Audited Financial Statements
and Other Financial Information

American Schools of Oriental Research

Years Ended June 30, 2009 and 2008
Audited Financial Statements and Other Financial Information

American Schools of Oriental Research

Years Ended June 30, 2009 and 2008

Audited Financial Statements

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Independent Auditors' Report

To the Board of Trustees
American Schools of Oriental Research
Boston, Massachusetts

We have audited the accompanying statements of financial position of American Schools of Oriental Research (ASOR) as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of ASOR’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Schools of Oriental Research as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Romeo, Wiggins & Company, L.L.P.
Cary, North Carolina
November 4, 2009
STATEMENTS OF FINANCIAL POSITION

American Schools of Oriental Research

June 30, 2009 and 2008

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$371,808</td>
<td>$561,013</td>
</tr>
<tr>
<td>Investments</td>
<td>693,527</td>
<td>789,371</td>
</tr>
<tr>
<td>Accounts receivable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memberships and subscriptions, net of allowance</td>
<td>42,062</td>
<td>84,716</td>
</tr>
<tr>
<td>Book sales and other receivables</td>
<td>17,077</td>
<td>18,282</td>
</tr>
<tr>
<td>Inventory and capitalized costs</td>
<td>44,432</td>
<td>21,054</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>6,789</td>
<td>6,724</td>
</tr>
<tr>
<td>Furniture and fixtures and equipment, net</td>
<td>3,966</td>
<td>4,422</td>
</tr>
</tbody>
</table>

**TOTAL ASSETS** $1,179,661 $1,485,582

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>$.14,826</td>
<td>$28,706</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>234,023</td>
<td>299,938</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>8,014</td>
<td>8,871</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>256,863</td>
<td>337,515</td>
</tr>
</tbody>
</table>

Net Assets:

Unrestricted:

Available for operations (29,855) 64,292
Board designated 133,560 183,943
Property and equipment 3,966 4,422

**Total unrestricted net assets** 107,671 252,657

Temporarily restricted 353,016 434,559

Permanently restricted 462,111 460,851

**Total Net Assets** 922,798 1,148,067

**TOTAL LIABILITIES AND NET ASSETS** $1,179,661 $1,485,582

See accompanying independent auditors' report and notes to financial statements.
## STATEMENT OF ACTIVITIES

**American Schools of Oriental Research**

*Year Ended June 30, 2009*

### SUPPORT AND REVENUE

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$63,050</td>
<td>$46,792</td>
<td>$1,260</td>
<td>$111,102</td>
</tr>
<tr>
<td>Book Revenue</td>
<td>49,042</td>
<td></td>
<td></td>
<td>49,042</td>
</tr>
<tr>
<td>Other publication income</td>
<td>223,266</td>
<td></td>
<td></td>
<td>223,266</td>
</tr>
<tr>
<td>Institutional memberships</td>
<td>90,000</td>
<td></td>
<td></td>
<td>90,000</td>
</tr>
<tr>
<td>Individual memberships</td>
<td>155,975</td>
<td></td>
<td></td>
<td>155,975</td>
</tr>
<tr>
<td>Annual meeting</td>
<td>107,269</td>
<td>13,000</td>
<td></td>
<td>120,269</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>38,868</td>
<td></td>
<td></td>
<td>38,868</td>
</tr>
<tr>
<td>Royalty income</td>
<td>32,053</td>
<td></td>
<td></td>
<td>32,053</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>12,760</td>
<td>5,443</td>
<td></td>
<td>18,203</td>
</tr>
<tr>
<td>Net realized gain on sales of investments</td>
<td>9,246</td>
<td>2,820</td>
<td></td>
<td>12,066</td>
</tr>
<tr>
<td>Net unrealized loss on investments</td>
<td>(121,275)</td>
<td>(59,831)</td>
<td></td>
<td>(181,106)</td>
</tr>
<tr>
<td>Net assets released from restrictions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction of purpose restrictions</td>
<td>89,767</td>
<td>(89,767)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL SUPPORT AND REVENUE**

|                      | 750,021      | (81,543)               | 1,260                  | 669,738 |

