

**SOCIETY OF BIBLICAL LITERATURE**

**FINANCIAL REPORT**

**JUNE 30, 2023**

# SOCIETY OF BIBLICAL LITERATURE

## FINANCIAL REPORT JUNE 30, 2023

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## INDEPENDENT AUDITOR'S REPORT

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To the Audit/Finance/Investment Committee  
Society of Biblical Literature  
Atlanta, Georgia

### Opinion

We have audited the accompanying financial statements of **Society of Biblical Literature, Inc.** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, 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 Society of Biblical Literature, Inc. 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 audit in accordance with auditing standards generally accepted in the United States of America. 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 Society of Biblical Literature, Inc. and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

### 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 Society of Biblical Literature, Inc.'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 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.

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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 Society of Biblical Literature, Inc.'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 Society of Biblical Literature, Inc.'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.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
December 6, 2023

**SOCIETY OF BIBLICAL LITERATURE**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

ASSETS	2023	2022
Cash and cash equivalents	\$ 1,684,791	\$ 1,906,964
Marketable securities	5,865,492	5,235,758
Accounts receivable	233,274	209,930
Unconditional promises to give	-	16,245
Prepaid expenses and other assets	159,465	133,162
Book inventories, net of valuation reserve	54,103	79,390
Furniture and equipment, net of accumulated depreciation	24,517	4,679
Capitalized software, net of accumulated amortization	691,351	775,177
Net share of Luce Center assets	2,040,856	1,953,482
	<u>10,753,849</u>	<u>10,314,787</u>
Total assets	<u>\$ 10,753,849</u>	<u>\$ 10,314,787</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 288,009	\$ 314,528
Deferred revenue		
Memberships and subscriptions	550,673	521,924
Annual meetings	907,756	881,508
Other	123,491	136,127
	<u>1,581,920</u>	<u>1,539,559</u>
Total deferred revenue	<u>1,581,920</u>	<u>1,539,559</u>
Total liabilities	<u>1,869,929</u>	<u>1,854,087</u>
Net assets		
Without donor restrictions		
Undesignated	640,722	938,705
Designated by the Board for operating reserve	5,564,031	4,903,397
Invested in Luce Center property, equipment, and operations	952,143	1,053,737
	<u>7,156,896</u>	<u>6,895,839</u>
With donor restrictions	<u>1,727,024</u>	<u>1,564,861</u>
Total net assets	<u>8,883,920</u>	<u>8,460,700</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 10,753,849</u>	<u>\$ 10,314,787</u>

See Notes to Financial Statements.

**SOCIETY OF BIBLICAL LITERATURE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor Restrictions</u>	<u>Total</u>
Revenues and gains			
Congresses			
Congresses	\$ 1,310,247	\$ -	\$ 1,310,247
Grant revenue	30,580	-	30,580
Membership			
Membership fees	624,820	-	624,820
Marketing	38,740	-	38,740
Professions			
Career center	58,883	-	58,883
Contract income	21,273	-	21,273
Fonts	1,250	-	1,250
Press			
Book sales	432,859	-	432,859
Subscriptions	178,551	-	178,551
Royalties	123,974	-	123,974
Marketing	25,502	-	25,502
Permissions	19,554	-	19,554
Membership fees	110,262	-	110,262
Contract income	15,000	-	15,000
Book processing fees	19,100	-	19,100
Fee income	7,970	-	7,970
Development and fundraising	33,057	19,156	52,213
Investment income and change in market value, net	618,592	215,505	834,097
Rental income, net	56,698	-	56,698
Net assets released from restrictions	72,498	(72,498)	-
Total revenues and gains	<u>3,799,410</u>	<u>162,163</u>	<u>3,961,573</u>
Program services			
Congresses	1,152,340	-	1,152,340
Membership	220,285	-	220,285
Professions	418,816	-	418,816
Press	1,528,229	-	1,528,229
Regional meetings	9,123	-	9,123
Research and technology	35,773	-	35,773
Total program services	<u>3,364,566</u>	<u>-</u>	<u>3,364,566</u>
Supporting services			
Development and fundraising	8,524	-	8,524
General and administration	165,263	-	165,263
Total expenses	<u>3,538,353</u>	<u>-</u>	<u>3,538,353</u>
Increase in net assets	261,057	162,163	423,220
Net assets at beginning of year	<u>6,895,839</u>	<u>1,564,861</u>	<u>8,460,700</u>
Net assets at end of year	<u>\$ 7,156,896</u>	<u>\$ 1,727,024</u>	<u>\$ 8,883,920</u>

