

**Audited Financial Statements,  
Supplementary Information,  
and Compliance Reports**

**American Society of Overseas Research**

**Years Ended June 30, 2023 and 2022**

Audited Financial Statements

**American Society of Overseas Research**

Years Ended June 30, 2023 and 2022

Independent Auditor’s Report ..... 1

Statements of Financial Position ..... 3

Statement of Activities (2023)..... 4

Statement of Activities (2022)..... 5

Statement of Support and Revenue and Functional Expenses (2023) ..... 6

Statement of Support and Revenue and Functional Expenses (2022) ..... 7

Statements of Cash Flows ..... 8

Notes to Financial Statements ..... 9

**Supplementary Information**

Schedule of Expenditures of Federal Awards .....21

Notes to Schedule of Expenditures of Federal Awards .....22

**Compliance Reports**

Independent Auditor’s Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards* .....23

Independent Auditor’s Report on Compliance for Each Major Program and on  
Internal Control Over Compliance Required by the Uniform Guidance.....25

Schedule of Findings and Questioned Costs .....27

Summary Schedule of Prior Audit Findings.....N/A



Independent Auditor's Report

To the Board of Trustees  
of **American Society of Overseas Research**  
Alexandria, Virginia

**Opinion**

We have audited the accompanying financial statements of American Society of Overseas Research (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, support and revenue and functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Society of Overseas Research as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Society of Overseas Research and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Adoption of New Accounting Standards**

As described in Note A to the financial statements, American Society of Overseas Research, adopted FASB Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Society of Overseas Research's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Independent Auditor's Report--Continued

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of American Society of Overseas Research's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Society of Overseas Research's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2023, on our consideration of American Society of Overseas Research's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of American Society of Overseas Research's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering American Society of Overseas Research's internal control over financial reporting and compliance.

*Romeo, Wiggins & Company, L.L.P.*

Statements of Financial Position

**American Society of Overseas Research**

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,434,609	\$ 1,089,703
Grants receivable	24,451	92,736
Other receivables	18,224	18,659
Prepaid expenses and other assets	25,046	29,335
Investments (including permanent endowments)	4,762,413	4,003,711
Fixed assets, net	<u>1,041,086</u>	<u>1,057,056</u>
TOTAL ASSETS	<u>\$ 7,305,829</u>	<u>\$ 6,291,200</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 41,700	\$ 46,159
Deferred revenue	249,803	276,635
Deferred support	<u>141,549</u>	<u>149,392</u>
TOTAL LIABILITIES	433,052	472,186
<b>NET ASSETS</b>		
Without donor restrictions:		
Available for operations	764,385	600,154
Board-designated:		
Building Fund	428,193	328,722
Publications Opportunity Fund	149,745	126,731
Norma Kershaw Fund for Membership Outreach	<u>176,583</u>	<u>155,001</u>
Total Board-designated net assets	754,521	610,454
Fixed assets, net	<u>1,041,086</u>	<u>1,057,056</u>
Total net assets without donor restrictions	<u>2,559,992</u>	<u>2,267,664</u>
With donor restrictions:		
Other than endowments	250,861	130,306
Held under endowments	<u>4,061,924</u>	<u>3,421,044</u>
Total net assets with donor restrictions	<u>4,312,785</u>	<u>3,551,350</u>
TOTAL NET ASSETS	<u>6,872,777</u>	<u>5,819,014</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,305,829</u>	<u>\$ 6,291,200</u>

See accompanying independent auditor's report and notes to financial statements.

Statement of Activities

**American Society of Overseas Research**

Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 184,409	\$ 616,427	\$ 800,836
Federal grants	-	753,851	753,851
In-kind contributions	26,746	-	26,746
Book revenue	7,354	-	7,354
Journals revenue	120,217	-	120,217
Institutional memberships	54,000	-	54,000
Individual memberships	224,862	-	224,862
Annual meeting	270,408	-	270,408
Royalties and other income	36,097	-	36,097
Reimbursement income	13,493	-	13,493
Net investment income	119,445	468,892	588,337
Net assets released from restrictions:			
Released from non-endowed funds	885,926	(885,926)	-
Appropriated from endowment funds	191,809	(191,809)	-
	<u>2,134,766</u>	<u>761,435</u>	<u>2,896,201</u>
Total Support and Revenue			
<b>EXPENSES AND LOSSES</b>			
Program services:			
Annual Meeting and Events	330,592	-	330,592
Academic Programs & Policy Support	400,741	-	400,741
Cultural Heritage Initiatives	778,183	-	778,183
Journals	48,327	-	48,327
Books	24,142	-	24,142
	<u>1,581,985</u>	<u>-</u>	<u>1,581,985</u>
Support services:			
Management and general	206,138	-	206,138
Fundraising	54,315	-	54,315
	<u>260,453</u>	<u>-</u>	<u>260,453</u>
	<u>1,842,438</u>	<u>-</u>	<u>1,842,438</u>
Total Expenses			
Change in Net Assets	292,328	761,435	1,053,763
Net Assets, Beginning of Year	<u>2,267,664</u>	<u>3,551,350</u>	<u>5,819,014</u>
Net Assets, End of Year	<u>\$ 2,559,992</u>	<u>\$ 4,312,785</u>	<u>\$ 6,872,777</u>

See accompanying independent auditor's report and notes to financial statements.

Statement of Activities

**American Society of Overseas Research**

Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 263,128	\$ 580,636	\$ 843,764
Federal grants	-	359,139	359,139
Income from forgiveness of PPP loan	118,700	-	118,700
In-kind contributions	47,799	-	47,799
Book revenue	21,698	-	21,698
Journals revenue	121,052	-	121,052
Institutional memberships	60,000	-	60,000
Individual memberships	209,795	-	209,795
Annual meeting	225,170	-	225,170
Royalties and other income	32,771	-	32,771
Miscellaneous income	130	-	130
Reimbursement income	14,116	-	14,116
Net investment loss	(86,995)	(652,303)	(739,298)
Net assets released from restrictions:			
Released from non-endowed funds	534,822	(534,822)	-
Appropriated from endowment funds	199,850	(199,850)	-
	<u>1,762,036</u>	<u>(447,200)</u>	<u>1,314,836</u>
Total Support and Revenue			
<b>EXPENSES AND LOSSES</b>			
Program services:			
Annual Meeting and Events	331,239	-	331,239
Academic Programs & Policy Support	391,388	-	391,388
Cultural Heritage Initiatives	375,444	-	375,444
Journals	68,628	-	68,628
Books	20,501	-	20,501
	<u>1,187,200</u>	<u>-</u>	<u>1,187,200</u>
Support services:			
Management and general	327,947	-	327,947
Fundraising	51,473	-	51,473
	<u>379,420</u>	<u>-</u>	<u>379,420</u>
Total Expenses	<u>1,566,620</u>	<u>-</u>	<u>1,566,620</u>
Change in Net Assets	195,416	(447,200)	(251,784)
Net Assets, Beginning of Year	<u>2,072,248</u>	<u>3,998,550</u>	<u>6,070,798</u>
Net Assets, End of Year	<u>\$ 2,267,664</u>	<u>\$ 3,551,350</u>	<u>\$ 5,819,014</u>

See accompanying independent auditor's report and notes to financial statements.