### EXPENSES AND LOSSES

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>765,214</td>
<td></td>
<td></td>
<td>765,214</td>
</tr>
<tr>
<td>Support services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>68,021</td>
<td></td>
<td></td>
<td>68,021</td>
</tr>
<tr>
<td>Fundraising and nonprogram</td>
<td>36,096</td>
<td></td>
<td></td>
<td>36,096</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>869,331</td>
<td>-</td>
<td>-</td>
<td>869,331</td>
</tr>
<tr>
<td>Provision for doubtful accounts</td>
<td>25,676</td>
<td>-</td>
<td>-</td>
<td>25,676</td>
</tr>
</tbody>
</table>

**TOTAL EXPENSES AND LOSSES**

|                      | 895,007               | -                      | -                    | 895,007|

### CHANGE IN NET ASSETS

|                      | (144,986)             | (81,543)               | 1,260                | (225,269)|

Net assets, beginning of year

|                      | 252,657               | 434,559                | 460,851              | 1,148,067|

**NET ASSETS, END OF YEAR**

|                      | $107,671              | $353,016               | $462,111             | $922,798 |

See accompanying independent auditors' report and notes to financial statements.
**STATEMENT OF ACTIVITIES**

**American Schools of Oriental Research**

Year Ended June 30, 2008

<table>
<thead>
<tr>
<th>SUPPORT AND REVENUE</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$158,084</td>
<td>$87,790</td>
<td>$31,256</td>
<td>$277,130</td>
</tr>
<tr>
<td>Book Revenue</td>
<td>54,149</td>
<td></td>
<td></td>
<td>54,149</td>
</tr>
<tr>
<td>Other publication income</td>
<td>278,288</td>
<td></td>
<td></td>
<td>278,288</td>
</tr>
<tr>
<td>Institutional memberships</td>
<td>93,700</td>
<td></td>
<td></td>
<td>93,700</td>
</tr>
<tr>
<td>Individual memberships</td>
<td>173,244</td>
<td></td>
<td></td>
<td>173,244</td>
</tr>
<tr>
<td>Annual meeting</td>
<td>80,440</td>
<td>18,014</td>
<td></td>
<td>98,454</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>54,426</td>
<td></td>
<td></td>
<td>54,426</td>
</tr>
<tr>
<td>Royalty income</td>
<td>28,455</td>
<td></td>
<td></td>
<td>28,455</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>25,545</td>
<td>5,912</td>
<td></td>
<td>31,457</td>
</tr>
<tr>
<td>Net realized gain on sales of investments</td>
<td>23,607</td>
<td>58,361</td>
<td></td>
<td>81,968</td>
</tr>
<tr>
<td>Net unrealized loss on investments</td>
<td>(73,084)</td>
<td>(85,158)</td>
<td></td>
<td>(158,242)</td>
</tr>
<tr>
<td>Net assets released from restrictions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction of purpose restrictions</td>
<td>94,278</td>
<td>(94,278)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL SUPPORT AND REVENUE</strong></td>
<td>991,132</td>
<td>(9,359)</td>
<td>31,256</td>
<td>1,013,029</td>
</tr>
</tbody>
</table>

**EXPENSES AND LOSSES**

| Program services                                | 830,829      |                        |                        | 830,829  |
| Support services:                               |              |                        |                        |          |
| General and administrative                      | 75,986       |                        |                        | 75,986   |
| Fundraising and nonprogram                      | 34,525       |                        |                        | 34,525   |
| **Total Expenses**                              | 941,340      |                        |                        | 941,340  |
| Provision for doubtful accounts                 | 4,909        |                        |                        | 4,909    |
| **TOTAL EXPENSES AND LOSSES**                   | 946,249      |                        |                        | 946,249  |

**CHANGE IN NET ASSETS**

| 44,883                                           | (9,359)      | 31,256                 | 66,780     |

| Net assets, beginning of year                    | 207,774      | 443,918                | 429,595    | 1,081,287 |

| **NET ASSETS, END OF YEAR**                      | $252,657     | $434,559               | $460,851   | $1,148,067|

See accompanying independent auditors' report and notes to financial statements.
STATEMENTS OF CASH FLOWS

