SOCIETY OF BIBLICAL LITERATURE

FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2010 AND 2009

with
INDEPENDENT AUDITORS' REPORT

TABLE OF CONTENTS

SMITH & HOWARD
Certified Public Accountants and Advisers

INDEPENDENT AUDITORS' REPORT

Audit/Finance/Investment Committee
Society of Biblical Literature

We have audited the accompanying statement of financial position of the Society of Biblical Literature (the "Society") as of June 30, 2010 and 2009, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Society's management. 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 the 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 the Society of Biblical Literature as of June 30, 2010 and 2009, 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.

Smith + Howard

September 10, 2010

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SOCIETY OF BIBLICAL LITERATURE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

ASSETS

	2010	2009
Cash and cash equivalents	$ 986,698	$ 906,455
Marketable securities (Notes 1 and 2)	803,895	680,924
Accounts receivable	109,233	64,722
Pledges receivable, net	1,000	400
Prepaid expenses and other assets	28,203	27,691
Book inventories, net of valuation reserve	40,354	40,265
Furniture and equipment, net of accumulated depreciation	28,557	42,277
Net share of Luce Center assets (Note 3)	1,991,183	1,986,856
Total Assets	$ 3,989,123	$ 3,749,590

LIABILITIES AND NET ASSETS

	2010	2009
Liabilities		
Accounts payable	$ 215,248	$ 236,597
Deferred revenue		
Memberships and subscriptions	445,690	419,955
Annual meetings	557,126	596,353
International meeting	67,565	88,145
	1,070,381	1,104,453
Total Liabilities	1,285,629	1,341,050
Net Assets		
Unrestricted net assets	2,202,506	2,001,937
Temporarily restricted net assets (Note 6)	217,293	123,453
Permanently restricted net assets (Note 7)	283,695	283,150
Total Net Assets	2,703,494	2,408,540
Total Liabilities and Net Assets	$ 3,989,123	$ 3,749,590

The accompanying notes are an integral part of these financial statements.

SOCIETY OF BIBLICAL LITERATURE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2010

	June 30, 2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and gains				
Congresses	$ 995,173	$ -	$ -	$ 995,173
Membership				
Membership fees	441,725	-	-	441,725
Marketing	34,384	-	-	34,384
Professions				
Career center	29,886	-	-	29,886
Grant revenue	34,033	-	-	34,033
Publications				
Book sales	421,713	-	-	421,713
Subscriptions	370,586	-	-	370,586
Royalties	105,129	-	-	105,129
Marketing	34,450	-	-	34,450
Other	9,977	-	-	9,977
Development and fundraising	65,954	38,536	545	105,035
Investment income (loss) and change in market value, net (Note 2)	135,825	55,304	-	191,129
Rental income (loss), net	3,630	-	-	3,630
Loss on disposal of property and equipment	(7,338)	-	-	(7,338)
Total Revenues and Gains	2,675,127	93,840	545	2,769,512
Expenses				
Congresses	729,479	-	-	729,479
Membership	154,752	-	-	154,752
Professions	227,061	-	-	227,061
Publications	909,656	-	-	909,656
Regions	93,954	-	-	93,954
Research and technology	97,853	-	-	97,853
Total Program Expenses	2,212,755	-	-	2,212,755
Development and fundraising	103,092	-	-	103,092
General and administration	158,711	-	-	158,711
Total Expenses	2,474,558	-	-	2,474,558
Increase (Decrease) in Net Assets	200,569	93,840	545	294,954
Net Assets at Beginning of the Year	2,001,937	123,453	283,150	2,408,540
Net Assets at End of the Year	$ 2,202,506	$ 217,293	$ 283,695	$ 2,703,494

The accompanying notes are an integral part of these financial statements.

SOCIETY OF BIBLICAL LITERATURE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2009

