

SOCIETY OF BIBLICAL LITERATURE

FINANCIAL REPORT

JUNE 30, 2021

SOCIETY OF BIBLICAL LITERATURE

FINANCIAL REPORT JUNE 30, 2021

TABLE OF CONTENTS

Page

INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of financial position	2
Statements of activities	3 and 4
Statements of functional expenses	5 and 6
Statements of cash flows	7
Notes to financial statements	8-20



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of **Society of Biblical Literature** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Society of Biblical Literature as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 7, 2021

SOCIETY OF BIBLICAL LITERATURE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 1,613,577	\$ 1,533,481
Marketable securities	6,216,630	4,628,992
Accounts receivable	192,704	229,996
Prepaid expenses and other assets	164,243	464,554
Book inventories, net of valuation reserve	76,710	55,772
Furniture and equipment, net of accumulated depreciation	6,375	10,721
Capitalized software, net of accumulated amortization	773,342	229,340
Net share of Luce Center assets	2,178,605	1,943,968
	11,222,186	9,096,824
Total assets	\$ 11,222,186	\$ 9,096,824
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 372,134	\$ 260,204
PPP note payable	286,961	281,600
Deferred revenue		
Memberships and subscriptions	540,242	497,013
Annual meetings	517,044	435,669
Other	7,940	326,527
	1,065,226	1,259,209
Total deferred revenue	1,065,226	1,259,209
Total liabilities	1,724,321	1,801,013
Net assets		
Without donor restrictions		
Undesignated	792,038	430,256
Designated by the Board for operating reserve	5,802,328	4,325,486
Invested in Luce Center property, equipment, and operations	1,113,436	1,160,251
	7,707,802	5,915,993
With donor restrictions	1,790,063	1,379,818
Total net assets	9,497,865	7,295,811
Total Liabilities and Net Assets	\$ 11,222,186	\$ 9,096,824

See Notes to Financial Statements.

SOCIETY OF BIBLICAL LITERATURE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor Restrictions</u>	<u>Total</u>
Revenues and gains			
Congresses			
Congresses	\$ 513,456	\$ -	\$ 513,456
Grant revenue	150,000	-	150,000
Membership			
Membership fees	573,014	-	573,014
Marketing	23,300	-	23,300
Professions			
Career center	42,890	-	42,890
Grant revenue	62,279	-	62,279
Sponsorship income	23,025	-	23,025
Fonts	3,350	-	3,350
Press			
Book sales	445,906	-	445,906
Subscriptions	176,154	-	176,154
Royalties	133,453	-	133,453
Marketing	18,807	-	18,807
Permissions	17,030	-	17,030
Membership fees	101,170	-	101,170
Contract income	51,107	-	51,107
Grant revenue	133,651	-	133,651
Sponsorship income	53,725	-	53,725
Fee income	11,829	-	11,829
Contributions - PPP forgiveness	281,600	-	281,600
Regional meetings revenue	14,003	-	14,003
Development and fundraising	40,499	1,295	41,794
Investment income and change in market value, net	1,480,111	417,678	1,897,789
Rental income, net	63,399	-	63,399
Net assets released from restrictions	8,728	(8,728)	-
Total revenues and gains	<u>4,422,486</u>	<u>410,245</u>	<u>4,832,731</u>
Program services			
Congresses	654,895	-	654,895
Membership	191,580	-	191,580
Professions	280,310	-	280,310
Press	1,282,508	-	1,282,508
Regional meetings	13,578	-	13,578
Research and technology	46,252	-	46,252
Total program services	<u>2,469,123</u>	<u>-</u>	<u>2,469,123</u>
Supporting services			
Development and fundraising	7,346	-	7,346
General and administration	154,208	-	154,208
Total expenses	<u>2,630,677</u>	<u>-</u>	<u>2,630,677</u>
Increase in net assets	1,791,809	410,245	2,202,054
Net assets at beginning of year	<u>5,915,993</u>	<u>1,379,818</u>	<u>7,295,811</u>
Net assets at end of year	<u>\$ 7,707,802</u>	<u>\$ 1,790,063</u>	<u>\$ 9,497,865</u>

See Notes to Financial Statements.

