leadership of officers and trustees, and the skillful and dedicated work of staff, ASOR's financial position is strong. The organization has a beautiful new "home of our own" at the James Strange Center. A successful relocation is a notable achievement in the best of circumstances, but ASOR's is especially impressive considering the challenges that precipitated the move and the unknown costs in making the transition. At the same time, ASOR did not lose sight of its mission. Fellowship and endowment accounts continue to grow and new grant funding is expanding opportunities for scholarship, education, and preservation. It's been a very good year.

FYE 2019 BIG PICTURE FACTS AT A GLANCE

ITEM	AMOUNT
Decrease in Net Assets Without Donor Restrictions available for operations	\$346,392
Increase in net assets without donor restrictions	\$737,791
Market value of all Investment Accounts	\$2,057,263
Total value of all financial accounts (checking accounts, savings accounts and Investment Accounts)	\$3,033,162
Memberships and journal revenue	\$418,942
Investment income (Fellowship Accounts)	\$47,536
Investment income (Endowment Accounts)	\$34,259

FY 2019 Decrease In Net Assets Without Donor Restrictions Available for Operations

At the end of the 2018 fiscal year, ASOR had a balance of \$568,407 in our "rainy day fund". The ending balance in that fund as of June 30, 2019 was \$222,015. The difference between the beginning and ending balance is the decrease in net assets without donor restrictions available for operation of \$346,392. That decrease is comprised of two elements:

First, in connection with the purchase of the James Strange Center, ASOR took out a \$325,000 line of credit. Second, at the April Board Meeting, the Finance Committee recommended the Board of Trustees pass a budget that included the transfer of \$100,000 of unrestricted net assets from the "rainy day fund" to revenue to cover costs of the transition from Boston to

Alexandria Virginia. To date, we have utilized \$21,000 of that transfer. The FY 2019 fiscal year ended on 6/30/19. Again, thanks to generous donors, we were able to pay-off the \$325,000 line of credit before September 30th this fiscal year (2020). With the elimination of the line of credit debt and less than expected utilization of the \$100,000 transfer for moving expenses to date, the “rainy day” fund is in better than expected condition.

FY 19 Increase in Net Assets Without Donor Restriction

The increase FY 2019 includes contributions and other revenue sources without donor restrictions and assets released into revenue due to satisfaction of purpose restrictions less program, support, general, administration and fundraising expenses.

FY 2016 THROUGH FY 2019 INVESTMENT RESULTS

INVESTMENT ACCOUNTS **(EXHIBIT A)**

Investment Accounts. The total market value of the Investment Accounts increased 7% from FY 2018 to FY 2019. At 2019, the total market value of the Investment Accounts is \$2,057,263.

	FY 2016	FY 2017	FY 2018	FY 2019
Year-end market value of the Investment Accounts	\$1,520,965	\$1,776,128	\$1,921,942	\$2,057,263
Increase over previous year	N.A.	+17%	+8%	+7%

Total value of all financial accounts. The total value of all financial accounts (checking accounts, savings accounts and investment accounts) increased by 11% between FY 2018 and 2019. The total market value of all financial accounts for FY 2019 is \$3,033,162. Note – the total market value of all financial accounts does not include the value of real property.

	FY 2016	FY 2017	FY 2018	FY 2019
Total year-end value of all financial Accounts	\$2,305,113	\$2,647,804	\$2,730,925	\$3,033,162
Increase over previous year	N.A.	+15%	+3%	+11%

FY 2019 INVESTMENT RESULTS TO DATE **(EXHIBIT A)**

For the fiscal year ending June 30, 2019, ASOR Fellowship Accounts generated a collective gain of \$47,536 (average 4.8%), while the Endowment Accounts generated a collective gain of \$34,259 (average 4.2%). The ASOR Custom Benchmark for the same period was 6.6%.

Fellowship and Endowment account performance through the first quarter of fiscal year 2020 decreased to 1.0% and -1.1% respectively. The ASOR benchmark for the period was 0.5%. The Finance Committee will review the performance of the managed endowment account and consider whether or not to return to a self-managed model.

FY 2019 AUDIT

We have received a final draft of the 2019 audited financial statements. You will note new terminology in the audited statements and in this report. Temporarily restricted and permanently restricted amounts are now categorized as “With Donor Restriction”. Unrestricted monies are reported as “Without Donor Restriction”. These and other presentation changes have been mandated by the Financial Accounting Standards Board Accounting Standards Update (ASU) 2016-14. The new standards will apply to subsequent reporting years. While these changes have not had a material impact on our bottom line, they have resulted in a longer than anticipated audit process.

FY 2019 BUDGET TO ACTUAL

(EXHIBIT B)

FY 2019, ASOR allocated \$100,000 of unrestricted net assets (net assets without donor restrictions available for operations) to revenue and projected a balanced budget. As noted above, after the repayment of the line of credit, The change in net assets without donor restriction for \$21,000 resulting in a net favorable position.

FY 2020 BUDGET

(EXHIBIT B)

The FY 2020 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.

Submitted By:
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ASOR Treasurer
11/18/2019