SOCIETY OF BIBLICAL LITERATURE

FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008

with
INDEPENDENT AUDITORS' REPORT

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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, 2009 and 2008, and the related statements of activities, 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, 2009 and 2008, 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

August 21, 2009

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SOCIETY OF BIBLICAL LITERATURE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008

ASSETS

	2009	2008
Cash and cash equivalents	$ 906,455	$ 1,052,820
Marketable securities (Note 2)	680,924	949,724
Accounts receivable	64,722	58,716
Pledges receivable, net	400	8,175
Prepaid expenses and other assets	27,691	41,752
Book inventories, net of valuation reserve	40,265	48,955
Furniture and equipment, net of accumulated depreciation	42,277	14,099
Net share of Luce Center assets (Note 3)	1,986,856	2,078,951
Total Assets	$ 3,749,590	$ 4,253,192

LIABILITIES AND NET ASSETS

	2009	2008
Liabilities		
Accounts payable	$ 205,597	$ 200,728
Deferred revenue		
Memberships and subscriptions	419,955	404,338
Annual meetings	596,353	622,181
International meeting	88,145	56,208
Other	31,000	-
Total Liabilities	1,341,050	1,283,455
Net Assets		
Unrestricted net assets	2,001,937	2,529,803
Temporarily restricted net assets (Note 6)	123,453	189,934
Permanently restricted net assets (Note 7)	283,150	250,000
Total Net Assets	2,408,540	2,969,737
Total Liabilities and Net Assets	$ 3,749,590	$ 4,253,192

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

SOCIETY OF BIBLICAL LITERATURE
STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2009 AND 2008

	2009			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Changes in Unrestricted Net Assets				
Revenues and gains				
Congresses	$ 980,035	$ -	$ -	$ 980,035
Membership and fee income	464,720	-	-	464,720
Book sales	396,836	-	-	396,836
Subscriptions	375,304	-	-	375,304
Investment income (loss) and change in market value	(242,803)	(76,042)	-	(318,845)
Marketing	131,708	-	-	131,708
Royalties	77,979	-	-	77,979
Contributions	55,000	9,561	33,150	97,711
Other	2,381	-	-	2,381
Rental income (loss), net	(1,534)	-	-	(1,534)
Career center	33,868	-	-	33,868
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				
Program Expenses				
Publications	934,881	-	-	934,881
Congresses	1,001,092	-	-	1,001,092
Membership	132,095	-	-	132,095
Professions	261,518	-	-	261,518
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 ACTIVITIES
YEARS ENDED JUNE 30, 2009 AND 2008

	2008			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Changes in Unrestricted Net Assets				
Revenues and gains				
Congresses	$ 990,500	$ -	$ -	$ 990,500
Membership and fee income	456,532	-	-	456,532
Book sales	384,754	-	-	384,754
Subscriptions	385,342	-	-	385,342
Investment income (loss) and change in market value	60,914	(14,828)	-	46,086
Marketing	181,587	-	-	181,587
Royalties	73,449	-	-	73,449
Contributions	85,213	-	-	85,213
Other	4,575	-	-	4,575
Rental income (loss), net	(2,200)	-	-	(2,200)
Career center	83,945	-	-	83,945
Net assets released from restriction	8,634	(8,634)	-	-
Total Revenues and Gains	2,713,245	(23,462)	-	2,689,783
Expenses				
Program Expenses				
Publications	889,420	-	-	889,420
Congresses	1,167,674	-	-	1,167,674
Membership	119,924	-	-	119,924
Professions	144,739	-	-	144,739
Regions	64,693	-	-	64,693
Research and technology	208,877	-	-	208,877
Total Program Expenses	2,595,327	-	-	2,595,327
Development and fundraising	153,151	-	-	153,151
General and administration	161,423	-	-	161,423
Total Expenses	2,909,901	-	-	2,909,901
Decrease in Net Assets	(196,656)	(23,462)	-	(220,118)
Net Assets at Beginning of the Year	2,726,459	213,396	250,000	3,189,855
Net Assets at End of the Year	$ 2,529,803	$ 189,934	$ 250,000	$ 2,969,737

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 FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2008