SOCIETY OF BIBLICAL LITERATURE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor Restrictions</u>	<u>Total</u>
Revenues and gains			
Congresses	\$ 1,465,415	\$ -	\$ 1,465,415
Membership			
Membership fees	605,963	-	605,963
Marketing	20,900	-	20,900
Fee income	40	-	40
Professions			
Career center	61,585	-	61,585
Grant revenue	697	-	697
Press			
Book sales	401,407	-	401,407
Subscriptions	239,403	-	239,403
Royalties	118,473	-	118,473
Marketing	14,497	-	14,497
Permissions	11,901	-	11,901
Membership fees	106,935	-	106,935
Contract income	107,500	-	107,500
Grant revenue	1,603	-	1,603
Fee income	11,675	-	11,675
Subvention income	5,920	-	5,920
Regional meetings revenue	8,895	-	8,895
Development and fundraising	47,070	250,837	297,907
Investment income and change in market value, net	175,665	63,690	239,355
Rental income, net	48,428	-	48,428
Net assets released from restrictions	3,000	(3,000)	-
Total revenues and gains	<u>3,456,972</u>	<u>311,527</u>	<u>3,768,499</u>
Program services			
Congresses	1,167,818	-	1,167,818
Membership	198,142	-	198,142
Professions	286,622	-	286,622
Press	1,381,078	-	1,381,078
Regional meetings	35,324	-	35,324
Research and technology	39,481	-	39,481
Total program services	<u>3,108,465</u>	<u>-</u>	<u>3,108,465</u>
Supporting services			
Development and fundraising	17,591	-	17,591
General and administration	155,492	-	155,492
Total expenses	<u>3,281,548</u>	<u>-</u>	<u>3,281,548</u>
Increase in net assets	175,424	311,527	486,951
Net assets at beginning of year	<u>5,740,569</u>	<u>1,068,291</u>	<u>6,808,860</u>
Net assets at end of year	<u>\$ 5,915,993</u>	<u>\$ 1,379,818</u>	<u>\$ 7,295,811</u>

See Notes to Financial Statements.

SOCIETY OF BIBLICAL LITERATURE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	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	\$ 344,939	\$ 108,665	\$ 144,894	\$ 462,799	\$ 2,917	\$ 29,589	\$ 1,093,803	\$ 1,103	\$ 44,824	\$ 1,139,730
Employee benefits	87,467	23,826	47,149	115,059	1,073	6,154	280,728	317	9,390	290,435
Payroll taxes	23,408	7,150	9,618	31,922	207	2,114	74,419	57	2,961	77,437
	455,814	139,641	201,661	609,780	4,197	37,857	1,448,950	1,477	57,175	1,507,602
Advertising	-	-	-	10,320	-	-	10,320	-	-	10,320
Bank and credit card fees	18,503	12,784	1,335	17,541	200	11	50,374	273	48	50,695
Communication	25,287	7,183	7,512	38,503	420	3,255	82,160	137	9,839	92,136
Cost of publications sold	-	-	-	9,236	-	-	9,236	-	-	9,236
Dues, memberships and subscriptions	6,402	1,935	2,202	5,759	1,500	323	18,121	605	3,243	21,969
Equipment and supplies	33,470	5,152	7,875	31,152	1,305	1,288	80,242	893	1,588	82,723
Insurance	4,432	1,530	1,288	4,353	-	285	11,888	-	1,165	13,053
Occupancy	19,800	7,590	10,890	23,760	-	1,320	63,360	-	2,640	66,000
Press distribution costs	-	-	-	58,661	-	-	58,661	-	-	58,661
Production and printing	2,221	-	-	297,832	-	-	300,053	-	-	300,053
Professional fees	64,713	5,851	10,079	69,329	2,100	980	153,052	429	4,657	158,138
Royalties	-	-	-	29,122	-	-	29,122	-	-	29,122
Meeting audiovisual expenses	20,789	-	-	-	430	-	21,219	-	-	21,219
Meetings, travel and hospitality	1,207	619	2,437	1,930	3,142	781	10,116	100	1,138	11,354
Travel and research grants	-	-	5,403	-	284	-	5,687	-	-	5,687
Miscellaneous	99	20	24	455	-	32	630	-	22	652
Depreciation and amortization	2,158	9,275	29,604	65,420	-	120	106,577	3,432	600	110,609
Building depreciation	-	-	-	-	-	-	-	-	70,221	70,221
Book inventory depreciation	-	-	-	9,355	-	-	9,355	-	-	9,355
Provision for income taxes	-	-	-	-	-	-	-	-	1,872	1,872
Total expenses	\$ 654,895	\$ 191,580	\$ 280,310	\$ 1,282,508	\$ 13,578	\$ 46,252	\$ 2,469,123	\$ 7,346	\$ 154,208	\$ 2,630,677