Statement of Support and Revenue and Functional Expenses

**American Society of Overseas Research**

Year Ended June 30, 2023

	Annual Meeting and Events	Academic Programs & Policy Support	Cultural Heritage Initiatives	Journals	Books	Management and General	Fundraising	Total
<b>SUPPORT, REVENUES, AND OTHER INCOME:</b>								
Contributions	\$ 61,190	\$ 512,815	\$ 35,958	\$ 12,770	\$ 15,105	\$ 154,983	\$ 8,015	\$ 800,836
Federal grants	-	-	753,851	-	-	-	-	753,851
Income from forgiveness of PPP loan	-	-	-	-	-	-	-	-
In-kind contributions	1,625	1,180	3,880	1,180	-	14,161	4,720	26,746
Book revenue	-	-	-	-	7,354	-	-	7,354
Journals revenue	-	-	-	120,217	-	-	-	120,217
Institutional memberships	-	-	-	-	-	54,000	-	54,000
Individual memberships	-	-	-	44,972	-	179,890	-	224,862
Annual meeting	270,408	-	-	-	-	-	-	270,408
Royalties and other income	-	-	-	25,336	10,761	-	-	36,097
Reimbursement income	-	2,438	-	-	-	11,055	-	13,493
Net investment income	-	524,164	16	-	14,536	49,621	-	588,337
<b>Total Support, Revenues, and Other Income</b>	<b>333,223</b>	<b>1,040,597</b>	<b>793,705</b>	<b>204,475</b>	<b>47,756</b>	<b>463,710</b>	<b>12,735</b>	<b>2,896,201</b>
<b>EXPENSES:</b>								
Annual meeting expenses	94,832	-	-	-	-	-	-	94,832
Depreciation	798	798	798	798	-	9,584	3,194	15,970
Development expense	5,995	1,214	26	-	-	-	5,947	13,182
Fellowships and grants	16,201	149,379	-	-	-	-	-	165,580
Specific projects	-	29,839	-	-	-	-	-	29,839
General and administrative	5,541	3,208	-	45	-	23,214	1,973	33,981
Insurance	-	-	-	-	-	12,593	-	12,593
Postage and supplies	284	-	59,958	105	400	8,239	2	68,988
Production and editorial costs	7,112	18,000	-	42,660	21,919	-	-	89,691
Legal and accounting	3,002	3,002	3,002	3,002	-	36,022	12,007	60,037
Building expenses, including insurance	-	-	-	-	-	16,621	-	16,621
Salaries, contract payments and benefits	196,827	179,742	511,313	1,717	1,823	130,565	31,192	1,053,179
Other direct costs	-	-	16,786	-	-	321	-	17,107
Travel, meetings, and Chair support	-	15,559	117,768	-	-	28,773	-	162,100
Utilities and telephone	-	-	-	-	-	8,738	-	8,738
Allocation of indirect costs	-	-	68,532	-	-	(68,532)	-	-
<b>Total Expenses</b>	<b>330,592</b>	<b>400,741</b>	<b>778,183</b>	<b>48,327</b>	<b>24,142</b>	<b>206,138</b>	<b>54,315</b>	<b>1,842,438</b>
<b>Change in Net Assets</b>	<b>\$ 2,631</b>	<b>\$ 639,856</b>	<b>\$ 15,522</b>	<b>\$ 156,148</b>	<b>\$ 23,614</b>	<b>\$ 257,572</b>	<b>\$ (41,580)</b>	<b>\$ 1,053,763</b>

See accompanying independent auditor's report and notes to financial statements.



Statement of Support and Revenue and Functional Expenses

American Society of Overseas Research

Year Ended June 30, 2022

	Annual Meeting and Events	Academic Programs & Policy Support	Cultural Heritage Initiatives	Journals	Books	Management and General	Fundraising	Total
<b>SUPPORT, REVENUES, AND OTHER INCOME:</b>								
Contributions	\$ 1,576	\$ 686,336	\$ 5,190	\$ 310	\$ 8,000	\$ 141,894	\$ 458	\$ 843,764
Federal grants	-	-	359,139	-	-	-	-	359,139
Income from forgiveness of PPP loan	-	-	-	-	-	118,700	-	118,700
In-kind contributions	2,123	2,123	7,458	2,123	-	25,479	8,493	47,799
Book revenue	-	-	-	-	21,698	-	-	21,698
Journals revenue	-	-	-	121,052	-	-	-	121,052
Institutional memberships	-	-	-	-	-	60,000	-	60,000
Individual memberships	-	-	-	41,959	-	167,836	-	209,795
Annual meeting	225,170	-	-	-	-	-	-	225,170
Royalties and other income	-	-	-	32,771	-	-	-	32,771
Reimbursement income	-	-	-	-	-	14,116	-	14,116
Miscellaneous income	-	-	-	-	-	130	-	130
Net investment income	-	(372,659)	4	-	(9,376)	(357,267)	-	(739,298)
<b>Total Support, Revenues, and Other Income</b>	<b>228,869</b>	<b>315,800</b>	<b>371,791</b>	<b>198,215</b>	<b>20,322</b>	<b>170,888</b>	<b>8,951</b>	<b>1,314,836</b>
<b>EXPENSES:</b>								
Annual meeting expenses	74,153	-	-	-	-	-	-	74,153
Depreciation	910	910	910	910	-	10,918	3,639	18,197
Development expense	4,012	-	-	-	-	-	948	4,960
Fellowships and grants	26,332	184,449	-	-	-	-	-	210,781
Specific projects	-	18,230	-	747	-	-	-	18,977
General and administrative	5,633	2,650	-	45	-	37,089	2,400	47,817
Insurance	-	-	-	-	-	5,424	-	5,424
Postage and supplies	-	90	37,267	11	381	14,937	-	52,686
Production and editorial costs	-	18,001	-	43,515	12,523	-	-	74,039
Legal and accounting	3,879	3,879	3,879	3,879	-	46,548	15,516	77,580
Building expenses, including insurance	-	-	(540)	-	-	17,308	-	16,768
Salaries, contract payments and benefits	215,452	146,642	277,017	19,521	7,597	177,802	28,970	873,001
Other direct costs	-	-	20,567	-	-	-	-	20,567
Travel, meetings, and Chair support	868	16,537	36,344	-	-	9,668	-	63,417
Utilities and telephone	-	-	-	-	-	8,253	-	8,253
<b>Total Expenses</b>	<b>331,239</b>	<b>391,388</b>	<b>375,444</b>	<b>68,628</b>	<b>20,501</b>	<b>327,947</b>	<b>51,473</b>	<b>1,566,620</b>
<b>Change in Net Assets</b>	<b>\$ (102,370)</b>	<b>\$ (75,588)</b>	<b>\$ (3,653)</b>	<b>\$ 129,587</b>	<b>\$ (179)</b>	<b>\$ (157,059)</b>	<b>\$ (42,522)</b>	<b>\$ (251,784)</b>