	Publications	Congresses	Membership	Professions	Regions	Research and Technology	Total Programs	Development and Fundraising	General and Admin	Total
Salaries and wages	$ 261,416	$ 186,827	$ 52,023	$ 79,797	$ 23,396	$ 114,161	$ 717,620	$ 84,034	$ 54,566	$ 856,220
Employee benefits	48,149	32,874	11,261	10,523	4,774	11,146	118,727	14,921	10,769	144,417
Payroll taxes	19,069	13,317	5,062	4,521	2,453	8,132	52,554	6,010	4,064	62,628
	328,634	233,018	68,346	94,841	30,623	133,439	888,901	104,965	69,399	1,063,265
Advertising	18,364	58,371	-	-	-	-	76,735	-	-	76,735
Building depreciation	-	-	-	-	-	-	-	-	55,374	55,374
Communication	11,153	42,332	6,560	3,208	1,955	7,156	72,364	4,559	4,369	81,292
Cost of publications sold	45,723	-	-	-	-	-	45,723	-	-	45,723
Depreciation - furniture and equipment	3,464	1,964	1,319	507	320	2,710	10,284	1,297	1,164	12,745
Distribution costs	93,568	-	-	-	-	-	93,568	-	-	93,568
Donations and discounts	50,314	648	435	767	16,605	1,144	69,913	823	384	71,120
Equipment and supplies	19,322	176,239	7,054	4,390	1,636	7,029	215,670	5,842	5,794	227,306
Grants	-	6,984	-	7,087	-	-	14,071	-	-	14,071
Occupancy	6,214	3,747	2,512	1,649	1,073	4,515	19,710	2,481	2,288	24,479
Other	5,453	46,635	11,037	1,086	(675)	1,272	64,808	6,882	1,428	73,118
Printing	152,793	44,470	28	68	1	6	197,366	28	3	197,397
Professional fees	77,760	302,952	16,697	14,047	8,911	41,570	461,937	15,786	13,185	490,908
Provision for inventory valuation	19,914	-	-	-	-	-	19,914	-	-	19,914
Royalties	28,182	-	-	-	-	-	28,182	-	-	28,182
Travel and hospitality	28,562	250,314	5,936	17,089	4,244	10,036	316,181	10,488	8,035	334,704
Total Expenses	$ 889,420	$ 1,167,674	$ 119,924	$ 144,739	$ 64,693	$ 208,877	$ 2,595,327	$ 153,151	$ 161,423	$ 2,909,901

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

SOCIETY OF BIBLICAL LITERATURE
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Cash Flows from Operating Activities		
Decrease in net assets	$ (561,197)	$ (220,118)
Adjustments to reconcile decrease in net assets to net cash provided (required) by operating activities		
Depreciation	71,425	68,119
Realized gains on marketable securities	(316)	(78,078)
Unrealized losses on marketable securities	352,070	109,864
Loss on disposal of property and equipment	13,013	-
Change in operating assets and liabilities		
Accounts receivable, net	(6,006)	10,367
Pledges receivable, net	7,775	699
Prepaid expenses and other assets	14,061	34,780
Book inventories and books in production	8,690	3,671
Accounts payable	4,869	28,473
Deferred revenue	52,726	144,657
Net Cash Provided (Required) By Operating Activities	(42,890)	102,434
Cash Flows from Investing Activities		
Acquisition of furniture and equipment	(97,012)	(5,516)
Purchases of marketable securities	(256,463)	(422,190)
Proceeds from sales of marketable securities	250,000	549,950
Net Cash Provided (Required) by Investing Activities	(103,475)	122,244
Net Increase (Decrease) in Cash and Cash Equivalents	(146,365)	224,678
Cash and Cash Equivalents at the Beginning of the Year	1,052,820	828,142
Cash and Cash Equivalents at the End of the Year	$ 906,455	$ 1,052,820

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

SOCIETY OF BIBLICAL LITERATURE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations:

The Society of Biblical Literature (the "Society" or "SBL") 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 present the results of activities and financial position in conformity with accounting principles generally accepted in the United States of America.

Financial Statement Presentation:

The financial statements of the Society have been prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS 117, 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.

Cash Equivalents:

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

Marketable Securities:

The Society recognizes its investment transactions in accordance with SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." In accordance with SFAS 124, all 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Fund:

During 2006, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position 117-1 Endowments of Not-for-Profit Organizations – Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act and Enhanced Disclosures for All Endowment Funds which includes the following financial statement disclosure requirements effective for the Society for the year ended June 30, 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. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Fund (Continued):

- 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.