See Notes to Financial Statements.

**SOCIETY OF BIBLICAL LITERATURE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	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	\$ 350,047	\$ 110,275	\$ 135,028	\$ 500,643	\$ 11,550	\$ 23,156	\$ 1,130,699	\$ 6,454	\$ 43,056	\$ 1,180,209
Employee benefits	85,282	24,947	41,994	119,960	3,614	4,692	280,489	1,462	9,361	291,312
Payroll taxes	23,997	7,685	9,001	35,052	792	1,603	78,130	444	2,793	81,367
	<u>459,326</u>	<u>142,907</u>	<u>186,023</u>	<u>655,655</u>	<u>15,956</u>	<u>29,451</u>	<u>1,489,318</u>	<u>8,360</u>	<u>55,210</u>	<u>1,552,888</u>
Advertising	-	-	-	10,230	-	-	10,230	-	-	10,230
Bank and credit card fees	19,412	12,809	1,561	17,580	303	1	51,666	1,447	6	53,119
Communication	36,280	7,386	13,089	34,698	-	3,361	94,814	91	9,785	104,690
Cost of publications sold	-	-	-	12,188	-	-	12,188	-	-	12,188
Dues, memberships and subscriptions	3,493	1,165	776	3,380	3,000	293	12,107	454	1,540	14,101
Equipment and supplies	37,073	3,017	4,898	29,697	1,456	1,373	77,514	-	1,377	78,891
Insurance	14,980	1,493	1,206	4,121	-	301	22,101	-	1,119	23,220
Occupancy	19,800	6,958	10,863	23,705	-	2,035	63,361	-	2,640	66,001
Press distribution costs	-	-	-	62,667	23	-	62,690	-	-	62,690
Production and printing	4,730	-	-	347,534	-	-	352,264	-	-	352,264
Professional fees	105,296	5,030	11,539	72,156	5,304	877	200,202	3,309	4,162	207,673
Royalties	-	-	1,950	24,782	-	-	26,732	-	-	26,732
Meeting audiovisual expenses	224,458	-	-	-	-	-	224,458	-	-	224,458
Meetings, travel and hospitality	237,646	8,047	33,670	39,795	9,282	1,660	330,100	1,641	5,370	337,111
Travel grants	3,000	-	6,500	-	-	-	9,500	-	-	9,500
Miscellaneous	75	24	16	376	-	4	495	1	21	517
Depreciation and amortization	2,249	9,306	14,531	34,985	-	125	61,196	2,288	625	64,109
Building depreciation	-	-	-	-	-	-	-	-	69,325	69,325
Book inventory depreciation	-	-	-	7,529	-	-	7,529	-	-	7,529
Provision for income taxes	-	-	-	-	-	-	-	-	4,312	4,312
Total expenses	<u>\$ 1,167,818</u>	<u>\$ 198,142</u>	<u>\$ 286,622</u>	<u>\$ 1,381,078</u>	<u>\$ 35,324</u>	<u>\$ 39,481</u>	<u>\$ 3,108,465</u>	<u>\$ 17,591</u>	<u>\$ 155,492</u>	<u>\$ 3,281,548</u>

See Notes to Financial Statements.