American Schools of Oriental Research

Years Ended June 30, 2009 and 2008

<table>
<thead>
<tr>
<th>OPERATING ACTIVITIES:</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>(225,269)</td>
<td>66,780</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>to net cash (used in) provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,599</td>
<td>4,900</td>
</tr>
<tr>
<td>Provision for doubtful accounts</td>
<td>25,676</td>
<td>4,909</td>
</tr>
<tr>
<td>Net (gain) on sales of investments</td>
<td>(12,066)</td>
<td>(81,968)</td>
</tr>
<tr>
<td>Net unrealized loss on investments</td>
<td>181,106</td>
<td>158,242</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memberships and subscriptions receivable</td>
<td>16,978</td>
<td>(22,901)</td>
</tr>
<tr>
<td>Book sales receivable</td>
<td>1,205</td>
<td>(12,032)</td>
</tr>
<tr>
<td>Inventory and capitalized costs</td>
<td>(23,378)</td>
<td>496</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(65)</td>
<td>(266)</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>(13,880)</td>
<td>5,281</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(65,915)</td>
<td>(54,103)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(857)</td>
<td>(1,750)</td>
</tr>
<tr>
<td>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</td>
<td>(113,866)</td>
<td>67,588</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INVESTING ACTIVITIES:</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of investments, net</td>
<td>(73,196)</td>
<td>(2,582)</td>
</tr>
<tr>
<td>Purchases of equipment</td>
<td>(2,143)</td>
<td>(3,206)</td>
</tr>
<tr>
<td>NET CASH USED IN INVESTING ACTIVITIES</td>
<td>(75,339)</td>
<td>(5,788)</td>
</tr>
</tbody>
</table>

| NET CHANGE IN CASH AND CASH EQUIVALENTS | (189,205) | 61,800 |

| Cash and cash equivalents, beginning of year | 561,013 | 499,213 |

| CASH AND CASH EQUIVALENTS, END OF YEAR | $371,808 | $561,013 |

<table>
<thead>
<tr>
<th>SUPPLEMENTAL CASH FLOW INFORMATION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest paid</td>
<td>-</td>
</tr>
</tbody>
</table>

See accompanying independent auditors' report and notes to financial statements.
Notes to Financial Statements

American Schools of Oriental Research

Years Ended June 30, 2009 and 2008

NOTE A -- THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Organization: American Schools of Oriental Research (ASOR), established in 1900, was incorporated as a not-for-profit public charity in 1935. ASOR promotes study, teaching and dissemination of knowledge of the ancient and modern languages and literature, geography, history, and archeology of the Near and Middle Eastern countries. The principal sources of revenue are from scholarly journals and books, annual programs, membership dues, grants and contributions.

Basis of Accounting: ASOR prepares its financial statements in accordance with U.S. generally accepted accounting principles. 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.

Basis of Presentation: ASOR follows Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations, issued by the Financial Accounting Standards Board (FASB) for presentation of its financial statements. Under SFAS 117, ASOR is required to report information regarding its financial position and activities according to the following three net asset classes:

Unrestricted Net Assets: Unrestricted net assets represent those assets either not subject to donor-imposed restrictions or releases from temporarily restricted net assets designated for stipulated activities or programs, which are expended within the current fiscal year. Board designated or appropriated amounts are legally unrestricted and are reported as part of the unrestricted class.

Temporarily Restricted Net Assets: Temporarily restricted net assets are subject to explicit or implicit donor-imposed restrictions that may or will be met by actions of ASOR and/or the passage of time. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets: Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by ASOR. Generally, the donors of these assets permit ASOR to use all or part of the income earned on related investments for general or restricted purposes.

Revenue Recognition: Revenue is derived mainly from memberships, subscriptions, and publication sales. Revenues from memberships and subscriptions are recognized ratably over the related period (normally one year). Any unearned amount is presented as deferred revenue in the statement of financial position. Publication sales are recognized at the time of sale.