- Spending Policy:

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

Fair Values Measured on Recurring Basis:

In September 2006, the FASB issued SFAS 157, Fair Value Measurements. SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. As of July 1, 2008, the Society has adopted SFAS 157, which when adopted 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):

SFAS 157 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 under SFAS 157 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 table below represents fair value measurement hierarchy of the assets at fair value as of 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	108,443	108,443	-	-
	358,443	358,443	-	-
Marketable Securities	680,924	680,924	-	-
	$ 1,039,367	$ 1,039,367	$ -	$ -

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2009 and 2008 are deemed to be fully collectible.

Inventories:

At June 30, 2009 and 2008, book inventories are stated at cost using the first-in, first out (FIFO) method, less a valuation reserve of $116,853 and $121,130, respectively. The valuation reserve reflects the estimated decline in value of certain books since their original publication.

Furniture and Equipment:

At June 30, 2009 and 2008, furniture and equipment is stated at cost, less accumulated depreciation of $82,870 and $71,526, 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 SBL furniture and equipment for fiscal years 2009 and 2008 was $15,280 and $12,745, respectively. Depreciation expense on Luce Center building and equipment for fiscal years 2009 and 2008 was $56,145, and $55,374 respectively.

Contributions:

The Society recognizes its contributions in accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS 116, unconditional promises to give and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or the nature of donor restrictions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions (Continued):

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 in accordance with SFAS 116.

Revenue Recognition:

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

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.

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.

Advertising Costs:

Advertising costs are expensed as incurred. These costs totaled $18,052 and $76,735 in 2009 and 2008, respectively.

Shipping and Handling Costs:

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

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 exceed federally insured limits. As a result of recent 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.

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 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.

Functional Expenses:

The costs of providing the various programs and other activities are summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the various programs and supporting services benefited as required by SFAS 117.

Reclassification:

Certain reclassifications have been made to the 2008 financial statements to conform to the current year presentation.

NOTE 2 – MARKETABLE SECURITIES

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

	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	$ 492,785	$ (134,202)	$ 358,583

	2008		
	Cost	Unrealized (Depreciation)/ Appreciation	Fair Value
Corporate Stocks	$ 211,934	$ 236,776	$ 448,710
U.S. Treasury securities	499,464	1,550	501,014
Total	$ 711,398	$ 238,326	$ 949,724
Equity securities – Luce Center endowment fund corpus and accumulated earnings	$ 488,230	$ (53,228)	$ 435,002

Investment income consists of the following at June 30:

	2009	2008
Interest and dividends	$ 32,909	$ 77,872
Realized gains	316	78,078
Unrealized losses	(352,070)	(109,864)
	$ (318,845)	$ 46,086

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:

	2009	2008
Luce Center building	$ 2,057,016	$ 2,017,693
Luce Center furniture	17,268	17,268
	2,074,284	2,034,961
Less accumulated depreciation	(450,634)	(395,705)
	1,623,650	1,639,256
Luce Center endowment fund		
Money market	4,623	4,693
Investments		
Corpus – permanently restricted	250,000	250,000
Accumulated earnings – temporarily restricted	108,583	185,002
	358,583	435,002
Total Net Share of Luce Center	$ 1,986,856	$ 2,078,951

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.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

Operating Leases:

The Society leases office space and equipment under non-cancellable operating leases that expire in 2014.

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

2010	$ 54,007
2011	52,631
2012	51,943
2013	51,943
2014	50,957
	$ 261,481

Total lease expense for 2009 and 2008 was $33,432 and $37,262, 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 makes a contribution 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 pension expense for fiscal years 2009 and 2008 was $80,682 and $75,676, respectively.

NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS

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

	2009	2008
Building renovation, repair, and maintenance	$ 113,205	$ 189,695
Scholarships	10,248	-
Other	-	239
	$ 123,453	$ 189,934

Net assets released from donor restrictions consisted of net pledges received of $8,634 during the year ended June 30, 2008.

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NOTE 7 – PERMANENTLY RESTRICTED NET ASSETS

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

	2009	2008
Society's Share of the Luce Center	$ 250,000	$ 250,000
Endowment	33,150	-
	$ 283,150	$ 250,000