	June 30, 2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and gains				
Congresses	$ 980,035	$ -	$ -	$ 980,035
Membership				
Membership fees	435,932	-	-	435,932
Marketing	25,531	-	-	25,531
Professions				
Career center	33,868	-	-	33,868
Grant revenue	-	-	-	-
Publications				
Book sales	425,624	-	-	425,624
Subscriptions	375,304	-	-	375,304
Royalties	77,979	-	-	77,979
Marketing	106,177	-	-	106,177
Other	2,381	-	-	2,381
Development and fundraising	55,000	9,561	33,150	97,711
Investment income (loss) and change		-	-	-
in market value, net (Note 2)	(242,803)	(76,042)	-	(318,845)
Rental income (loss), net	(1,534)	-	-	(1,534)
Loss on disposal of property and				
equipment	(13,013)	-	-	(13,013)
Total Revenues and Gains	2,260,481	(66,481)	33,150	2,227,150
Expenses				
Congresses	1,001,092	-	-	1,001,092
Membership	132,095	-	-	132,095
Professions	261,518	-	-	261,518
Publications	934,881	-	-	934,881
Regions	87,160	-	-	87,160
Research and technology	121,418	-	-	121,418
Total Program Expenses	2,538,164	-	-	2,538,164
Development and fundraising	116,741	-	-	116,741
General and administration	133,442	-	-	133,442
Total Expenses	2,788,347	-	-	2,788,347
Increase (Decrease) in Net Assets	(527,866)	(66,481)	33,150	(561,197)
Net Assets at Beginning of the Year	2,529,803	189,934	250,000	2,969,737
Net Assets at End of the Year	$ 2,001,937	$ 123,453	$ 283,150	$ 2,408,540

The accompanying notes are an integral part of these financial statements.

SOCIETY OF BIBLICAL LITERATURE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2010

	Publications	Congresses	Membership	Professions	Regions	Research and Technology	Total Programs	Development and Fundraising	General and Admin	Total
Salaries and wages	$ 314,017	$ 196,581	$ 80,795	$ 95,253	$ 32,035	$ 44,353	$ 763,034	$ 47,762	$ 45,885	$ 856,681
Employee benefits	50,394	31,032	13,975	13,325	5,617	5,734	120,077	12,071	12,794	144,942
Payroll taxes	23,297	14,464	5,962	6,965	2,371	3,252	56,311	3,386	3,682	63,379
	387,708	242,077	100,732	115,543	40,023	53,339	939,422	63,219	62,361	1,065,002
Advertising	9,414	-	-	-	-	-	9,414	-	-	9,414
Building depreciation	-	-	-	-	-	-	-	-	57,006	57,006
Communication	33,946	47,586	8,084	14,787	4,928	11,420	120,751	6,827	4,586	132,164
Cost of publications sold	34,333	-	-	-	-	-	34,333	-	-	34,333
Depreciation - furniture and equipment	3,714	2,786	1,857	2,786	1,857	1,857	14,857	1,857	1,857	18,571
Distribution costs	72,221	-	-	-	-	-	72,221	-	-	72,221
Donations and discounts	24,175	1,620	897	2,001	17,397	1,038	47,128	1,347	787	49,262
Equipment and supplies	8,165	135,208	2,896	4,783	2,565	4,764	158,381	2,921	2,332	163,634
Grants	-	-	-	1,000	-	-	1,000	-	-	1,000
Occupancy	8,124	7,060	4,211	6,464	4,211	3,904	33,974	4,202	3,904	42,080
Other	17,861	37,939	14,858	1,820	1,051	955	74,484	1,738	2,082	78,304
Printing	140,173	11,588	-	424	-	-	152,185	-	-	152,185
Professional fees	67,687	96,311	5,973	34,296	9,719	5,899	219,885	6,432	5,798	232,115
Provision for inventory valuation	16,851	-	-	-	-	-	16,851	-	-	16,851
Royalties	37,639	-	-	-	-	-	37,639	-	-	37,639
Travel and hospitality	47,645	147,304	15,244	43,157	12,203	14,677	280,230	14,549	17,998	312,777
Total Expenses	$ 909,656	$ 729,479	$ 154,752	$ 227,061	$ 93,954	$ 97,853	$ 2,212,755	$ 103,092	$ 158,711	$ 2,474,558

The accompanying notes are an integral part of these financial statements.

SOCIETY OF BIBLICAL LITERATURE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2009