**See Notes to Financial Statements.**

**SOCIETY OF BIBLICAL LITERATURE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor Restrictions</u>	<u>Total</u>
Revenues and gains			
Congresses	\$ 841,972	\$ -	\$ 841,972
Membership			
Membership fees	601,140	-	601,140
Marketing	47,900	-	47,900
Professions			
Career center	78,278	-	78,278
Fonts	2,200	-	2,200
Press			
Book sales	440,938	-	440,938
Subscriptions	260,718	-	260,718
Royalties	134,373	-	134,373
Marketing	32,396	-	32,396
Permissions	36,502	-	36,502
Membership fees	106,084	-	106,084
Contract income	215,000	-	215,000
Book processing fees	12,900	-	12,900
Fee income	12,436	-	12,436
Contributions - PPP forgiveness	286,961	-	286,961
Regional meetings revenue	12,740	-	12,740
Development and fundraising	80,636	55,954	136,590
Investment income and change in market value, net	(903,613)	(223,934)	(1,127,547)
Rental income, net	60,374	-	60,374
Loss on disposal	(460)	-	(460)
Net assets released from restrictions	57,222	(57,222)	-
Total revenues and gains	<u>2,416,697</u>	<u>(225,202)</u>	<u>2,191,495</u>
Program services			
Congresses	960,676	-	960,676
Membership	209,109	-	209,109
Professions	344,977	-	344,977
Press	1,473,655	-	1,473,655
Regional meetings	29,210	-	29,210
Research and technology	42,794	-	42,794
Total program services	<u>3,060,421</u>	<u>-</u>	<u>3,060,421</u>
Supporting services			
Development and fundraising	9,241	-	9,241
General and administration	158,998	-	158,998
Total expenses	<u>3,228,660</u>	<u>-</u>	<u>3,228,660</u>
Decrease in net assets	(811,963)	(225,202)	(1,037,165)
Net assets at beginning of year	<u>7,707,802</u>	<u>1,790,063</u>	<u>9,497,865</u>
Net assets at end of year	<u>\$ 6,895,839</u>	<u>\$ 1,564,861</u>	<u>\$ 8,460,700</u>