See accompanying independent auditor's report and notes to financial statements.

Statements of Cash Flows

**American Society of Overseas Research**

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 1,053,763	\$ (251,784)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,970	18,197
Unrealized and realized (gains) losses on investments, net	(465,979)	880,451
Income from forgiveness of PPP loan	-	(118,700)
Contributions for long-term purposes:		
Building Fund (Board-designated)	(54,400)	(130,400)
Permanent endowments (Donor-restricted)	(311,797)	(418,030)
Changes in operating assets and liabilities:		
Grants receivable	68,285	(67,770)
Other receivables	435	211,495
Prepaid expenses and other assets	4,289	(6,294)
Accounts payable and accrued expenses	(4,459)	2,871
Deferred revenue	(26,832)	12,855
Deferred support	(7,843)	98,439
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>271,432</u>	<u>231,330</u>
<b>INVESTING ACTIVITIES:</b>		
Proceeds from sales of investments	1,836,156	858,317
Purchases of investments	(2,128,879)	(1,558,578)
Purchases of fixed assets	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(292,723)</u>	<u>(700,261)</u>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from contributions for long-term purposes:		
Building Fund (Board-designated)	54,400	130,400
Permanent endowments (Donor-restricted)	311,797	418,030
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>366,197</u>	<u>548,430</u>
<b>NET CHANGE IN CASH</b>	344,906	79,499
Cash and cash equivalents, beginning of year	<u>1,089,703</u>	<u>1,010,204</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,434,609</u>	<u>\$ 1,089,703</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Interest paid	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report and notes to financial statements.

## Notes to Financial Statements

### American Society of Overseas Research

Years Ended June 30, 2023 and 2022

#### NOTE A -- THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Organization: American Society of Overseas Research (ASOR/the Organization/and formerly, American Schools of Oriental Research) was established in 1900 and was incorporated as a not-for-profit public charity in 1935. ASOR is an international organization whose mission is to initiate, encourage, and support research into, and public understanding of, the history and cultures of the Near East and wider Mediterranean, from the earliest times. The principal sources of support and revenue are from membership dues, grants, contributions, scholarly journals, webinars, and annual programs.

Effective December 9, 2020, and following a year-long process with two surveys of membership about ASOR's new name, ASOR's Board of Trustees voted to change the name of the Organization to "American Society of Overseas Research" and to continue using the acronym "ASOR". Effective October 27, 2021, the responsible authority in the District of Columbia approved the amendment to ASOR's Articles of Incorporation. On July 18, 2023, a letter was received from the IRS recognizing ASOR's new name.

Basis of Accounting: ASOR prepares its financial statements in accordance with U.S. generally accepted accounting principles (GAAP). This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Adoption of FASB ASU 2020-07: The Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, on its effective date of July 1, 2022. The new guidance requires not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. ASU 2020-07 also requires the presentation of certain disaggregated information by category based on the types of contributed nonfinancial assets received. The new standard, which made no changes to existing recognition or measurement requirements, has been applied retrospectively to all periods presented in the accompanying financial statements.

Net Assets: The Organization's net assets have been grouped into the following classes:

Net Assets Without Donor Restrictions: This net asset class is not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. ASOR's net assets without donor restrictions include \$754,521 and \$610,454 at June 30, 2023 and 2022, respectively, that are subject to Board designations and are not available to cover operating expenses, including budget shortfalls, unless specifically approved by the Board.

Net Assets With Donor Restrictions: This net asset class is subject to restrictions imposed by donors and grantors. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that require resources to be maintained in perpetuity. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions.

Recognition of Revenue/Deferred Revenue: ASOR's primary revenue sources that are accounted for as exchange transactions include membership dues, Annual Meeting registrations and reimbursements, and journals revenue.

**American Society of Overseas Research**

NOTE A -- THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES -- Continued

Management believes ASOR has an implicit contract with its members to provide benefits that include, but are not limited to, access to on-line resources, member discounts, and journals. Dues and benefits vary across membership levels, but are generally believed to be commensurate in value. Dues for certain membership levels that account for approximately five percent of individual membership dues are considered to have both an exchange element and a contribution element. Member benefits are considered to represent a single performance obligation which is satisfied ratably over the membership period; therefore, ASOR recognizes the exchange portion of membership dues ratably over the one-year membership period. The contribution portion of dues is recognized immediately. Dues collected in advance are held in deferred revenue in the statement of financial position.

Registration fees for the Annual Meeting are recognized when the event is held, whether in-person or virtually. The Annual Meeting is typically held in November, with the location varying from year to year. Amounts received prior to the date of service are held in deferred revenue in the statement of financial position.

Journals revenue is recognized and received quarterly according to the terms and conditions of a publishing contract.

Deferred revenue at June 30, 2023, includes advances received for membership dues of \$122,366 and Annual Meeting of \$127,437. All amounts in deferred revenue at June 30, 2023, are expected to be earned and recognized as revenue in Fiscal 2024. Deferred revenue at June 30, 2022, includes advances received for membership dues of \$150,410 and Annual Meeting of \$126,225. All amounts in deferred revenue at June 30, 2022, were earned and recognized as revenue in Fiscal 2023.