Contributions: ASOR follows SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions, including unconditional promises to give, are recorded as made to ASOR. All contributions are available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give, due in the next year, are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using an appropriate discount rate.
American Schools of Oriental 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, including money market mutual funds, to be cash equivalents.

Investments: Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the changes in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Refer also to Note B -- Investments / Fair Value Measurements.

Accounts Receivable: Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has made reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts was $0 and $14,000 at June 30, 2009 and 2008, respectively. Accounts receivable balances are due within a year and are unsecured.

Inventory and Capitalized Costs: Inventory consists of completed publications which are sold through an independent distributor. Capitalized costs consist of expenses related to the production of publications prior to completion. Inventories are stated at the lower of cost, determined by total production costs capitalized, or market value.

Furniture and Fixtures and Equipment: Furniture and fixtures and equipment 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. Purchases are determined to be capital expenditures based on ASOR's policy of capitalizing assets acquired at a cost (or, if donated, a fair value) exceeding $500. Those items that are not a capital expenditure are immediately expensed.

Fair Value Measurements: The carrying value of cash equivalents, accounts receivable, accrued expenses, and deferred revenue is considered by management to approximate the fair value of such at June 30, 2009 and 2008. Refer also to Note B -- Investments / Fair Value Measurements.

Income Taxes: ASOR is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. ASOR had no unrelated business activities and, therefore, incurred no unrelated business income taxes for the years ended June 30, 2009 and 2008.

Functional Allocation of Expenses: The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

Reclassifications: Certain amounts in the accompanying financial statements for the year ended June 30, 2008, have been reclassified to conform to the current year's presentation. The change in net assets for the prior year is unchanged by these reclassifications.

Subsequent Events: Management has evaluated subsequent events through November 4, 2009, the date on which financial statements were available for issue.
American Schools of Oriental Research

NOTE B -- INVESTMENTS / FAIR VALUE MEASUREMENTS

Investments are held by several brokers in various mutual funds and are subject to the following Board designations or donor restrictions:

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2009</th>
<th>June 30, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted, Board designated</td>
<td>$83,444</td>
<td>$156,599</td>
</tr>
<tr>
<td>Unrestricted, available for operations</td>
<td>20,396</td>
<td>93,394</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>353,016</td>
<td>434,559</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>429,851</td>
<td>460,851</td>
</tr>
<tr>
<td></td>
<td>886,707</td>
<td>1,145,403</td>
</tr>
<tr>
<td>Less: Money market mutual funds classified as cash equivalents</td>
<td>(193,180)</td>
<td>(356,032)</td>
</tr>
<tr>
<td></td>
<td>$693,527</td>
<td>$789,371</td>
</tr>
</tbody>
</table>

SFAS No. 157, *Fair Value Measurements*, 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. ASOR uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

Investments are reported at fair value in the accompanying financial statements as follows:

<table>
<thead>
<tr>
<th>Fair Value Measurements at Reporting Date Using:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quoted Prices</td>
</tr>
<tr>
<td>in Active Markets for Identical Assets (Level 1)</td>
</tr>
<tr>
<td>Significant Other Observable Inputs (Level 2)</td>
</tr>
<tr>
<td>Significant Unobservable Inputs (Level 3)</td>
</tr>
<tr>
<td><strong>Fair Value</strong></td>
</tr>
<tr>
<td><strong>Mutual Funds</strong></td>
</tr>
<tr>
<td>June 30, 2009</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>$693,527</th>
<th>$693,527</th>
<th>$0</th>
<th>$0</th>
</tr>
</thead>
</table>

The methods described herein may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while ASOR believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.
Notes to Financial Statements -- Continued

American Schools of Oriental Research

NOTE C -- FURNITURE AND FIXTURES AND EQUIPMENT

Property and equipment consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2009</th>
<th>June 30, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and fixtures</td>
<td>$ 35,498</td>
<td>$ 35,498</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>72,311</td>
<td>70,168</td>
</tr>
<tr>
<td>Less: Accumulated depreciation and amortization</td>
<td>(103,843)</td>
<td>(101,244)</td>
</tr>
<tr>
<td></td>
<td>$ 3,966</td>
<td>$ 4,422</td>
</tr>
</tbody>
</table>

Depreciation and amortization expense totaled $2,599 and $4,900 for 2009 and 2008, respectively.