**See Notes to Financial Statements.**

**SOCIETY OF BIBLICAL LITERATURE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services						Supporting Services			
	Congresses	Membership	Professions	Press	Regional Meetings	Research and Technology	Total Programs	Development and		Total
								Fundraising	General and Admin.	
Salaries and wages	\$ 364,221	\$ 104,376	\$ 162,850	\$ 514,844	\$ 836	\$ 20,229	\$ 1,167,356	\$ 485	\$ 44,700	\$ 1,212,541
Employee benefits	94,651	29,530	49,766	131,397	309	4,897	310,550	132	9,026	319,708
Payroll taxes	24,761	7,004	11,196	35,808	56	1,906	80,731	34	2,900	83,665
	483,633	140,910	223,812	682,049	1,201	27,032	1,558,637	651	56,626	1,615,914
Advertising	-	-	-	6,979	-	-	6,979	-	-	6,979
Bank and credit card fees	37,581	14,818	1,396	22,196	-	2	75,993	1,067	17	77,077
Communication	54,763	9,018	8,084	41,861	-	1,496	115,222	148	7,522	122,892
Cost of publications sold	-	-	-	13,657	-	-	13,657	-	-	13,657
Dues, memberships and subscriptions	4,762	1,776	2,854	5,222	10,582	239	25,435	646	2,026	28,107
Equipment and supplies	66,567	3,973	11,002	34,806	913	1,583	118,844	118	2,221	121,183
Insurance	8,999	1,586	1,134	4,607	-	154	16,480	-	1,139	17,619
Occupancy	19,800	7,920	10,560	23,760	-	1,320	63,360	-	2,640	66,000
Press distribution costs	-	-	-	55,877	-	-	55,877	-	-	55,877
Production and printing	3,724	7	4	278,910	-	-	282,645	-	-	282,645
Professional fees	123,461	19,935	40,280	121,790	(140)	2,465	307,791	1,149	15,077	324,017
Royalties	-	-	-	20,304	-	-	20,304	-	-	20,304
Meeting audiovisual expenses	196,766	-	-	-	-	-	196,766	-	-	196,766
Meetings, travel and hospitality	132,702	10,938	37,799	42,316	(3,433)	1,369	221,691	1,313	7,665	230,669
Travel and research grants	16,922	-	12,634	-	-	-	29,556	-	-	29,556
Miscellaneous	460	7	14	184	-	48	713	-	64	777
Depreciation and amortization	2,200	9,397	69,243	167,338	-	65	248,243	3,432	647	252,322
Building depreciation	-	-	-	-	-	-	-	-	68,294	68,294
Book inventory depreciation	-	-	-	6,373	-	-	6,373	-	-	6,373
Provision for income taxes	-	-	-	-	-	-	-	-	1,325	1,325
Total expenses	\$ 1,152,340	\$ 220,285	\$ 418,816	\$ 1,528,229	\$ 9,123	\$ 35,773	\$ 3,364,566	\$ 8,524	\$ 165,263	\$ 3,538,353

See Notes to Financial Statements.



**SOCIETY OF BIBLICAL LITERATURE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services						Supporting Services			
	Congresses	Membership	Professions	Press	Regional Meetings	Research and Technology	Total Programs	Development and Fundraising	General and Admin.	Total
Salaries and wages	\$ 344,468	\$ 111,549	\$ 152,348	\$ 508,910	\$ 6,608	\$ 27,634	\$ 1,151,517	\$ 1,171	\$ 47,252	\$ 1,199,940
Employee benefits	90,368	30,045	51,084	128,884	2,163	5,689	308,233	319	10,060	318,612
Payroll taxes	23,587	7,730	10,053	35,076	447	1,931	78,824	73	3,091	81,988
	458,423	149,324	213,485	672,870	9,218	35,254	1,538,574	1,563	60,403	1,600,540
Advertising	-	-	-	9,507	-	-	9,507	-	-	9,507
Bank and credit card fees	38,364	15,274	2,018	20,346	373	8	76,383	790	77	77,250
Communication	37,117	7,638	7,448	43,025	333	2,360	97,921	194	9,473	107,588
Cost of publications sold	-	-	-	12,471	-	-	12,471	-	-	12,471
Dues, memberships and subscriptions	5,413	1,531	899	4,861	4,500	230	17,434	605	1,866	19,905
Equipment and supplies	72,689	3,824	7,398	31,176	-	1,549	116,636	1,036	1,991	119,663
Insurance	4,105	1,503	1,215	4,383	-	214	11,420	-	1,112	12,532
Occupancy	19,800	7,893	10,588	23,760	-	1,320	63,361	-	2,640	66,001
Press distribution costs	-	-	-	63,973	-	-	63,973	-	-	63,973
Production and printing	3,857	-	-	255,506	-	-	259,363	-	-	259,363
Professional fees	102,573	8,291	29,092	128,127	3,380	750	272,213	1,621	6,155	279,989
Royalties	-	-	-	43,354	-	-	43,354	-	-	43,354
Meeting audiovisual expenses	139,388	-	-	-	-	-	139,388	-	-	139,388
Meetings, travel and hospitality	77,045	4,634	9,731	17,331	11,125	1,011	120,877	-	3,677	124,554
Travel and research grants	-	-	4,725	-	281	-	5,006	-	-	5,006
Miscellaneous	80	29	21	445	-	3	578	-	173	751
Depreciation and amortization	1,822	9,168	58,357	132,439	-	95	201,881	3,432	509	205,822
Building depreciation	-	-	-	-	-	-	-	-	70,079	70,079
Book inventory depreciation	-	-	-	10,081	-	-	10,081	-	-	10,081
Provision for income taxes	-	-	-	-	-	-	-	-	843	843
Total expenses	\$ 960,676	\$ 209,109	\$ 344,977	\$ 1,473,655	\$ 29,210	\$ 42,794	\$ 3,060,421	\$ 9,241	\$ 158,998	\$ 3,228,660