PPP Forgivable Loans: ASOR elected to account for *forgivable* loans received under the Paycheck Protection Program (PPP), a program administered through the U.S. Small Business Administration and created with the enactment of the Coronavirus Aid, Relief, and Economy Security Act (the CARES Act), as obligations until the loans were forgiven or repaid. Loans of \$118,700 were recognized in income in Fiscal 2022 and in Fiscal 2021 upon forgiveness of the loans.

Recognition of Support/Deferred Support: Promises to give, including grants and contributions, to ASOR are generally considered nonreciprocal transactions and are recognized as support when conditions, if any, have been met. A condition exists if the agreement with the donor includes a barrier that must be overcome and either a right of return of assets transferred or a right of release from the donor's obligation to transfer assets. Grants and contributions requiring a match are considered conditional until the match is satisfied, wholly or in part, as defined by agreement. Cost-reimbursement grants are considered conditional until qualifying expenditures are incurred. (Refer also to *Note F--Net Assets With Donor Restrictions, Other Than Endowments*). Amounts received against conditional promises to give are held as deferred support until conditions for recognition are met. Support from unconditional grants and contributions is recognized as an increase in either net assets without donor restrictions or net assets with donor restrictions, based on the absence or presence of any donor-imposed restrictions.

Deferred support at June 30, 2023, includes advances of \$141,549 received under federal grants. All amounts in deferred support at June 30, 2023, are expected to be recognized as support in Fiscal 2024. Deferred support at June 30, 2022, includes advances of \$149,392 received under federal grants. All amounts in deferred support at June 30, 2022, were recognized as support in Fiscal 2023.

In-Kind Contributions: In-kind contributions of \$26,746 and \$47,799, respectively, are included in support (and expenses) for Fiscal 2023 and 2022 at the estimated fair value of such, as determined by the related third-party providing the service. Donated services are recognized as contributions in accordance with FASB ASC 958-605, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by ASOR. In-kind contributions relate primarily to services provided by attorneys. Volunteers provided services that are not recognized as contributions in the accompanying financial statements since the recognition criteria were not met.

Notes to Financial Statements -- Continued

**American Society of Overseas Research**

NOTE A -- THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES -- Continued

Cash Equivalents: ASOR considers all highly liquid investments with an initial maturity of three months or less, as well as money market funds (non-sweep), U.S. Treasury bills, and brokered certificates of deposit (2023) held in a Charles Schwab operating account, to be cash equivalents. Cash equivalents are reported at fair value based on quoted market prices. Refer also to *Note H--Fair Value Measurements* and *Note I--Significant Concentrations*.

Grants Receivable: Grants receivable consists of amounts due from federal agencies. Management feels all amounts are collectible; therefore, no allowance for doubtful accounts is provided. Receivables are due within a year and are unsecured.

Other Receivables: Other receivables consist primarily of amounts due from donors and proceeds from book sales.

Investments (including permanent endowments): Investments include amounts held in cash, money market funds (non-sweep), U.S. Treasury bills (2023), brokered certificates of deposit (2023), mutual funds, exchange-traded funds, and managed equity securities (2022). Investments, other than cash holdings, are reported at fair value based on quoted market prices. Purchases and sales of securities are recorded on a trade-date basis. Net investment income includes interest and dividends, as well as realized and unrealized gains and losses. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net investment income restricted by a donor is reported as an increase in net assets with donor restrictions and released to net assets without donor restrictions upon satisfaction of purpose or time restrictions or the appropriation of general-use earnings. Refer also to *Note C--Investments* and *Note G--Net Assets with Donor Restrictions, Held Under Endowments*.

Fixed Assets: Fixed assets are carried at cost (or, if donated, at fair value at the date of donation) less accumulated depreciation. Depreciation is calculated on a straight-line method over the estimated useful lives of the respective assets. All acquisitions of fixed assets in excess of \$2,500 and expenditures for repairs and maintenance that materially prolong the useful lives of assets are capitalized. Those items that are not a capital expenditure are expensed when incurred.

Impairment of Long-Lived Assets: Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Income Taxes: ASOR is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Internal Revenue Service has determined that the Organization is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. ASOR had no income subject to taxation as unrelated business income for the years ended June 30, 2023 and 2022 and management is aware of no uncertain tax positions.

Functional Classification of Expenses: ASOR allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expense classification. Certain indirect expenses are allocated to program and support services based on estimated usage and/or estimated benefit. ASOR's programs include the following:

*Annual Meeting and Events*: The Annual Meeting brings together ASOR's vibrant academic community to present their current findings and discuss their research. The conference attracts approximately 1,000 scholars and enthusiasts of archaeology, linguistics, geography, epigraphy, anthropology, and other fields related to the study of the ancient Near East. Other events include seminars, webinars, travel to archaeological and cultural sites, and public lectures.

**American Society of Overseas Research**

NOTE A -- THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES -- Continued

*Academic Programs and Policy Support:* From its earliest days, ASOR has sponsored projects central to its mission to initiate, encourage, and support research into, and public understanding of, the history and cultures of the Near East and wider Mediterranean. This work includes supporting excavations, ASOR's academic committees, advocacy and education about archaeology and cultural heritage, global awareness of these issues, scholarships and fellowships, and grants for related work.

*Cultural Heritage Initiatives:* The program is devoted to protecting, preserving and presenting to the public the historic and cultural heritage of North Africa, the Near East, and the wider Mediterranean and to raise awareness of its degradation. ASOR also promotes and carries out education and stewardship programs in these regions.

*Journals:* ASOR's publication program has a long and venerable history, dating back to the publication of the first volume of the *Bulletin of American Society of Overseas Research (BASOR)* in 1919. Today, ASOR still publishes *BASOR*, as well as three other journals (*Near Eastern Archaeology*, *Maarav*, and the *Journal of Cuneiform Studies*). In addition, ASOR publishes an e-newsletter for its members (*News@ASOR*) and an outreach e-newsletter for public members and Friends of ASOR (*The Ancient Near East Today*). Beginning in 2019, the University of Chicago Press is responsible for the publication and distribution of *BASOR*, *NEA*, *JCS*, and *Maarav*, with royalties payable to ASOR.