NOTE D -- RELATED PARTY TRANSACTIONS

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

ASOR shares office space with the aforementioned named affiliates and pays for common expenses, which are later reimbursed by the affiliates.

During the years ended June 30, 2009 and 2008, members of the Board of Trustees contributed approximately $53,000 and $113,000, respectively to ASOR.

During the year ended June 30, 2009, ASOR paid $7,000 for printing services provided by a Board member. ASOR also paid a Board member/officer $6,500 for editorial services performed in fiscal 2008-2009.

In-kind contributions for 2009 include $5,208 of pro bono attorney time and $33,660 of donated office space. In-kind contributions for 2008 included $17,266 of pro bono attorney time, $3,500 of printing services, and $33,660 of donated office space. Refer also to Note E -- Lease Commitments.

NOTE E -- LEASE COMMITMENTS

On July 1, 1996, ASOR entered into an agreement to lease office space from the Trustees of Boston University. No rent is payable under this lease. ASOR is required to make monthly payments to cover operating costs incurred by the landlord. The lease expires on June 30, 2012.

The value of the use of the leased property has been recorded as an in-kind contribution and an in-kind expense of $33,660 for the years ended June 30, 2009 and 2008.

NOTE F -- OTHER COMMITMENTS

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 grantor. The Board and management believe the contingency is remote, since by accepting the gifts and their terms, it has accommodated the objectives of ASOR to the provisions of the gifts.
Notes to Financial Statements -- Continued

American Schools of Oriental Research

NOTE G -- TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by the donors as follows:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsored Projects</td>
<td>$48,690</td>
<td>$59,158</td>
</tr>
<tr>
<td>Scholarships for Annual Meeting</td>
<td>3,000</td>
<td>9,014</td>
</tr>
<tr>
<td>Platt Fellowships</td>
<td>6,700</td>
<td>13,500</td>
</tr>
<tr>
<td>Development Fund</td>
<td>6,953</td>
<td>78</td>
</tr>
<tr>
<td>Book Subvention</td>
<td>10,000</td>
<td>0</td>
</tr>
<tr>
<td>Kress Awards for Foreign Travel to Annual Meeting</td>
<td>10,052</td>
<td>7,600</td>
</tr>
<tr>
<td>Website</td>
<td>2,500</td>
<td>0</td>
</tr>
<tr>
<td>Harris Fellowships</td>
<td>0</td>
<td>6,000</td>
</tr>
<tr>
<td>Other</td>
<td>1,872</td>
<td>(1,072)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$89,767</strong></td>
<td><strong>$94,278</strong></td>
</tr>
</tbody>
</table>

Temporarily restricted net assets are available for the following purposes:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated Income on Platt Fund</td>
<td>$170,346</td>
<td>$218,649</td>
</tr>
<tr>
<td>Sponsored Projects</td>
<td>118,722</td>
<td>134,256</td>
</tr>
<tr>
<td>Wright/Meyers Funds</td>
<td>32,784</td>
<td>41,639</td>
</tr>
<tr>
<td>Development Fund</td>
<td>15,791</td>
<td>22,744</td>
</tr>
<tr>
<td>Kress Awards for Foreign Travel to Annual Meeting</td>
<td>1,347</td>
<td>1,399</td>
</tr>
<tr>
<td>Website</td>
<td>0</td>
<td>2,500</td>
</tr>
<tr>
<td>Book Subvention</td>
<td>7,250</td>
<td>11,500</td>
</tr>
<tr>
<td>Other</td>
<td>6,776</td>
<td>1,872</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$353,016</strong></td>
<td><strong>$434,559</strong></td>
</tr>
</tbody>
</table>