	Publications	Congresses	Membership	Professions	Regions	Research and Technology	Total Programs	Development and Fundraising	General and Admin	Total
Salaries and wages	$ 301,281	$ 237,754	$ 62,435	$ 114,561	$ 24,220	$ 55,138	$ 795,389	$ 60,199	$ 34,368	$ 889,956
Employee benefits	56,785	39,722	14,452	15,784	5,960	7,706	140,409	14,873	10,413	165,695
Payroll taxes	21,213	16,925	4,597	8,355	1,936	4,130	57,156	4,566	2,685	64,407
	379,279	294,401	81,484	138,700	32,116	66,974	992,954	79,638	47,466	1,120,058
Advertising	13,840	366	244	366	244	244	15,304	2,504	244	18,052
Building depreciation	-	-	-	-	-	-	-	-	56,145	56,145
Communication	8,016	31,281	6,577	6,746	3,676	3,689	59,985	4,238	4,003	68,226
Cost of publications sold	44,971	-	-	-	-	-	44,971	-	-	44,971
Depreciation - furniture and equipment	3,056	2,292	1,528	2,292	1,528	1,528	12,224	1,528	1,528	15,280
Distribution costs	81,455	-	-	-	-	-	81,455	-	-	81,455
Donations and discounts	12,234	1,362	908	1,959	17,406	1,160	35,029	1,208	907	37,144
Equipment and supplies	16,819	168,328	4,406	10,222	3,062	5,010	207,847	3,733	4,474	216,054
Grants	-	4,475	-	3,068	-	-	7,543	-	-	7,543
Occupancy	4,896	3,672	2,448	3,672	2,448	2,448	19,584	2,448	2,448	24,480
Other	19,124	44,143	12,148	1,530	925	854	78,724	1,048	1,565	81,337
Printing	165,533	8,325	4	6	4	4	173,876	4	4	173,884
Professional fees	85,833	138,630	12,783	35,076	10,601	29,818	312,741	9,669	6,460	328,870
Provision for inventory valuation	19,472	-	-	-	-	-	19,472	-	-	19,472
Royalties	36,713	-	-	-	-	-	36,713	-	-	36,713
Travel and hospitality	43,640	303,817	9,565	57,881	15,150	9,689	439,742	10,723	8,198	458,663
Total Expenses	$ 934,881	$ 1,001,092	$ 132,095	$ 261,518	$ 87,160	$ 121,418	$ 2,538,164	$ 116,741	$ 133,442	$ 2,788,347

The accompanying notes are an integral part of these financial statements.

SOCIETY OF BIBLICAL LITERATURE
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Cash Flows from Operating Activities:		
Increase (decrease) in net assets	$ 294,954	$ (561,197)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (required) by operating activities		
Depreciation	75,577	71,425
Realized gains on marketable securities	(219)	(316)
Unrealized (gains) losses on marketable securities	(166,112)	352,070
Loss on disposal of property and equipment	7,338	13,013
Change in operating assets and liabilities		
Accounts receivable, net	(44,511)	(6,006)
Pledges receivable, net	(600)	7,775
Prepaid expenses and other assets	(512)	14,061
Book inventories and books in production	(89)	8,690
Accounts payable	(21,349)	35,869
Deferred revenue	(34,072)	21,726
Net Cash Provided (Required) By Operating Activities	110,405	(42,890)
Cash Flows from Investing Activities:		
Acquisition of furniture and equipment	(19,344)	(97,012)
Purchases of marketable securities	(260,818)	(256,463)
Proceeds from sales of marketable securities	250,000	250,000
Net Cash Required by Investing Activities	(30,162)	(103,475)
Net Increase (Decrease) in Cash and Cash Equivalents	80,243	(146,365)
Cash and Cash Equivalents at the Beginning of the Year	906,455	1,052,820
Cash and Cash Equivalents at the End of the Year	$ 986,698	$ 906,455

The accompanying notes are an integral part of these financial statements.

SOCIETY OF BIBLICAL LITERATURE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Society of Biblical Literature (the "Society") 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.

Method of Reporting

The Society's accounts are maintained, and these financial statements are presented, on the accrual basis of accounting to reflect the results of activities and the financial position in conformity with generally accepted accounting principles in the United States of America ("GAAP").

Financial Statement Presentation

The Society follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets GAAP. In June 2009, the FASB issued FASB ASC 105, *Generally Accepted Accounting Principles*, which establishes the FASB Accounting Standards Codification as the sole source of authoritative GAAP. Pursuant to the provisions of FASB ASC 105, the Society no longer references to particular standards of GAAP. The adoption of FASB ASC 105 did not impact the Society's financial position or results of activities.

The Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, or permanently restricted net assets based on stipulations made by the donor.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of any 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.

SOCIETY OF BIBLICAL LITERATURE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments and Concentrations of Credit Risk

Financial instruments that potentially subject the Society to concentrations of credit risk consist principally of cash on deposit and other short term investments with financial institutions. At times, these balances may be in excess of the Federal Deposit Insurance Corporation ("FDIC") limits. As a result of liquidity issues experienced in the global credit and capital markets, it is at least reasonably possible that changes in risks in the near term could occur which in turn could further materially affect the amounts reported in the accompanying financial statements.

Credit risk of accounts receivable is generally diversified due to the large number of entities comprising the customer base.