*Books:* ASOR publishes three book series. The first volume of the *ASOR Annual (AASOR)* appeared in 1920, making it ASOR's signature publication. The Annual is a medium for the publication of lengthy preliminary or interim archaeological reports or monograph-length studies relating to archaeology in the Near East.

The *Archaeological Reports Series (ARS)* is devoted to the publication of final excavation reports, surveys, and ethnoarchaeological fieldwork. Excavation projects need not be ASOR-affiliated to be considered. The CAARI Monographs are a subseries of the ASOR-ARS and may include conference proceedings.

ASOR's youngest series, the *JCS Supplemental Series (JCSSS)*, was instituted under the editorship of Piotr Michalowski in 2008. *JCSSS* is now published in partnership with Lockwood Press.

Fair Value of Financial Instruments: The carrying value of cash equivalents, accounts receivable, and accounts payable is considered by management to approximate the fair value of such at June 30, 2023 and 2022, based on the short-term maturity of these financial instruments. Investments are carried at fair value based on quoted market prices. Refer also to *Note H--Fair Value Measurements*.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes to Financial Statements -- Continued

**American Society of Overseas Research**

NOTE B -- AVAILABILITY AND LIQUIDITY OF ASSETS

The following reflects ASOR's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of certain donor-imposed restrictions and Board designations as of June 30:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end (cash, investments, and receivables)	\$ 6,239,697	\$ 5,204,809
Less those unavailable for general expenditures within one year, due to:		
Donor restrictions	(4,312,785)	(3,551,350)
Board designations	(754,521)	(610,454)
Deferred support	<u>(141,549)</u>	<u>(149,392)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,030,842</u>	<u>\$ 893,613</u>

ASOR's spending policies for endowments provide for distributions at 5% of endowment assets annually on new and existing endowments, with the exception of one older endowment that provides for distributions at 6%.

NOTE C -- INVESTMENTS

Investments consist of the following:

	June 30,	
	<u>2023</u>	<u>2022</u>
Held by brokerage firm(s):		
Cash	\$ 540	\$ 229,712
Money market funds (non-sweep)	207,198	36,684
Fixed Income:		
U.S. Treasuries	98,132	-
Certificates of Deposit	99,788	-
Exchange-traded funds:		
Equities	707,833	572,580
Bonds	497,268	488,450
Mutual funds:		
Equities	3,151,654	2,127,490
Bonds	-	171,655
Managed equities	-	374,099
Held by a bank:		
Money market account	<u>-</u>	<u>3,041</u>
	<u>\$ 4,762,413</u>	<u>\$ 4,003,711</u>

Refer also to *Note G--Net Assets with Donor Restrictions, Held Under Endowments* and *Note I--Significant Concentrations*.

Notes to Financial Statements -- Continued

**American Society of Overseas Research**

NOTE D -- FIXED ASSETS

Fixed assets consist of the following:

	June 30,	
	<u>2023</u>	<u>2022</u>
Land	\$ 490,000	\$ 490,000
Building	617,745	617,745
Website development and software	21,969	28,514
Computer equipment	<u>6,249</u>	<u>10,887</u>
	1,135,963	1,147,146
Less: Accumulated depreciation and amortization	<u>(94,877)</u>	<u>(90,090)</u>
	<u>\$ 1,041,086</u>	<u>\$ 1,057,056</u>

On April 24, 2019, ASOR purchased the property in Alexandria, Virginia (now named the James F. Strange Center) for approximately \$1,107,745 to serve as a permanent home for ASOR. The purchase was financed with proceeds from donor pledges, bank borrowings, and operating reserves. At June 30, 2023, net assets of \$428,193 are Board-designated for the maintenance and upkeep of the building.

Depreciation and amortization expense totaled \$15,970 and \$18,197 for Fiscal 2023 and 2022, respectively.

NOTE E -- LINE OF CREDIT BORROWINGS

ASOR closed its \$550,000 bank line of credit in September 2022. No balance was outstanding on the line at June 30, 2022 and no borrowings were made against the line subsequent to June 30, 2022.

NOTE F -- NET ASSETS WITH DONOR RESTRICTIONS, OTHER THAN ENDOWMENTS

Net assets with donor restrictions, other than endowments, were released from donor restrictions upon the satisfaction of donor-imposed purpose restrictions as follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Specific projects	\$ 19,015	\$ 27,277
Cultural Heritage Initiatives	-	2,855
Member supported fellowships and student support	25,647	40,172
Book subvention	8,960	-
Diversity Initiative	5,148	31,189
Building Fund	-	948
DOS grants	753,851	359,139
Other	<u>73,305</u>	<u>73,242</u>
	<u>\$ 885,926</u>	<u>\$ 534,822</u>



Notes to Financial Statements -- Continued

**American Society of Overseas Research**

NOTE F -- NET ASSETS WITH DONOR RESTRICTIONS, OTHER THAN ENDOWMENTS -- Continued

Net assets with donor restrictions, other than endowments, are available for the following purposes at June 30:

	<u>2023</u>	<u>2022</u>
Specific projects	\$ 24,237	\$ 13,948
Cultural Heritage Initiatives	56,979	21,021
Member supported fellowships and student support	19,449	14,819
Book subvention	25,675	19,530
Diversity Initiative	56,952	12,000
Climate Impact	30,900	-
Other	<u>36,669</u>	<u>48,988</u>
	<u>\$ 250,861</u>	<u>\$ 130,306</u>

Conditional promises to give (made to ASOR) are as follows at June 30, 2023:

U.S. Department of State, LEO reimbursement grant (Libya), term ends September 30, 2024.	\$ 84,850
U.S. Department of State, DRL Maghreb reimbursement grant, term ends September 30, 2023.	146,845
U.S. Department of State, Libya CPAIG reimbursement grant, term ends September 30, 2023.	47,993
U.S. Department of State, Tunisia PAS reimbursement grant, term ends December 31, 2023.	1,134
U.S. Department of State, DRL Sahel reimbursement grant, term ends September 30, 2024.	581,042
U.S. Department of State, CPAIG reimbursement grant, term ends August 31, 2024.	89,933

