SOCIETY OF BIBLICAL LITERATURE

FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

with
INDEPENDENT AUDITORS' REPORT

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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, 2011 and 2010, 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, 2011 and 2010, 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 27, 2011

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SOCIETY OF BIBLICAL LITERATURE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011 AND 2010

ASSETS

	2011	2010
Cash and cash equivalents	$ 1,179,218	$ 986,698
Marketable securities (Notes 1 and 2)	1,252,045	803,895
Accounts receivable	88,517	109,233
Pledges receivable, net	-	1,000
Prepaid expenses and other assets	19,666	28,203
Book inventories, net of valuation reserve	48,807	40,354
Furniture and equipment, net of accumulated depreciation	19,421	28,557
Net share of Luce Center assets (Note 3)	1,991,335	1,991,183
Total Assets	$ 4,599,009	$ 3,989,123

LIABILITIES AND NET ASSETS

	2011	2010
Liabilities		
Accounts payable	$ 183,186	$ 215,248
Deferred revenue		
Memberships and subscriptions	483,909	445,690
Annual meetings	665,464	557,126
International meeting	127,900	67,565
Other	10,659	-
	1,287,932	1,070,381
Total Liabilities	1,471,118	1,285,629
Net Assets		
Unrestricted net assets	2,574,109	2,202,506
Temporarily restricted net assets (Note 5)	259,627	217,293
Permanently restricted net assets (Note 6)	294,155	283,695
Total Net Assets	3,127,891	2,703,494
Total Liabilities and Net Assets	$ 4,599,009	$ 3,989,123

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, 2011

	June 30, 2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and gains				
Congresses	$ 1,090,948	$ -	$ -	$ 1,090,948
Membership				
Membership fees	538,013	-	-	538,013
Marketing	33,853	-	-	33,853
Professions				
Career center	35,030	-	-	35,030
Grant revenue	12,939	-	-	12,939
Publications				
Book sales	445,429	-	-	445,429
Subscriptions	339,837	-	-	339,837
Royalties	112,508	-	-	112,508
Marketing	27,875	-	-	27,875
Other	7,397	-	-	7,397
Development and fundraising	77,182	6,812	10,460	94,454
Investment income and change in market value, net (Note 2)	173,650	88,572	-	262,222
Rental income (loss), net	(7,515)	-	-	(7,515)
Loss on disposal of property and equipment	-	-	-	-
Net assets released from restriction	53,050	(53,050)	-	-
Total Revenues and Gains	2,940,196	42,334	10,460	2,992,990
Expenses				
Congresses	781,893	-	-	781,893
Membership	144,966	-	-	144,966
Professions	199,177	-	-	199,177
Publications	964,595	-	-	964,595
Regions	97,851	-	-	97,851
Research and technology	101,182	-	-	101,182
Total Program Expenses	2,289,664	-	-	2,289,664
Development and fundraising	109,967	-	-	109,967
General and administration	168,962	-	-	168,962
Total Expenses	2,568,593	-	-	2,568,593
Increase in Net Assets	371,603	42,334	10,460	424,397
Net Assets at Beginning of the Year	2,202,506	217,293	283,695	2,703,494
Net Assets at End of the Year	$ 2,574,109	$ 259,627	$ 294,155	$ 3,127,891

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 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)
Net assets released from restriction	-	-	-	-
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 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 FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2011