Cash Equivalents

The Society considers all highly liquid investments available on demand at various financial institutions to be cash equivalents.

Marketable Securities

The Society's investments in equity securities with a readily determinable market value and all investments in debt securities are reported at fair market value with gains and losses included in the statement of activities and changes in net assets.

Fair Values Measured on Recurring Basis

The FASB's pronouncement on fair value measurement defines fair value, establishes a framework for measuring fair value and provides for disclosures about fair value measurements. The statement, when adopted by the Society, did not have any impact on the Society's financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Values Measured on Recurring Basis (Continued)

GAAP establishes 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 measurement) and the lowest priority to unobservable inputs in which little or no market data exists (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The tables below represent fair value measurement hierarchy of the assets at fair value as of:

		June 30, 2010		
	Fair Value	Level 1	Level 2	Level 3
Equity securities – Luce Center endowment fund corpus	$ 250,000	$ 250,000	$ -	$ -
Luce Center endowment fund accumulated earnings	162,759	162,759	-	-
	412,759	412,759	-	-
Marketable Securities	803,895	803,895	-	-
	$ 1,216,654	$ 1,216,654	$ -	$ -

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Values Measured on Recurring Basis (Continued)

	June 30, 2009			
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Equity securities – Luce Center endowment fund corpus	$ 250,000	$ 250,000	$ -	$ -
Luce Center endowment fund accumulated earnings	108,583	108,583	-	-
	358,583	358,583	-	-
Marketable Securities	680,924	680,924	-	-
	$ 1,039,507	$ 1,039,507	$ -	$ -

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

Accounts Receivable

Accounts receivable consist of trade accounts receivable and are stated at cost less an allowance for doubtful accounts. Credit is extended to customers after an evaluation of the customer's financial condition and, generally, collateral is not required. Management's determination of the allowance for doubtful accounts is based on an evaluation of the accounts receivable, past experience, current economic conditions and other risks inherent in the accounts receivable portfolio. In the opinion of management of the Society, all of the accounts receivable at June 30, 2010 and 2009 are deemed to be fully collectible.

Inventories

At June 30, 2010 and 2009, book inventories are stated at cost using the first-in, first out ("FIFO") method, less a valuation reserve of $123,599 and $116,853, respectively. The valuation reserve reflects the estimated decline in value of certain books since their original publication.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Furniture and Equipment

At June 30, 2010 and 2009, furniture and equipment is stated at cost, less accumulated depreciation of $91,056 and $82,870, 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 its capital assets over $500. Depreciation expense on the Society's furniture and equipment for fiscal years 2010 and 2009 was $18,571 and $15,280, respectively. Depreciation expense on Luce Center building and equipment for fiscal years 2010 and 2009 was $57,006 and $56,145, respectively.

Endowment Fund

FASB requires the following financial statement disclosure requirements effective for the Society for the years ended June 30, 2010 and 2009.

- Classification of Net Assets

  Endowment funds are used to account for investments in which the principal is temporarily or permanently restricted or Board-designated for a specific purpose.

- Interpretation of Relevant Law

  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 the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Society classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Fund (Continued)

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Society in a manner consistent with the standard of prudence prescribed by UPMIFA. 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 and 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.

- 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(s). 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Fund (Continued)

- Spending Policy

  The Luce Center Endowment allows for spending of the accumulated earnings for repairs and maintenance to the Luce Center.

Changes in endowment net assets for years ending June 30, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, June 30, 2008	$ -	$ 185,002	$ 250,000	$ 435,002
Investment return:				
Investment income	-	6,628	-	6,628
Net depreciation	-	(83,047)	-	(83,047)
Endowment net assets, June 30, 2009	-	108,583	250,000	358,583
Investment return:				
Investment income	-	10,914	-	10,914
Net appreciation	-	43,262	-	43,262
Endowment net assets, June 30, 2010	$ -	$ 162,759	$ 250,000	$ 412,759

Deferred Revenue

Deferred revenue represents prepaid rental income, membership fees, and subscriptions paid in advance by the Society's members, as well as the Society's share of registration fees, related to future annual meetings, collected as of the statement of financial position date.

Revenue Recognition

The Society recognizes revenue from the sales of books when they are shipped, net of estimated allowances for product returns.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

The Society recognizes unconditional promises to give and contributions received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or the nature of donor restrictions.