NOTE G -- NET ASSETS WITH DONOR RESTRICTIONS, HELD UNDER ENDOWMENTS

FASB ASC 958-205 provides guidance on the net asset classification of board-designated and donor-restricted endowment funds held by nonprofit organizations, subject to an enacted version of UPMIFA (the *Uniform Prudent Management Institutional Funds Act*). ASOR holds only donor-restricted endowment funds. Therefore, unless stated otherwise in the gift instrument, assets held under endowments are considered donor-restricted assets until appropriated for expenditure by the Organization. Endowment net assets are disaggregated further by ASOR as to which amounts are subject to appropriation by the Organization or to investment in perpetuity. ASOR considers the following to be subject to investment in perpetuity: (1) the original value of gifts donated to endowments, (2) the original value of subsequent gifts to endowments, and (3) accumulations to endowments made in accordance with the direction of the applicable donor gift instruments. Net investment income is considered available for appropriation unless otherwise directed by the gift instrument.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of those endowment assets over the long-term. ASOR's investment portfolio relies on diversification of assets to

Notes to Financial Statements -- Continued

**American Society of Overseas Research**

NOTE G -- NET ASSETS WITH DONOR RESTRICTIONS, HELD UNDER ENDOWMENTS -- Continued

achieve its long-term return objectives within prudent risk parameters. Endowment funds are held in cash, money market funds, U.S. Treasury bills, brokered certificates of deposit, mutual funds, exchange-traded funds, and managed equity securities (2022), with the net earnings thereon available for ASOR's general use or as otherwise specified by the donor.

The composition of endowment net assets by fund type is as follows at June 30, 2023:

	Subject to <u>Approp'n</u>	Subject to Investment <u>in Perpetuity</u>	<u>Total</u>
Donor-restricted endowment funds:			
General Endowment	\$ 360,135	\$ 1,040,107	\$ 1,400,242
Harris Fund	35,606	123,975	159,581
Platt Fund	253,323	20,000	273,323
Wright/Meyers Fund	41,876	82,466	124,342
P.E. MacAllister Fund	37,400	132,820	170,220
Eric and Carol Meyers Fund	40,098	203,327	243,425
Strange/Midkiff Fund	32,042	184,430	216,472
Joe D. Seger Excavation Fund	15,414	61,895	77,309
Stevan B. Dana Scholarship Fund	38,905	319,533	358,438
Lawrence T. Geraty Fund	9,249	121,445	130,694
Herbert Mason Fellowship Fund*	(1,382)	54,534	53,152
Stevan B. Dana #2 Fund*	(30,651)	318,960	288,309
BIPOC Endowment Fund*	(21,904)	272,500	250,596
Stevan B. Dana #3 Fund	124	260,620	260,744
Thomas – Bishop Fund	<u>3,077</u>	<u>52,000</u>	<u>55,077</u>
Total endowment funds, June 30, 2023	<u>\$ 813,312</u>	<u>\$ 3,248,612</u>	<u>\$ 4,061,924</u>
		Subject to	
	Subject to	Investment	<u>Total</u>
	<u>Approp'n</u>	<u>in Perpetuity</u>	
Endowment net assets, June 30, 2022	\$ 536,229	\$ 2,884,815	\$ 3,421,044
Investment return, net	468,892	-	468,892
Contributions	-	311,797	311,797
Reclassification of donor-restricted net assets	-	52,000	52,000
Appropriation of endowment assets for expenditure	<u>(191,809)</u>	<u>-</u>	<u>(191,809)</u>
Endowment net assets, June 30, 2023	<u>\$ 813,312</u>	<u>\$ 3,248,612</u>	<u>\$ 4,061,924</u>

\* The spending policies adopted by ASOR for existing endowments can be applied consistently over time regardless of short-term fluctuations in the market value of the funds. Each policy sets spending rates allowing for long-term growth in the corpus of its corresponding endowment, while also providing funds for ASOR to spend in fulfilling its mission. To prevent erosion of the principal of a fund, if the Quarterly Closing Market Value is less than seventy-five percent (75%) of the fund's historic dollar value, the distribution calculated above will be reduced by fifty percent (50%). For Fiscal Year 2023, there were no quarters in which any endowments were less than 75% of the fund's historic dollar value.

Notes to Financial Statements -- Continued

**American Society of Overseas Research**

NOTE G -- NET ASSETS WITH DONOR RESTRICTIONS, HELD UNDER ENDOWMENTS -- Continued

The composition of endowment net assets by fund type is as follows at June 30, 2022:

	Subject to <u>Approp'n</u>	Subject to Investment <u>in Perpetuity</u>	<u>Total</u>
Donor-restricted endowment funds:			
General Endowment	\$ 257,905	\$ 1,038,857	\$ 1,296,762
Harris Fund	27,697	123,975	151,672
Platt Fund	240,838	20,000	260,838
Wright/Meyers Fund	32,829	67,466	100,295
P.E. MacAllister Fund	28,267	132,820	161,087
Eric and Carol Meyers Fund	23,630	185,827	209,457
Strange/Midkiff Fund	15,444	144,380	159,824
Joe D. Seger Excavation Fund	9,534	56,895	66,429
Stevan B. Dana Scholarship Fund	15,804	307,757	323,561
Lawrence T. Geraty Fund*	(2,342)	103,345	101,003
Herbert Mason Fellowship Fund*	(7,635)	53,533	45,898
Stevan B. Dana #2 Fund*	(53,170)	318,960	265,790
BIPOC Endowment Fund*	(39,710)	231,000	191,290
Stevan B. Dana #3 Fund*	<u>(12,862)</u>	<u>100,000</u>	<u>87,138</u>
Total endowment funds, June 30, 2022	\$ <u>536,229</u>	\$ <u>2,884,815</u>	\$ <u>3,421,044</u>
	Subject to	Subject to	
	<u>Approp'n</u>	Investment	<u>Total</u>
		<u>in Perpetuity</u>	
Endowment net assets, June 30, 2021	\$ 1,388,382	\$ 2,466,785	\$ 3,855,167
Investment return, net	(652,303)	-	(652,303)
Contributions	-	418,030	418,030
Reclassification of donor-restricted net assets	-	-	-
Appropriation of endowment assets for expenditure	<u>(199,850)</u>	<u>-</u>	<u>(199,850)</u>
Endowment net assets, June 30, 2022	\$ <u>536,229</u>	\$ <u>2,884,815</u>	\$ <u>3,421,044</u>

\* The spending policies adopted by ASOR for existing endowments can be applied consistently over time regardless of short-term fluctuations in the market value of the funds. Each policy sets spending rates allowing for long-term growth in the corpus of its corresponding endowment, while also providing funds for ASOR to spend in fulfilling its mission. To prevent erosion of the principal of a fund, if the Quarterly Closing Market Value is less than seventy-five percent (75%) of the fund's historic dollar value, the distribution calculated above will be reduced by fifty percent (50%). For Fiscal Year 2022, there were no quarters in which any endowments were less than 75% of the fund's historic dollar value.