See Notes to Financial Statements.

**SOCIETY OF BIBLICAL LITERATURE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 423,220	\$ (1,037,165)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	320,616	275,901
Realized (gains) on marketable securities	(56,466)	(365,250)
Unrealized (gains) losses on marketable securities	(505,604)	1,851,662
Contribution from forgiveness of PPP loan	-	(286,961)
Changes in operating assets and liabilities		
Accounts receivable	(23,344)	(17,226)
Pledges receivable	16,245	(16,245)
Prepaid expenses and other assets	(26,303)	31,081
Book inventories and books in production, net	25,287	(2,680)
Accounts payable	(26,519)	(57,606)
Deferred revenue	42,361	474,333
	<u>189,493</u>	<u>849,844</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of furniture and equipment	(24,160)	(2,687)
Software development costs	(164,175)	(203,274)
Purchases of marketable securities	(1,267,048)	(2,106,772)
Proceeds from sales of marketable securities	<u>1,043,717</u>	<u>1,756,276</u>
	<u>(411,666)</u>	<u>(556,457)</u>
(Decrease) increase in cash and cash equivalents	(222,173)	293,387
Cash and cash equivalents at beginning of year	<u>1,906,964</u>	<u>1,613,577</u>
Cash and cash equivalents at end of year	<u>\$ 1,684,791</u>	<u>\$ 1,906,964</u>

**See Notes to Financial Statements.**

**SOCIETY OF BIBLICAL LITERATURE**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization:**

The Society of Biblical Literature (the “Society” or “Organization”) is a not-for-profit organization established to foster biblical scholarship. Membership in the Society is composed of scholars, teachers, and non-specialists throughout the world, with numerous universities, libraries, and members subscribing to the journals and monographic series of the Society.

**Significant Accounting Policies:**

The significant accounting policies adopted by the Society are set forth below:

**Basis for Presentation:**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Basis of Accounting:**

The financial statements of the Society have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Functional Allocation of Expenses:**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Use of Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue and Revenue Recognition:

Revenue is recognized when earned. Revenue received in advance for future events and future memberships and subscriptions is deferred to the applicable period in which the related services are performed.

Receivables represent amounts due for revenue earned prior to year-end. Gifts of cash or other assets are recorded as revenue when received or at the time an unconditional promise to give is made known to the Society.

#### Cash and Cash Equivalents:

The Society considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents consist of cash held in checking and money market accounts. Cash balances are maintained with financial institutions which are insured by the Federal Deposit Insurance Corporation. Balances exceed insured amounts from time to time. The Society believes it is not exposed to any significant credit risk on cash.

#### Marketable Securities:

The Society carries its investments at fair market value in accordance with FASB's *Accounting for Certain Investments Held by Not-For-Profit Organizations*. Realized and unrealized gains and losses, as well as interest and dividends, are recognized as income or loss in the accompanying statements of activities.