Assets and marketable securities acquired by gift are recorded at their fair market value on the date of receipt. No amounts have been reflected in the financial statements for donated services; however, a substantial number of volunteers have donated significant amounts of their time to the Society's programs and supporting services. If the donated services received either created or enhanced non-financial assets or required specialized skills which would need to be purchased if not donated, the value of those donated services would be recorded.

Income Taxes

Under the Internal Revenue Code Section 501(c)(3), the Society is exempt from income taxes. Accordingly, no provision for federal and state income taxes is required.

The Society annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Society takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification.

Advertising Costs

Advertising costs are expensed as incurred. These costs totaled $9,414 and $18,052 in 2010 and 2009, respectively.

Shipping and Handling Costs

Shipping and handling costs are included in cost of publications sold.

Functional Expenses

The costs of providing the various programs and other activities are summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the various programs and supporting services benefited.

SOCIETY OF BIBLICAL LITERATURE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain amounts in the 2009 financial statements have been reclassified to conform to the 2010 presentation.

Subsequent Events

Management has evaluated subsequent events through September 10, 2010, the date on which financial statements were available to be issued.

NOTE 2 – MARKETABLE AND EQUITY SECURITIES

The aggregate cost and fair values, as well as unrealized appreciation (depreciation), of marketable securities as of June 30 were:

	2010		
	Cost	**Unrealized (Depreciation)/ Appreciation**	**Fair Value**
Corporate stocks	$ 211,934	$ 89,616	$ 301,550
U.S. Treasury securities	499,808	2,537	502,345
Total	$ 711,742	$ 92,153	$ 803,895
Equity securities – Luce Center endowment fund corpus and accumulated earnings (losses)	$ 505,633	$ (92,874)	$ 412,759

	2009		
	Cost	**Unrealized (Depreciation)/ Appreciation**	**Fair Value**
Corporate Stocks	$ 211,934	$ (35,384)	$ 176,550
U.S. Treasury securities	499,687	4,687	504,374
Total	$ 711,621	$ (30,697)	$ 680,924
Equity securities – Luce Center endowment fund corpus and accumulated earnings (losses)	$ 492,785	$ (134,202)	$ 358,583

SOCIETY OF BIBLICAL LITERATURE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 2 – MARKETABLE AND EQUITY SECURITIES (Continued)

Investment income consists of the following at June 30:

	2010	2009
Interest and dividends	$ 24,798	$ 32,909
Realized gains	219	316
Unrealized losses	166,112	(352,070)
	$ 191,129	$ (318,845)

NOTE 3 – 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 are as follows at June 30:

	2010	2009
Luce Center building	$ 2,057,016	$ 2,057,016
Luce Center furniture	24,074	17,268
	2,081,090	2,074,284
Less accumulated depreciation	(507,289)	(450,634)
	1,573,801	1,623,650
Luce Center endowment fund		
Money market	4,623	4,623
Investments		
Corpus – permanently restricted	250,000	250,000
Accumulated earnings – temporarily restricted	162,759	108,583
	412,759	358,583
Total Net Share of Luce Center	$ 1,991,183	$ 1,986,856

NOTE 3 – LUCE CENTER ASSETS (Continued)

During the year ended June 30, 2009, the Society and Academy each mutually agreed to advance $64,000 to the Luce Center with no specified repayment terms. The purpose of the advance was to fund a capital expenditure totaling approximately $128,000. During the year ended June 30, 2010, the Luce Center repaid approximately $8,000 to the Society.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

Operating Leases

The Society leases office space mentioned in Note 3 and equipment under non-cancellable operating leases that expire in 2027 and 2014, respectively.

Minimum future rentals under the operating leases for years ending June 30 are as follows:

2011	$ 52,631
2012	51,943
2013	51,943
2014	50,957
2015	48,000
	$ 255,474

Total lease expense for 2010 and 2009 was $48,502 and $33,432, respectively.

NOTE 5 – 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 8% (2010) and 10% (2009), 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 pension expense for fiscal years 2010 and 2009 was $65,694 and $80,682, respectively.

SOCIETY OF BIBLICAL LITERATURE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS

At June 30, the components of temporarily restricted net assets were as follows:

	2010	2009
Luce Center Maintenance Fund	$ 167,382	$ 113,205
Scholarships and Awards	49,911	10,248
	$ 217,293	$ 123,453

NOTE 7 – PERMANENTLY RESTRICTED NET ASSETS

At June 30, the components of permanently restricted net assets were as follows:

	2010	2009
Luce Center Endowment Principal	$ 250,000	$ 250,000
Scholarships and Awards	33,695	33,150
	$ 283,695	$ 283,150