Notes to Financial Statements -- Continued

**American Society of Overseas Research**

NOTE H -- FAIR VALUE MEASUREMENTS

ASOR applies GAAP for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority.

The following represents assets measured at fair value on a recurring basis by ASOR at June 30, 2023 and 2022:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>June 30, 2023</u>				
<i>Cash equivalents:</i>				
Money market funds	\$ 327,103	\$ 327,103	\$ -	\$ -
U.S. Treasury bills	290,225	290,225	-	-
Brokered certificates of deposit	398,815	398,815	-	-
<i>Investments, excluding cash held by brokers</i>	<u>4,761,873</u>	<u>4,761,873</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,778,016</u>	<u>\$ 5,778,016</u>	<u>\$ -</u>	<u>\$ -</u>
<u>June 30, 2022</u>				
<i>Cash equivalents:</i>				
Money market funds	\$ 160,496	\$ 160,496	\$ -	\$ -
U.S. Treasury bills	345,823	345,823	-	-
<i>Investments, excluding cash held by brokers</i>	<u>3,770,958</u>	<u>3,770,958</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,277,277</u>	<u>\$ 4,277,277</u>	<u>\$ -</u>	<u>\$ -</u>

*Level 1:* Cash equivalents include money market funds (non-sweep), U.S. Treasury bills, and brokered certificates of deposit (2023), all of which are held in an operating account with Charles Schwab and are reported at fair value based on quoted market prices. Investments include money market funds (non-sweep), U.S. Treasury bills (2023), brokered certificates of deposit (2023), mutual funds, exchange-traded funds, and managed equities (2022), all of which are reported at fair value based on quoted market prices and are held by Charles Schwab. Refer also to *Note C--Investments*.

At June 30, 2023 and 2022, ASOR had no assets or liabilities classified within Level 2 or Level 3 of the fair value hierarchy.

Notes to Financial Statements -- Continued

**American Society of Overseas Research**

NOTE I -- SIGNIFICANT CONCENTRATIONS

ASOR maintains one of its primary operating accounts with Charles Schwab. The account balance consists of cash, money market funds (non-sweep), U.S. Treasury bills, and brokered certificates of deposit (2023). *Cash and cash equivalents* at June 30, 2023 includes approximately \$1,171,000 held in the Charles Schwab operating account. Brokered certificates of deposit of \$398,815 are FDIC-insured. U.S. Treasury bills of \$290,225 are backed by the U.S. government. Other holdings in the Charles Schwab operating account are primarily unsecured. ASOR also maintains an operating account with a bank. At June 30, 2023 bank holdings exceeded federally insured limits by approximately \$10,000.

Investments at June 30, 2023 are held by Charles Schwab and are primarily unsecured. Certain coverage may be provided by the Security Investors Protection Corporation (SIPC) for missing stocks and other securities up to \$500,000, including up to \$100,000 in cash if a brokerage or bank brokerage subsidiary fails. However, SIPC does not ensure the quality of investments or protect against losses from fluctuating market values. Refer also to *Note C--Investments*.

Federal grant support of \$753,851 and \$359,139 was provided by the Department of State (DOS) for use in connection with ASOR's Cultural Heritage Initiatives program for the years ended June 30, 2023 and 2022, respectively.

NOTE J -- 401(k) RETIREMENT PLAN

ASOR sponsors a 401(k) retirement plan on behalf of its employees. Non-excluded employees may make deferrals to the plan upon attaining age 21. ASOR is required to make Safe Harbor Nonelective Contributions equal to 6% of compensation of eligible participants based on each payroll period. The plan also provides for discretionary, nonelective employer contributions on behalf of employees who have attained age 21, completed a Year of Service, and are employed on the last day of the plan year (December 31). Safe Harbor Nonelective Contributions to the plan totaled \$40,553 and \$40,802 for the years ended June 30, 2023 and 2022, respectively. ASOR made no discretionary, nonelective contributions for the plan years ended December 31, 2022 and 2021.

NOTE K -- COMMITMENTS AND CONTINGENCIES (including a subsequent event)

Commitments: In December 2022, ASOR entered into a licensing agreement for the use of certain association management software (AMS). The agreement requires fees as follows over its initial three-year term: Year 1 - \$18,000; Year 2 - \$18,540; and Year 3 - \$19,096. Beyond the initial term, the agreement is set to renew automatically for one-year periods, unless ASOR provides the vendor with notice of intent to renew for a longer term, or not to renew the agreement, at least 60 days prior to the end of the initial term (or renewal term).

At June 30, 2023, ASOR had contractual commitments with host venues for its 2023 Annual Meeting in Chicago with 0% attrition, for its 2024 Annual Meeting in Boston at 50% attrition, for its 2025 Annual Meeting in Boston with 50% attrition, for its 2026 Annual Meeting in Chicago with 50% attrition, and for its 2028 Annual Meeting in Boston with 50% attrition. Management continues to utilize available measures to mitigate risk.

Financial Assistance: Financial assistance from various awarding agencies is subject to special audit. Such audits could result in claims against ASOR for disallowed costs or noncompliance with grantor restrictions. Management is not aware of disallowable costs or instances of noncompliance with grantor restrictions; consequently, no provision has been made for liabilities that may arise from such audits.

Grants, bequests, and endowments require the fulfillment of certain conditions set forth in the instruments of the gifts. Failure to fulfill the conditions, or in the case of the endowments, failure to continue to fulfill them, could result in the return of funds to the donor. Management is not aware of instances of noncompliance with donor restrictions; consequently, no provision has been made for liabilities that may arise from such.

Notes to Financial Statements -- Continued

### **American Society of Overseas Research**

#### NOTE K -- COMMITMENTS AND CONTINGENCIES (including a subsequent event) -- Continued

Complaint Filed: On October 23, 2023, ASOR received a complaint from a law firm about a possible copyright infringement involving two images on ASOR's website. ASOR's pro-bono law firm has informed the complainant's law firm that they will be representing ASOR. Management expects the complaint to be dismissed or settled for a de minimis amount.