Investments are reported at fair value. Fair value is 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. See Note 4 for discussion of fair value measurements.

#### Inventories:

At June 30, 2023 and 2022, book inventories are stated at cost using the first-in, first-out ("FIFO") method, less a valuation reserve of \$69,019 and \$80,567, respectively. The valuation reserve reflects the estimated decline in value of certain books since their original publication.

#### Building, Furniture and Equipment:

At June 30, 2023 and 2022, furniture and equipment is stated at cost, less accumulated depreciation of \$140,471 and \$150,471, respectively.

Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, ranging from three to thirty-nine years.

Long-lived assets, held and used by the Society, are reviewed for impairment whenever changes in circumstances indicate the carrying value of an asset may not be recoverable. The Society's policy is to capitalize furniture and equipment expenditures greater than \$1,000. Depreciation expense on the Society's furniture and equipment for the years ended June 30, 2023 and 2022 was \$4,323 and \$4,383, respectively. Depreciation expense on Luce Center building and equipment for the years ended June 30, 2023 and 2022 was \$68,294 and \$70,079, respectively.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Capitalized Software:

At June 30, 2023 and 2022, capitalized software is stated at cost, less accumulated amortization of \$631,579 and \$383,578, respectively. Software is amortized using the straight-line method over an estimated life of five years. Amortization expense on capitalized software for the year ended June 30, 2023 and 2022 was \$248,001 and \$201,439, respectively.

#### Income Taxes:

The Society is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Unrelated business income, if any, may be subject to income tax. A provision of \$1,325 and \$843 has been included in these financial statements for taxes on unrelated business income for the years ended June 30, 2023 and 2022, respectively.

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Society's tax returns. Management has determined that the Society does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. All tax-exempt entities are subject to review and audit by federal, state and other applicable agencies. Such agencies may review the taxability of unrelated business income, or the qualification of the tax-exempt entity under the Internal Revenue Code and applicable state statutes.

#### Reclassifications:

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

#### Recent Accounting Pronouncements:

The Society adopted FASB ASC 842, *Leases*, which was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The adoption of the new guidance did not have an impact on the accompanying financial statements as there were no leases ongoing or entered into during the year that were required to be recorded under ASC 842.

### NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position dates of June 30, 2023 and 2022, comprise the following:

	2023	2022
Cash and cash equivalents	\$ 1,360,888	\$ 1,625,595
Accounts receivable	233,274	209,930
	<u>\$ 1,594,162</u>	<u>\$ 1,835,525</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2. LIQUIDITY AND AVAILABILITY (Continued)

The Society's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure. As part of the Society's liquidity management plan, cash in excess of daily requirements is invested overnight in an interest-bearing account to maximize return on excess funds. The board also designates a portion of any operating surplus to its operating reserve, which was \$5,564,031 and \$4,903,397 as of June 30, 2023 and 2022, respectively.

### NOTE 3. MARKETABLE SECURITIES

The aggregate cost and fair values, as well as unrealized appreciation, of marketable securities as of June 30, 2023 and 2022 were:

	2023		
	Cost	Unrealized Appreciation	Fair Value
Corporate stocks	\$ 278,713	\$ 266,241	\$ 544,954
Mutual funds and ETFs	4,437,768	580,535	5,018,303
Private limited partnerships	302,235	-	302,235
Total	\$ 5,018,716	\$ 846,776	\$ 5,865,492
Equity securities - Luce Center endowment fund corpus and accumulated earnings	\$ 618,498	\$ 483,300	\$ 1,101,798
	2022		
	Cost	Unrealized Appreciation	Fair Value
Corporate stocks	\$ 470,772	\$ 162,886	\$ 633,658
Mutual funds and ETFs	4,019,036	302,293	4,321,329
Private limited partnerships	280,771	-	280,771
Total	\$ 4,770,579	\$ 465,179	\$ 5,235,758
Equity securities - Luce Center endowment fund corpus and accumulated earnings	\$ 586,837	\$ 359,293	\$ 946,130