SOCIETY OF BIBLICAL LITERATURE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Increase in net assets	\$ 2,202,054	\$ 486,951
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	180,830	133,434
Realized (gains) losses on marketable securities	(80,250)	38,957
Unrealized (gains) on marketable securities	(1,700,827)	(124,505)
Contribution from forgiveness of PPP loan	(281,600)	-
Changes in operating assets and liabilities		
Accounts receivable	37,292	(55,718)
Pledges receivable	-	25,000
Prepaid expenses and other assets	300,311	(152,071)
Book inventories and books in production, net	(20,938)	45,864
Accounts payable	111,930	(106,565)
Deferred revenue	(193,983)	(725,907)
	<u>554,819</u>	<u>(434,560)</u>
Net cash provided by (used in) operating activities		
INVESTING ACTIVITIES		
Acquisition of furniture and equipment	(1,649)	(18,408)
Software development costs	(648,616)	(57,150)
Purchases of marketable securities	(475,652)	(810,657)
Proceeds from sales of marketable securities	364,233	444,219
	<u>(761,684)</u>	<u>(441,996)</u>
Net cash (used in) investing activities		
FINANCING ACTIVITIES		
Proceeds from PPP note payable	286,961	281,600
	<u>286,961</u>	<u>281,600</u>
Net cash provided by financing activities		
Increase (decrease) in cash and cash equivalents	80,096	(594,956)
Cash and cash equivalents at beginning of year	1,533,481	2,128,437
Cash and cash equivalents at end of year	<u>\$ 1,613,577</u>	<u>\$ 1,533,481</u>

See Notes to Financial Statements.

SOCIETY OF BIBLICAL LITERATURE
NOTES TO FINANCIAL STATEMENTS

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

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 3 for discussion of fair value measurements.

Inventories:

At June 30, 2021 and 2020, book inventories are stated at cost using the first-in, first-out ("FIFO") method, less a valuation reserve of \$97,043 and \$93,591, respectively. The valuation reserve reflects the estimated decline in value of certain books since their original publication.

Building, Furniture and Equipment:

At June 30, 2021 and 2020, furniture and equipment is stated at cost, less accumulated depreciation of \$155,617 and \$151,041, 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, 2021 and 2020 was \$5,995 and \$6,247, respectively. Depreciation expense on Luce Center building and equipment for the years ended June 30, 2021 and 2020 was \$70,221 and \$69,325, respectively.

NOTES TO FINANCIAL STATEMENTS

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

Capitalized Software:

At June 30, 2021 and 2020, capitalized software is stated at cost, less accumulated amortization of \$182,139 and \$77,525, 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, 2021 and 2020 was \$104,614 and \$57,862, 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 \$1,872 and \$4,312 has been included in these financial statements for taxes on unrelated business income for the years ended June 30, 2021 and 2020, 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.

Recent Accounting Pronouncements:

Effective July 1, 2020, the Society adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which affects contracts with customers to transfer goods or services and contracts for the transfer of non-financial assets (unless those contracts are within the scope of other standards). The core principle of this Update is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the good or services. This Update requires entities to make new judgements and estimates and provide expanded disclosures about revenue. The adoption of this ASU did not have an impact on the timing of revenue recognition for the Society.

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, 2021 and 2020, comprise the following:

	2021	2020
Cash and cash equivalents	\$ 1,338,990	\$ 1,253,345
Accounts receivable	192,704	229,996
	<u>\$ 1,531,694</u>	<u>\$ 1,483,341</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 \$5,802,328 and \$4,325,486 as of June 30, 2021 and 2020, respectively.

NOTE 3. MARKETABLE SECURITIES

The aggregate cost and fair values, as well as unrealized appreciation, of marketable securities as of June 30, 2021 and 2020 were:

	2021		
	Cost	Unrealized Appreciation	Fair Value
Corporate stocks	\$ 421,865	\$ 419,369	\$ 841,234
Mutual funds and ETFs	3,430,028	1,681,009	5,111,037
Private limited partnerships	264,359	-	264,359
Total	\$ 4,116,252	\$ 2,100,378	\$ 6,216,630
Equity securities - Luce Center endowment fund corpus and accumulated earnings	\$ 525,419	\$ 575,755	\$ 1,101,174
	2020		
	Cost	Unrealized Appreciation	Fair Value
Corporate stocks	\$ 351,424	\$ 203,754	\$ 555,178
Mutual funds and ETFs	3,421,337	293,921	3,715,258
Private limited partnerships	358,556	-	358,556
Total	\$ 4,131,317	\$ 497,675	\$ 4,628,992
Equity securities - Luce Center endowment fund corpus and accumulated earnings	\$ 511,847	\$ 284,468	\$ 796,315