#### NOTE L -- RELATED PARTY TRANSACTIONS (including a subsequent event)

The financial statements include only ASOR's accounts. These financial statements do not include ASOR's affiliates: the William Foxwell Albright Institute of Archeological Research (AIAR) in Jerusalem; the American Center of Research (ACOR) in Amman, Jordan; and the Cyprus American Archaeological Research Institute, Inc. (CAARI) in Nicosia, Cyprus.

ASOR allows ACOR and CAARI to use office space in the United States that ASOR owns. AIAR does not share office space with ASOR. ACOR and CAARI were charged approximately \$10,797 and \$11,205 for use of the building, utilities, and postage for the years ended June 30, 2023 and 2022, respectively.

In October, 2023, ASOR received correspondence from ACOR indicating that ACOR wished to disaffiliate from ASOR. ACOR intends to continue to hold its board meetings at the ASOR Annual Meeting. ACOR also plans to continue using office space at the James Strange Center (ASOR's headquarters).

Members of the ASOR Board of Trustees contributed approximately \$425,230 and \$327,364 to ASOR for the years ended June 30, 2023 and 2022, respectively. The spouse of a Board member received salary and benefits from ASOR of approximately \$54,565 and \$8,400 for the years ended June 30, 2023 and 2022, respectively, for Cultural Heritage Initiatives work.

#### NOTE M -- SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 10, 2023, the date on which the financial statements were available to be issued. No further adjustments to or disclosures in the financial statements are considered necessary.

SUPPLEMENTARY INFORMATION

Schedule of Expenditures of Federal Awards

**American Society of Overseas Research**

Year ended June 30, 2023

Grantor/ Pass-through Grantor/ Program Title	Assistance Listing Number	Federal Award Identification Number	Federal Expenditures (*)
<b><u>FEDERAL AWARDS:</u></b>			
<u>U.S. Department of State, U.S. Embassy Libya:</u>			
<i>Investing in People in The Middle East and North Africa :</i>			
To increase awareness of looting and trafficking of Libyan antiquities; and to characterize damage caused by climate change and/or looting and trafficking.	19.021	SLY80019GR0016	\$ 47,877
Travel and logistical support for 10 Libyan academics to attend the ASOR Annual Meeting.	19.021	SLY80020GR0002	35,512
Inventory and storage upgrades for Libyan Antiquities Collections - CPAIG FY22.	19.021	SLY80022GR0010	10,067
			<u>93,456</u>
<i>Cultural Antiquities Task Force :</i>			
Extends ASOR's Museum in a Suitcase model with pop-up events and NGO community engagement for Libya, Tunisia, Morocco, and Algeria to increase cooperation and further MOUs for cultural property protection.	19.036	SLY80021GR3016	85,521
<i>Public Diplomacy Programs :</i>			
For professional development of antiquities experts and scholars, cultural heritage professionals, and Tunisian Scouts engaged in working in these areas.	19.040	STS80022GR0011	24,987
<u>U.S. Department of State, Bureau of Democracy, Human Rights, and Labor:</u>			
<i>International Programs to Support Democracy, Human Rights and Labor :</i>			
To promote religious freedom in Tunisia and Morocco through heritage site protection and advocacy.	19.345	SLMAQM21GR3180	390,189
Undertaking a regional response to train and engage stakeholders throughout the Sahel to increase the preservation of religious heritage sites.	19.345	SAQMIP22GR0056	159,698
			<u>549,887</u>
TOTAL FEDERAL EXPENDITURES			\$ <u>753,851</u>

(\*) No federal awards were passed through to subrecipients.

See independent auditor's report as pertains to supplementary information and notes to schedule of expenditures of federal awards.



Notes to Schedule of Expenditures of Federal Awards

**American Society of Overseas Research**

Year Ended June 30, 2023

NOTE A -- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of American Society of Overseas Research under programs for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C -- INDIRECT COST RATE

The Organization has elected to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

COMPLIANCE REPORTS



Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

Board of Trustees  
**American Society of Overseas Research**  
Alexandria, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of American Society of Overseas Research (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, support and revenue and functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 10, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered American Society of Overseas Research's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of American Society of Overseas Research's internal control. Accordingly, we do not express an opinion on the effectiveness of American Society of Overseas Research's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether American Society of Overseas Research's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Trustees  
**American Society of Overseas Research**  
Page Two

Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*--Continued

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Romeo, Wiggins & Company, L.L.P.*

Raleigh, North Carolina  
November 10, 2023



Independent Auditor's Report on Compliance  
for Each Major Program and on Internal Control  
Over Compliance Required by the Uniform Guidance

Board of Trustees  
American Society of Overseas Research  
Alexandria, Virginia

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited American Society of Overseas Research's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of American Society of Overseas Research's major federal programs for the year ended June 30, 2023. American Society of Overseas Research's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, American Society of Overseas Research complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of American Society of Overseas Research and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of American Society of Overseas Research's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to American Society of Overseas Research's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on American Society of Overseas Research's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about American Society of Overseas Research's compliance with the requirements of each major federal program as a whole.

Independent Auditor's Report on Compliance  
for Each Major Program and on Internal Control  
Over Compliance Required by the Uniform Guidance--Continued

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding American Society of Overseas Research's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of American Society of Overseas Research's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of American Society of Overseas Research's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Romeo, Wiggina & Company, L.L.P.*

Schedule of Findings and Questioned Costs

**American Society of Overseas Research**

Year Ended June 30, 2023

**Section I - Summary of Auditor's Results**

Type of auditor's report issued on financial statements: *Unmodified*

Internal control over financial reporting:

- ◆ Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- ◆ Significant deficiency (ies) identified? \_\_\_\_\_ yes  X  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  X  no

*Federal Awards*

Internal control over major federal award programs:

- ◆ Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- ◆ Significant deficiency (ies) identified? \_\_\_\_\_ yes  X  none reported

Noncompliance material to major federal award programs? \_\_\_\_\_ yes  X  no

Type of auditor's report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes  X  no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Program Name</u>
19.345	<i>International Programs to Support Democracy, Human Rights and Labor</i>

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes  X  no

Schedule of Findings and Questioned Costs--Continued

**American Society of Overseas Research**

Year Ended June 30, 2023

**Section II - Financial Statement Findings**

There were no such findings to report.

**Section III - Federal Award Findings and Questioned Costs**

There were no such findings to report.