NOTE H -- PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are comprised of endowment funds that are restricted by donors to investment in perpetuity. Endowment funds are invested in various mutual funds, with the net earnings thereon available for ASOR’s general use or as otherwise specified by the donor. Permanently restricted net assets are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Torch/General Endowment Fund</td>
<td>$334,935</td>
<td>$333,675</td>
</tr>
<tr>
<td>Corpus of Harris Fund</td>
<td>107,176</td>
<td>107,176</td>
</tr>
<tr>
<td>Corpus of Platt Fund</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$462,111</strong></td>
<td><strong>$460,851</strong></td>
</tr>
</tbody>
</table>

Refer also to Note I -- Endowment Net Assets.
Notes to Financial Statements -- Continued

American Schools of Oriental Research

NOTE I -- ENDOWMENT NET ASSETS

Endowment funds by fund type and changes in endowment net assets are as follows:

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donor-restricted endowment funds</td>
<td>$ (32,260)</td>
<td>$ 170,346</td>
<td>$ 462,111</td>
<td>$ 600,197</td>
</tr>
<tr>
<td>Board-designated endowment funds</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total funds, at June 30, 2009</td>
<td>$ (32,260)</td>
<td>$ 170,346</td>
<td>$ 462,111</td>
<td>$ 600,197</td>
</tr>
</tbody>
</table>

Endowment net assets,
June 30, 2008, as restated

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment return:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest/dividend income, net of fees</td>
<td>12,110</td>
<td>6,557</td>
<td>0</td>
<td>18,667</td>
</tr>
<tr>
<td>Net change in fair value</td>
<td>(101,468)</td>
<td>(48,160)</td>
<td>0</td>
<td>(149,628)</td>
</tr>
<tr>
<td>Total investment return</td>
<td>(89,358)</td>
<td>(41,603)</td>
<td>0</td>
<td>(130,961)</td>
</tr>
<tr>
<td>Contributions</td>
<td>0</td>
<td>0</td>
<td>1,260</td>
<td>1,260</td>
</tr>
<tr>
<td>Appropriation of endowment assets for expenditure</td>
<td>0</td>
<td>(6,700)</td>
<td>0</td>
<td>(6,700)</td>
</tr>
<tr>
<td>Endowment net assets, June 30, 2009</td>
<td>$ (32,260)</td>
<td>$ 170,346</td>
<td>$ 462,111</td>
<td>$ 600,197</td>
</tr>
</tbody>
</table>

Implementation of Recently-Enacted Professional Standards and State Regulations for Endowments: In August 2008, the Financial Accounting Standards Board issued FASB Staff Position No. FAS 117-1, “Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management Institutional Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds” (FSP FAS 117-1). FSP FAS 117-1 provides guidance on the net asset classification of donor-restricted endowment funds for nonprofit organizations subject to an enacted version of the UPMIFA. FSP FAS 117-1 also requires additional disclosures about an organization’s endowment funds (both donor-restricted and board-designated endowment funds) whether or not the organization is subject to UPMIFA for years ending after December 15, 2008. ASOR implemented the additional disclosure requirements of FSP FAS 117-1 for the year ended June 30, 2009.

In June 2009, the State of Massachusetts enacted a version of UPMIFA applicable to endowment funds existing on or established after the Act’s effective date. UPMIFA eliminates the historic dollar concept of UMIFA (the governing law in Massachusetts as of June 30, 2008) in favor of the “prudent spending” concept as pertains to endowment net assets. ASOR maintains that the historic dollar value of contributions to its endowment funds approximates the permanently restricted portion of such when applying the “prudent spending” concept.

Earnings on endowment funds are available for ASOR’s use as designated by the Board or as restricted by the donor. Accumulated endowment fund earnings of $57,098 were held as Board-designated at June 30, 2008. FSP FAS 117-1 and UPMIFA require that earnings on endowments, not otherwise restricted, be held as temporarily restricted net assets until appropriated for expenditure. Endowment net assets were not restated given that the accumulated earnings held as Board-designated at June 30, 2008, were totally depleted by market losses prior to June 30, 2009.
Notes to Financial Statements -- Continued

American Schools of Oriental Research

NOTE I -- ENDOWMENT NET ASSETS -- Continued

ASOR 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 achieve its long-term return objectives within prudent risk parameters.