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

	2021	2020
Interest and dividends	\$ 160,107	\$ 191,479
Realized gains/(losses)	80,250	(38,957)
Unrealized gains	1,700,827	124,505
Investment expenses	(43,394)	(37,672)
	\$ 1,897,790	\$ 239,355

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, 2021 and 2020:

NOTES TO FINANCIAL STATEMENTS

NOTE 3. MARKETABLE SECURITIES (Continued)

		2021			
		Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
<u>June 30, 2021</u>					
Private credit fund (a)	\$	260,988	\$ -	Quarterly	-
Private real estate fund (b)		3,371	-		
Total	\$	264,359	\$ -		
		2020			
		Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
<u>June 30, 2020</u>					
Private credit fund (a)	\$	243,034	\$ -	Quarterly	-
Private real estate fund (b)		115,522	-		
Total	\$	358,556	\$ -		

- (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.

NOTES TO FINANCIAL STATEMENTS

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.

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, 2021 and 2020.

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, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Asset Value</u>	<u>Total</u>
Corporate Stocks					
Common stocks	\$ 841,234	\$ -	\$ -	\$ -	\$ 841,234
Corporate Bonds	417,566	-	-	-	417,566
Mutual Funds and ETFs					
Large blend	1,092,003	-	-	-	1,092,003
Mid-cap blend	64,359	-	-	-	64,359
Small blend	106,389	-	-	-	106,389
Bond fund	33,391	-	-	-	33,391
Large growth	2,451,435	-	-	-	2,451,435
Small growth	330,623	-	-	-	330,623
Emerging markets	355,155	-	-	-	355,155
International	119,935	-	-	-	119,935
Utilities	35,851	-	-	-	35,851
Natural resources	49,221	-	-	-	49,221
Real estate	55,109	-	-	-	55,109
Total Mutual Funds and ETFs	4,693,471	-	-	-	4,693,471
Other investments measured at net asset value	-	-	-	264,359	264,359
Total	5,952,271	-	-	264,359	6,216,630
Equity Securities - Luce Center					
Luce Center endowment fund Corpus	250,000	-	-	-	250,000
Luce Center endowment fund accumulated earnings	851,174	-	-	-	851,174
Total Equity Securities - Luce Center	1,101,174	-	-	-	1,101,174
Total Investments at Fair Value	<u>\$ 7,053,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,359</u>	<u>\$ 7,317,804</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, 2020:

	Level 1	Level 2	Level 3	Net Asset Value	Total
Corporate Stocks					
Common stocks	\$ 555,178	\$ -	\$ -	\$ -	\$ 555,178
Corporate Bonds					
	273,841	-	-	-	273,841
Mutual Funds and ETFs					
Large blend	461,614	-	-	-	461,614
Mid-cap blend	42,767	-	-	-	42,767
Small blend	31,625	-	-	-	31,625
Bond fund	179,304	-	-	-	179,304
Large growth	1,688,636	-	-	-	1,688,636
Small growth	218,624	-	-	-	218,624
Emerging markets	254,893	-	-	-	254,893
International	93,282	-	-	-	93,282
World large stocks	349,161	-	-	-	349,161
Utilities	31,996	-	-	-	31,996
Natural resources	33,697	-	-	-	33,697
Real estate	55,818	-	-	-	55,818
Total Mutual Funds and ETFs	3,441,417	-	-	-	3,441,417
Other investments measured at net asset value					
	-	-	-	358,556	358,556
Total	4,270,436	-	-	358,556	4,628,992
Equity Securities - Luce Center					
Luce Center endowment fund Corpus	250,000	-	-	-	250,000
Luce Center endowment fund accumulated earnings	546,315	-	-	-	546,315
Total Equity Securities - Luce Center	796,315	-	-	-	796,315
Total Investments at Fair Value	\$ 5,066,751	\$ -	\$ -	\$ 358,556	\$ 5,425,307