Investment return consists of the following for the years ended June 30:

	2023	2022
Interest and dividends	\$ 315,843	\$ 411,859
Realized gains	56,466	365,250
Unrealized gains/(losses)	505,604	(1,851,662)
Investment expenses	(43,816)	(52,994)
	\$ 834,097	\$ (1,127,547)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. MARKETABLE SECURITIES (Continued)

The following tables summarize the fair value measurements of certain investments that calculate net asset value per share (or its equivalent) as of June 30, 2023 and 2022:

	2023			
	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
<b>June 30, 2023</b>				
Private credit fund (a)	\$ 299,158	\$ -	Quarterly	-
Private real estate fund (b)	3,077	-		
Total	\$ 302,235	\$ -		
	2022			
	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
<b>June 30, 2022</b>				
Private credit fund (a)	\$ 277,694	\$ -	Quarterly	-
Private real estate fund (b)	3,077	-		
Total	\$ 280,771	\$ -		

- (a) This fund invests in private credit and specialty finance assets with shorter duration and contractual cash flows. The fair values of the investments in this category have been estimated using the net asset value per share of the investments.
- (b) This fund focuses on originating and purchasing real estate backed debt instruments. The fair value of the investment in this category is based on the net asset value of the Organization's ownership interest in partners' capital.

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## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4. FAIR VALUE MEASUREMENTS

FASB's *Fair Value Measurements and Disclosures* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under this guidance are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially all of the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

*Mutual funds, corporate stocks, and ETFs:* Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization 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

### NOTE 4. FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's investments measured at fair value on a recurring basis as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Asset Value</u>	<u>Total</u>
<b>Corporate Stocks</b>					
Common stocks	\$ 544,954	\$ -	\$ -	\$ -	\$ 544,954
<b>Mutual Funds and ETFs</b>					
Large blend	774,079	-	-	-	774,079
Mid-cap blend	26,566	-	-	-	26,566
Small blend	528,142	-	-	-	528,142
Bond fund	340,919	-	-	-	340,919
Large growth	2,707,183	-	-	-	2,707,183
Commodities	93,235	-	-	-	93,235
Emerging markets	234,226	-	-	-	234,226
International	24,715	-	-	-	24,715
Large value	249,674	-	-	-	249,674
Real estate	39,564	-	-	-	39,564
Total Mutual Funds and ETFs	<u>5,018,303</u>	-	-	-	<u>5,018,303</u>
<b>Other investments measured at net asset value</b>	-	-	-	<u>302,235</u>	<u>302,235</u>
Total	<u>5,563,257</u>	-	-	<u>302,235</u>	<u>5,865,492</u>
<b>Equity Securities - Luce Center</b>					
Luce Center endowment fund Corpus	250,000	-	-	-	250,000
Luce Center endowment fund accumulated earnings	851,798	-	-	-	851,798
Total Equity Securities - Luce Center	<u>1,101,798</u>	-	-	-	<u>1,101,798</u>
Total Investments at Fair Value	<u>\$ 6,665,055</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 302,235</u>	<u>\$ 6,967,290</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's investments measured at fair value on a recurring basis as of June 30, 2022:

	Level 1	Level 2	Level 3	Net Asset Value	Total
<b>Corporate Stocks</b>					
Common stocks	\$ 633,658	\$ -	\$ -	\$ -	\$ 633,658
<b>Corporate Bonds</b>	357,165	-	-	-	357,165
<b>Mutual Funds and ETFs</b>					
Large blend	665,345	-	-	-	665,345
Mid-cap blend	51,054	-	-	-	51,054
Small blend	356,470	-	-	-	356,470
Bond fund	34,010	-	-	-	34,010
Large growth	2,141,202	-	-	-	2,141,202
Small growth	187	-	-	-	187
Emerging markets	275,117	-	-	-	275,117
International	94,304	-	-	-	94,304
Large value	294,335	-	-	-	294,335
Real estate	52,140	-	-	-	52,140
Total Mutual Funds and ETFs	3,964,164	-	-	-	3,964,164
<b>Other investments measured at net asset value</b>	-	-	-	280,771	280,771
Total	4,954,987	-	-	280,771	5,235,758
<b>Equity Securities - Luce Center</b>					
Luce Center endowment fund Corpus	250,000	-	-	-	250,000
Luce Center endowment fund accumulated earnings	696,130	-	-	-	696,130
Total Equity Securities - Luce Center	946,130	-	-	-	946,130
Total Investments at Fair Value	\$ 5,901,117	\$ -	\$ -	\$ 280,771	\$ 6,181,888

In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. LUCE CENTER ASSETS

As of June 30, 2001, the Society and the American Academy of Religion (the “Academy”), a related party organization, entered into a joint tenancy in common agreement, which establishes the ownership interests of certain assets and liabilities of the Luce Center. The agreement stipulated that the net book value of the Luce Center building and the Luce Center building endowment fund, including accumulated earnings, be shared equally between the two owners. All net revenues or expenses are also to be shared equally by the two owners. The building is subject to a ground lease with Emory University. This ground lease has a thirty-year term, expiring in March 2027, and there are two ten-year extension options available.

The Society’s net share of the Luce Center assets are as follows at June 30:

	2023	2022
Luce Center building	\$ 2,260,580	\$ 2,260,580
Luce Center furniture	45,108	45,108
	2,305,688	2,305,688
Less accumulated depreciation	(1,366,630)	(1,298,336)
	939,058	1,007,352
Luce Center endowment fund investments		
Corpus – maintained in perpetuity	250,000	250,000
Accumulated earnings – with donor restrictions	851,798	696,130
	1,101,798	946,130
Total Net Share of Luce Center	\$ 2,040,856	\$ 1,953,482

### NOTE 6. ENDOWMENT

#### Interpretation of Relevant Law

With regard to endowments, the Society has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Society retains in perpetuity: (a) the original value of gifts donated to the permanent endowment, (b) subsequent gifts to the endowment, and (c) accumulations (appreciation and depreciation in value) to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The accumulations are added to the original gift due to the court-ordered unitrust described below. In accordance with UPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Society and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation or deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Society
- (7) The investment policies of the Society

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 6. ENDOWMENT (Continued)

#### **Funds with Deficiencies**

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Society to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. At June 30, 2023 and 2022, the Society did not have any such deficiencies in the endowment.

#### **Return Objectives and Risk Parameters**

The Society has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Society must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Society, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

#### **Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Society relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Society targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

#### **Spending Policy**

The Luce Center Endowment allows for spending of the accumulated earnings for repairs and maintenance to the Luce Center and the Scholarship and Awards Endowment allows for spending of the accumulated earnings on awards to scholars. During the fiscal year ended June 30, 2016, the Society received a \$50,000 donor restricted term endowment, the Philip G. and Lois F. Roets Endowment. The Roets Endowment allows for spending of principal and income for new content for the Bible Odyssey website. During the fiscal year ended June 30, 2019, the Society received a \$50,000 donor restricted term endowment, the A.R. Pete Diamond Endowment for Innovations in Biblical Interpretation which allows for spending of principal and income for new content for the Bible Odyssey website. The Society also received a \$30,000 donor restricted endowment to be maintained in perpetuity, The A.R. Pete Diamond Award for Integrative Scholarship. This endowment allows for spending of the accumulated earnings on awards to scholars.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. ENDOWMENT (Continued)

Endowment net asset composition by type of fund and changes in endowment net assets are summarized as follows:

<b>Endowment Net Asset Composition by Type of Fund as of June 30, 2023</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts to be maintained in perpetuity by donor	\$ -	\$ 324,630	\$ 324,630
Accumulated investment gains	-	1,082,078	1,082,078
	\$ -	\$ 1,406,708	\$ 1,406,708
<b>Changes in Endowment Net Assets For the year ended June 30, 2023</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Net assets, beginning of year	\$ -	\$ 1,212,739	\$ 1,212,739
<b>Investment return:</b>			
Investment income	-	51,021	51,021
Net appreciation (realized and unrealized)	-	142,898	142,898
Total investment return	-	193,919	193,919
Contributions received	-	1,050	1,050
Appropriation of endowment assets for expenditure	-	(1,000)	(1,000)
Endowment net assets, end of year	\$ -	\$ 1,406,708	\$ 1,406,708
<b>Endowment Net Asset Composition by Type of Fund as of June 30, 2022</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts to be maintained in perpetuity by donor	\$ -	\$ 324,630	\$ 324,630
Accumulated investment gains	-	888,109	888,109
	\$ -	\$ 1,212,739	\$ 1,212,739
<b>Changes in Endowment Net Assets For the year ended June 30, 2022</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Net assets, beginning of year	\$ -	\$ 1,407,980	\$ 1,407,980
<b>Investment return:</b>			
Investment income	-	90,206	90,206
Net depreciation (realized and unrealized)	-	(293,947)	(293,947)
Total investment return	-	(203,741)	(203,741)
Contributions received	-	10,500	10,500
Appropriation of endowment assets for expenditure	-	(2,000)	(2,000)
Endowment net assets, end of year	\$ -	\$ 1,212,739	\$ 1,212,739

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. EMPLOYEE BENEFIT PLAN

Introductory full-time, regular full-time, and regular part-time employees of the Society are eligible to participate in a tax-deferred annuity plan. Under the plan, the Society made contributions equal to 10% of annual salary to the Teacher’s Insurance and Annuity Association and/or College Retirement Equities Fund (“TIAA-CREF”) defined contribution plan. Employee contributions are voluntary. Total retirement expense for the years ended June 30, 2023 and 2022 was \$110,922 and \$115,313, respectively.

### NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	2023	2022
Subject to expenditure for specified purpose:		
Scholarships and Awards	\$ 202,764	\$ 164,071
Bible Odyssey	117,552	188,051
	320,316	352,122
Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Restricted by donors for		
Luce Center Maintenance Fund	851,798	696,130
Scholarships and Awards	84,711	60,869
Bible Odyssey	145,569	131,110
	1,082,078	888,109
Endowments:		
Subject to NFP endowment spending policy and appropriation:		
Luce Center	250,000	250,000
Scholarships and Awards	74,630	74,630
	324,630	324,630
Total endowments	1,406,708	1,212,739
Total net assets with donor restrictions	\$ 1,727,024	\$ 1,564,861

During 2023, \$2,000 was released from restrictions for scholarships and awards and \$70,498 was released for Bible Odyssey. During 2022, \$2,000 was released from restrictions for scholarships and awards and \$55,222 was released for Bible Odyssey.

### NOTE 9. FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll fees, phone, postage, office supplies, equipment leases, rent and insurance which are allocated based on estimates of time and effort. All other allocated expenses are based on the percentage of each program’s direct revenue and direct expenses reduced by approximately 1.5% for general and administrative.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 10. PAYCHECK PROTECTION PROGRAM NOTE PAYABLE**

During the year ended June 30, 2021, the Society received PPP loan proceeds in the amount of \$286,961. The Society initially recorded a note payable and subsequently recorded forgiveness when the loan obligation was legally released. The Society recognized \$286,961 of loan forgiveness income for the year ended June 30, 2022.

### **NOTE 11. SUBSEQUENT EVENTS**

The Society has evaluated subsequent events through December 6, 2023, the date on which the financial statements were available to be issued.