NOTE J -- CONCENTRATION OF CREDIT RISK

At June 30, 2009, ASOR held mutual fund investments (including cash and money market funds) having a fair value of approximately $700,000 with one brokerage firm. These, as well as other investments held with other brokers, are primarily unsecured, though certain coverage may be provided by the Security Investors Protection Corporation 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. ASOR’s bank deposits at June 30, 2009, were within federally insured limits.
OTHER FINANCIAL INFORMATION
To the Board of Trustees
American Schools of Oriental Research
Boston, Massachusetts

Our report on our audit of the basic financial statements of American Schools of Oriental Research as of and for the years ended June 30, 2009 and 2008, appears on page 1. Those audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The schedules of support and revenue and functional expenses for the years ended June 30, 2009 and 2008, are presented for additional analysis and are not a required part of the basic financial statements. Such information for the years ended June 30, 2009 and 2008, has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Cary, North Carolina
November 4, 2009
SCHEDULE OF SUPPORT AND REVENUE AND FUNCTIONAL EXPENSES

American Schools of Oriental Research

Year Ended June 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Annual Meeting</th>
<th>Arch. &amp; Policy Support</th>
<th>Journals</th>
<th>Books</th>
<th>Fundraising</th>
<th>General and Administrative</th>
<th>Undesignated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPPORT, REVENUES, AND OTHER INCOME:</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Contributions</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Book Revenue</td>
<td>49,042</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Journals revenue</td>
<td>223,266</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutional members</td>
<td>31,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual members</td>
<td>17,976</td>
<td>103,499</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual meeting</td>
<td>120,269</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>3,887</td>
<td>6,611</td>
<td>13,725</td>
<td>1,943</td>
<td>4,147</td>
<td>8,555</td>
<td>38,868</td>
<td></td>
</tr>
<tr>
<td>Royalty income</td>
<td>32,053</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>(70,152)</td>
<td></td>
<td>(13,582)</td>
<td></td>
<td></td>
<td></td>
<td>(67,135)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Support, Revenues, and Other Income</strong></td>
<td>$ 124,156</td>
<td>$ (12,289)</td>
<td>$ 404,043</td>
<td>$ 46,884</td>
<td>$ 4,147</td>
<td>$ 8,555</td>
<td>$ 94,242</td>
<td>$ 669,738</td>
</tr>
</tbody>
</table>

EXPENSES:

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Meeting expenses</td>
<td>$ 89,673</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Provision for doubtful accounts</td>
<td></td>
<td>25,676</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>260</td>
<td>390</td>
<td>1,040</td>
<td>130</td>
<td>260</td>
<td>519</td>
<td>2,599</td>
<td></td>
</tr>
<tr>
<td>Development expense</td>
<td>98</td>
<td></td>
<td>3,703</td>
<td></td>
<td></td>
<td></td>
<td>3,801</td>
<td></td>
</tr>
<tr>
<td>Distribution and marketing</td>
<td></td>
<td></td>
<td>18,174</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Editorial expense</td>
<td>41,820</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fellowships and grants</td>
<td></td>
<td>23,850</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td></td>
<td>14,761</td>
<td>313</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>522</td>
<td>784</td>
<td>2,090</td>
<td>261</td>
<td>522</td>
<td>1,045</td>
<td>5,224</td>
<td></td>
</tr>
<tr>
<td>Postage and supplies</td>
<td>2,085</td>
<td>2,025</td>
<td>10,547</td>
<td>1,043</td>
<td>2,085</td>
<td>3,068</td>
<td>20,853</td>
<td></td>
</tr>
<tr>
<td>Production costs</td>
<td>186,812</td>
<td>29,169</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal and accounting</td>
<td>534</td>
<td>1,602</td>
<td>267</td>
<td>267</td>
<td>802</td>
<td>20,297</td>
<td>23,769</td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>3,366</td>
<td>5,049</td>
<td>13,464</td>
<td>1,683</td>
<td>3,366</td>
<td>6,732</td>
<td>33,660</td>
<td></td>
</tr>
<tr>
<td>Salaries, contract payment and benefits</td>
<td>116,007</td>
<td>53,275</td>
<td>81,354</td>
<td>20,833</td>
<td>22,886</td>
<td>31,582</td>
<td>325,937</td>
<td></td>
</tr>
<tr>
<td>Sponsored projects</td>
<td>22,792</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>3,403</td>
<td>1,701</td>
<td>2,833</td>
<td>1,134</td>
<td>1,134</td>
<td>1,134</td>
<td>11,341</td>
<td></td>
</tr>
<tr>
<td>Utilities and telephone</td>
<td>653</td>
<td>757</td>
<td>2,833</td>
<td>326</td>
<td>653</td>
<td>1,305</td>
<td>6,527</td>
<td></td>
</tr>
<tr>
<td>Other allocable expenses</td>
<td>656</td>
<td>2,354</td>
<td>1,960</td>
<td>262</td>
<td>685</td>
<td>2,339</td>
<td>8,256</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$ 217,159</td>
<td>$ 114,677</td>
<td>$ 385,459</td>
<td>$ 73,595</td>
<td>$ 36,096</td>
<td>$ 68,021</td>
<td>$ -</td>
<td>$ 895,007</td>
</tr>
</tbody>
</table>