	Congresses	Membership	Professions	Publications	Regions	Research and Technology	Total Programs	Development and Fundraising	General and Admin	Total
Salaries and wages	$ 199,541	$ 73,137	$ 99,444	$ 322,262	$ 36,118	$ 49,674	$ 780,176	$ 46,114	$ 38,014	$ 864,304
Employee benefits	34,747	14,717	13,512	56,512	6,417	6,967	132,872	12,651	11,397	156,920
Payroll taxes	15,951	5,785	8,231	25,461	3,135	3,843	62,406	4,027	3,263	69,696
	250,239	93,639	121,187	404,235	45,670	60,484	975,454	62,792	52,674	1,090,920
Advertising	65	-	-	7,026	-	-	7,091	4,200	-	11,291
Building depreciation	-	-	-	-	-	-	-	-	57,244	57,244
Communication	44,953	8,392	12,398	16,880	5,514	13,023	101,160	7,839	5,393	114,392
Cost of publications sold	-	-	-	33,311	-	-	33,311	-	-	33,311
Depreciation - furniture and equipment	3,046	2,031	3,046	4,066	2,031	2,031	16,251	2,031	2,026	20,308
Distribution costs	-	-	-	66,428	-	-	66,428	-	-	66,428
Donations and discounts	1,065	533	1,147	19,521	16,984	426	39,676	983	475	41,134
Equipment and supplies	160,221	3,420	5,117	7,900	2,249	5,778	184,685	2,478	2,779	189,942
Grants	-	-	-	-	-	-	-	-	-	-
Occupancy	8,933	4,466	7,146	8,040	4,243	3,573	36,401	4,466	3,796	44,663
Other	48,241	13,292	1,501	15,405	1,055	829	80,323	1,651	888	82,862
Printing	21,731	-	-	214,921	-	-	236,652	-	-	236,652
Professional fees	100,535	7,567	24,762	72,053	9,810	6,483	221,210	11,064	34,377	266,651
Provision for inventory valuation	-	-	-	15,520	-	-	15,520	-	-	15,520
Royalties	-	-	-	40,356	-	-	40,356	-	-	40,356
Travel and hospitality	142,864	11,626	22,873	38,933	10,295	8,555	235,146	12,463	9,310	256,919
Total Expenses	$ 781,893	$ 144,966	$ 199,177	$ 964,595	$ 97,851	$ 101,182	$ 2,289,664	$ 109,967	$ 168,962	$ 2,568,593

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

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

	Congresses	Membership	Professions	Publications	Regions	Research and Technology	Total Programs	Development and Fundraising	General and Admin	Total
Salaries and wages	$ 196,581	$ 80,795	$ 95,253	$ 314,017	$ 32,035	$ 44,353	$ 763,034	$ 47,762	$ 45,885	$ 856,681
Employee benefits	31,032	13,975	13,325	50,394	5,617	5,734	120,077	12,071	12,794	144,942
Payroll taxes	14,464	5,962	6,965	23,297	2,371	3,252	56,311	3,386	3,682	63,379
	242,077	100,732	115,543	387,708	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	47,586	8,084	14,787	33,946	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	2,786	1,857	2,786	3,714	1,857	1,857	14,857	1,857	1,857	18,571
Distribution costs	-	-	-	72,221	-	-	72,221	-	-	72,221
Donations and discounts	1,620	897	2,001	24,175	17,397	1,038	47,128	1,347	787	49,262
Equipment and supplies	135,208	2,896	4,783	8,165	2,565	4,764	158,381	2,921	2,332	163,634
Grants	-	-	1,000	-	-	-	1,000	-	-	1,000
Occupancy	7,060	4,211	6,464	8,124	4,211	3,904	33,974	4,202	3,904	42,080
Other	37,939	14,858	1,820	17,861	1,051	955	74,484	1,738	2,082	78,304
Printing	11,588	-	424	140,173	-	-	152,185	-	-	152,185
Professional fees	96,311	5,973	34,296	67,687	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	147,304	15,244	43,157	47,645	12,203	14,677	280,230	14,549	17,998	312,777
Total Expenses	$ 729,479	$ 154,752	$ 227,061	$ 909,656	$ 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 CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Cash Flows from Operating Activities:		
Increase in net assets	$ 424,397	$ 294,954
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	77,552	75,577
Realized gains on marketable securities	(239,394)	(219)
Unrealized (gains) losses on marketable securities	8,145	(166,112)
Loss on disposal of property and equipment	-	7,338
Change in operating assets and liabilities		
Accounts receivable, net	20,716	(44,511)
Pledges receivable, net	1,000	(600)
Prepaid expenses and other assets	8,537	(512)
Book inventories and books in production	(8,453)	(89)
Accounts payable	(32,062)	(21,349)
Deferred revenue	217,551	(34,072)
Net Cash Provided By Operating Activities	477,989	110,405
Cash Flows from Investing Activities:		
Acquisition of furniture and equipment	(30,992)	(19,344)
Purchases of marketable securities	(550,314)	(260,818)
Proceeds from sales of marketable securities	295,837	250,000
Net Cash Required by Investing Activities	(285,469)	(30,162)
Increase in Cash and Cash Equivalents	192,520	80,243
Cash and Cash Equivalents at the Beginning of the Year	986,698	906,455
Cash and Cash Equivalents at the End of the Year	$ 1,179,218	$ 986,698

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

SOCIETY OF BIBLICAL LITERATURE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

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 accounting principles generally accepted 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 establishes GAAP.