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:

	2021	2020
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	(1,228,257)	(1,158,035)
	1,077,431	1,147,653
Luce Center endowment fund investments		
Corpus – maintained in perpetuity	250,000	250,000
Accumulated earnings – with donor restrictions	851,174	546,315
	1,101,174	796,315
Total Net Share of Luce Center	\$ 2,178,605	\$ 1,943,968

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

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, 2021 and 2020, 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:

Endowment Net Asset Composition by Type of Fund as of June 30, 2021	Without Donor Restrictions	With Donor Restrictions	Total
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	-	1,083,350	1,083,350
	\$ -	\$ 1,407,980	\$ 1,407,980
Changes in Endowment Net Assets For the year ended June 30, 2021	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	\$ -	\$ 1,024,826	\$ 1,024,826
Investment return:			
Investment income	-	20,840	20,840
Net appreciation (realized and unrealized)	-	363,039	363,039
Total investment return	-	383,879	383,879
Contributions received	-	275	275
Appropriation of endowment assets for expenditure	-	(1,000)	(1,000)
Endowment net assets, end of year	\$ -	\$ 1,407,980	\$ 1,407,980
Endowment Net Asset Composition by Type of Fund as of June 30, 2020	Without Donor Restrictions	With Donor Restrictions	Total
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	-	700,196	700,196
	\$ -	\$ 1,024,826	\$ 1,024,826
Changes in Endowment Net Assets For the year ended June 30, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	\$ -	\$ 970,220	\$ 970,220
Investment return:			
Investment income	-	32,689	32,689
Net appreciation (realized and unrealized)	-	23,667	23,667
Total investment return	-	56,356	56,356
Contributions received	-	250	250
Appropriation of endowment assets for expenditure	-	(2,000)	(2,000)
Endowment net assets, end of year	\$ -	\$ 1,024,826	\$ 1,024,826

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, 2021 and 2020 was \$109,041 and \$113,754, respectively.

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

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

	2021	2020
Subject to expenditure for specified purpose:		
Scholarships and Awards	\$ 138,810	\$ 104,992
Bible Odyssey	243,273	250,000
	382,083	354,992
Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Restricted by donors for		
Luce Center Maintenance Fund	851,174	546,315
Scholarships and Awards	74,700	37,891
Bible Odyssey	157,476	115,990
	1,083,350	700,196
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	1,407,980	1,024,826
Total net assets with donor restrictions	\$ 1,790,063	\$ 1,379,818

During 2021, \$2,000 was released from restrictions for scholarships and awards and \$6,728 was released for Bible Odyssey. During 2020, \$3,000 was released for scholarships and awards.

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

NOTE 10. PAYCHECK PROTECTION PROGRAM NOTE PAYABLE

During the year ended June 30, 2021, the Society received loan proceeds in the amount of \$286,961 under the Paycheck Protection Program (“PPP”). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provides for loans to qualifying organizations in amounts up to 2.5 times the organization’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period.

To the extent that the Society is not granted forgiveness, it will be required to pay interest on the PPP loan at a rate of 1% per annum. If the application for forgiveness is not made within 10 months of the end of the covered period, payments of principal and interest will be required through the maturity date of March 23, 2026. The terms of the loan provide for customary events of default, including payment defaults, breach of representation of warranties, and insolvency events. The PPP loan may be accelerated upon the occurrence of a default event.

The Society has recorded a note payable and will record forgiveness upon being legally released from the loan obligation. The Society plans to request and expects to be granted full forgiveness for the note during the fiscal year ended June 30, 2022.

During the year ended June 30, 2020, the Society received PPP loan proceeds in the amount of \$281,600. The Society initially recorded a note payable and subsequently recorded forgiveness when the loan obligation was legally released. The Society recognized \$281,600 of loan forgiveness income for the year ended June 30, 2021.

NOTE 11. EFFECTS OF COVID-19 CORONAVIRUS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are worldwide. The related financial impacts and duration cannot be reasonably estimated.

NOTE 12. SUBSEQUENT EVENTS

The Society has evaluated subsequent events through December 7, 2021, the date on which the financial statements were available to be issued.