Percent of Total Expenses

Percent of Total Expenses

|                      | 24.26% | 12.81% | 43.07% | 8.22% | 4.03% | 7.61% | 0.00% | 100% |

Excess (Deficiency) of Revenue over Expenses

Before Allocation of Undesignated Revenue

|                      | $ (93,003) | $ (126,966) | $ 18,584 | $ (26,711) | $ (31,949) | $ (59,466) | $ 94,242 | $ (225,269) |

See accompanying independent auditors' report on other financial information.

14
## SCHEDULE OF SUPPORT AND REVENUE AND FUNCTIONAL EXPENSES

### American Schools of Oriental Research

**Year Ended June 30, 2008**

<table>
<thead>
<tr>
<th>SUPPORT, REVENUES, AND OTHER INCOME:</th>
<th>Annual Meeting</th>
<th>Arch. &amp; Policy Support</th>
<th>Journals</th>
<th>Books</th>
<th>Fundraising</th>
<th>General and Administrative</th>
<th>Undesignated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$200</td>
<td>$36,379</td>
<td>$8,500</td>
<td>$232,051</td>
<td>$277,130</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Book Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>54,149</td>
<td></td>
<td></td>
<td>54,149</td>
</tr>
<tr>
<td>Journals revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>278,288</td>
<td></td>
<td></td>
<td>278,288</td>
</tr>
<tr>
<td>Institutional memberships</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>32,795</td>
<td></td>
<td></td>
<td>32,795</td>
</tr>
<tr>
<td>Individual memberships</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>110,433</td>
<td></td>
<td></td>
<td>110,433</td>
</tr>
<tr>
<td>Annual meeting</td>
<td>98,454</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>98,454</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>5,093</td>
<td>10,229</td>
<td>17,652</td>
<td>2,721</td>
<td>5,956</td>
<td>12,775</td>
<td></td>
<td>54,426</td>
</tr>
<tr>
<td>Royalty income</td>
<td>28,455</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>28,455</td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(44,817)</td>
</tr>
<tr>
<td><strong>Total Support, Revenues, and Other Income</strong></td>
<td>$103,747</td>
<td>$48,091</td>
<td>$467,623</td>
<td>$56,562</td>
<td>$5,956</td>
<td>$12,775</td>
<td>$317,375</td>
<td>$1,013,029</td>
</tr>
</tbody>
</table>

**EXPENSES:**

<table>
<thead>
<tr>
<th>Annual Meeting expenses</th>
<th>$87,837</th>
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<td>980</td>
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**Percent of Total Expenses:**

- 19.57%
- 18.14%
- 43.49%
- 7.13%
- 3.65%
- 8.02%
- 0.00%
- 100%

**Excess (Deficiency) of Revenue over Expenses Before Allocation of Undesignated Revenue**

- $ (81,401)
- $ (122,620)
- $ 56,109
- $ (10,903)
- $ (28,569)
- $ (63,211)
- $ 317,375
- $ 66,780

See accompanying independent auditors’ report on other financial information.