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.

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 federally insured 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, 2011			
	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	204,958	204,958	-	-
	454,958	454,958	-	-
Marketable Securities	1,252,045	1,252,045	-	-
	$ 1,707,003	$ 1,707,003	$ -	$ -

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Values Measured on Recurring Basis (Continued)

	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	$ -	$ -

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, 2011 and 2010 are deemed to be fully collectible.

Inventories

At June 30, 2011 and 2010, book inventories are stated at cost using the first-in, first out ("FIFO") method, less a valuation reserve of $122,202 and $123,599, 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, 2011 and 2010, furniture and equipment is stated at cost, less accumulated depreciation of $101,709 and $91,056, 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 2011 and 2010 was $20,308 and $18,571, respectively. Depreciation expense on Luce Center building and equipment for fiscal years 2011 and 2010 was $57,243 and $57,006, respectively.

Endowment Fund

FASB requires the following financial statement disclosure requirements effective for the Society for the years ended June 30, 2011 and 2010.

- 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, 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
Purchases (withdrawals), net	-	(45,437)	-	(45,437)
Investment return:				
Investment income	-	9,107	-	9,107
Net appreciation	-	78,529	-	78,529
Endowment net assets, June 30, 2011	$ -	$ 204,958	$ 250,000	$ 454,958

Deferred Revenue

Deferred revenue represents prepaid rental income, membership fees, royalties 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)

<u>Contributions</u>

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.

<u>Income Taxes</u>

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.

In the normal course of business, the Society is subject to examination by the federal and state taxing authorities. In general, the Society is no longer subject to tax examinations for tax years ending before June 30, 2008.

<u>Shipping and Handling Costs</u>

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

<u>Functional Expenses</u>

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, 2011 AND 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through September 27, 2011, 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:

	2011		
	Cost	**Unrealized (Depreciation)/ Appreciation**	**Fair Value**
Corporate stocks	$ 170,576	$ 519	$ 171,095
Mutual funds	955,871	(268)	955,603
Equity securities	120,118	5,229	125,347
Total	$ 1,246,565	$ 5,480	$ 1,252,045
Equity securities – Luce Center endowment fund corpus and accumulated earnings (losses)	$ 469,303	$ (14,345)	$ 454,958

NOTE 2 – MARKETABLE AND EQUITY SECURITIES (Continued)

	2010		
Committee			
	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

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

	2011	**2010**
Interest and dividends	$ 30,973	$ 24,798
Realized gains	239,394	219
Unrealized gains (losses)	(8,145)	166,112
	$ 262,222	$ 191,129

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.

NOTE 3 – LUCE CENTER ASSETS (Continued)

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

	2011	2010
Luce Center building	$ 2,071,318	$ 2,057,016
Luce Center furniture	29,591	24,074
	2,100,909	2,081,090
Less accumulated depreciation	(564,532)	(507,289)
	1,536,377	1,573,801
Luce Center endowment fund		
Money market	-	4,623
Investments		
Corpus – permanently restricted	250,000	250,000
Accumulated earnings – temporarily restricted	204,958	162,759
	454,958	412,759
Total Net Share of Luce Center	$ 1,991,355	$ 1,991,183

During the year ended June 30, 2009, the Society and Academy each mutually agreed to advance approximately $53,000 to the Luce Center with no specified repayment terms. The purpose of the advance was to fund a capital expenditure. During the year ended June 30, 2010, the Luce Center repaid approximately $8,000 to the Society. There were no repayments during 2011.

NOTE 4 – 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% (2011) and 8% (2010) 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 2011 and 2010 was $82,946 and $65,694, respectively.

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

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

	2011	2010
Luce Center Maintenance Fund	$ 204,958	$ 167,382
Scholarships and Awards	54,669	49,911
	$ 259,627	$ 217,293

During 2011, $50,000 was released from the Luce Center Maintenance Fund for repairs and $3,050 was released for Honoria.

NOTE 6 – PERMANENTLY RESTRICTED NET ASSETS

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

	2011	2010
Luce Center Endowment Principal	$ 250,000	$ 250,000
Scholarships and Awards	44,155	33,695
	$ 294,155	$ 283,695