

Financial Statements Together with
Report of Independent Certified Public Accountants

AMERICAN BIBLE SOCIETY

June 30, 2011 and 2010

AMERICAN BIBLE SOCIETY

TABLE OF CONTENTS

	Page
Report of Independent Certified Public Accountants	1
Financial Statements:	
Statements of Financial Position as of June 30, 2011 and 2010	2
Statements of Activities for the years ended June 30, 2011 and 2010	3
Statement of Functional Expenses for the year ended June 30, 2011	4
Statement of Functional Expenses for the year ended June 30, 2010	5
Statements of Cash Flows for the years ended June 30, 2011 and 2010	6
Notes to Financial Statements	7 - 26

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of the
American Bible Society:

We have audited the accompanying statements of financial position of the American Bible Society (the “Society”) as of June 30, 2011 and 2010, 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 established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and 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 American Bible Society 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.



New York, New York
January 3, 2012

AMERICAN BIBLE SOCIETY
Statements of Financial Position
As of June 30, 2011 and 2010

ASSETS	2011	2010
Cash and cash equivalents	\$ 4,727,979	\$ 1,839,650
Accounts, contributions, program loan and accrued interest receivables, net of allowance of \$1,751,449 in 2011 and \$1,799,243 in 2010	2,999,652	4,313,682
Inventories, net (Note 3)	3,716,141	4,038,897
Prepaid expenses and other assets	1,386,938	1,420,069
Investments (Note 4)	486,836,553	434,580,837
Beneficial interest in investments held by third-party trustees (Note 6)	20,211,454	18,111,372
Land, building, and equipment, net (Note 7)	12,847,468	12,308,591
Collection (Note 2)	-	-
Total assets	<u>\$ 532,726,185</u>	<u>\$ 476,613,098</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 11,030,570	\$ 7,919,291
Payable under securities loan agreement (Note 4)	9,027,195	9,385,698
Charitable remainder trusts payable (Note 2)	5,528,169	4,901,264
Annuities payable (Note 2)	26,802,289	27,568,244
Deferred revenue under life income agreements (Note 2)	5,578,003	5,679,418
Accrued postretirement benefits (Note 9)	<u>38,289,315</u>	<u>36,829,493</u>
Total liabilities	<u>96,255,541</u>	<u>92,283,408</u>
 Commitments and Contingencies (Notes 4 and 11)		
NET ASSETS (Note 2)		
Unrestricted:		
Undesignated	9,246,974	8,514,824
Designated for specific operating purposes (Note 8)	21,617,930	19,430,447
Funds functioning as endowment (Notes 8 and 12)	329,075,926	286,772,908
Land, building, and equipment	<u>12,447,967</u>	<u>11,927,027</u>
Total unrestricted	372,388,797	326,645,206
Temporarily restricted (Note 8)	28,169,485	23,913,233
Permanently restricted (Notes 8 and 12)	<u>35,912,362</u>	<u>33,771,251</u>
Total net assets	<u>436,470,644</u>	<u>384,329,690</u>
Total liabilities and net assets	<u>\$ 532,726,185</u>	<u>\$ 476,613,098</u>

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

AMERICAN BIBLE SOCIETY
Statements of Activities
For the years ended June 30, 2011 and 2010

	2011				2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING ACTIVITIES								
Operating revenues-								
Contributions	\$ 22,098,340	\$ 5,378,830	\$ 329,523	\$ 27,806,693	\$ 22,199,519	\$ 4,374,054	\$ 376,687	\$ 26,950,260
Legacies	7,402,581	58,333	114,033	7,574,947	6,625,546	-	2,512	6,628,058
Scripture sales (Note 3)	7,959,570	-	-	7,959,570	8,295,914	-	-	8,295,914
Other	4,172,450	-	-	4,172,450	3,912,091	-	-	3,912,091
Net assets released from restrictions	5,470,540	(5,470,540)	-	-	5,553,555	(5,553,555)	-	-
Total operating revenues	<u>47,103,481</u>	<u>(33,377)</u>	<u>443,556</u>	<u>47,513,660</u>	<u>46,586,625</u>	<u>(1,179,501)</u>	<u>379,199</u>	<u>45,786,323</u>
Operating expenses- (Note 11)								
Program services-								
Scripture engagement and distribution:								
National ministries	44,779,360	-	-	44,779,360	39,505,979	-	-	39,505,979
International ministries (Note 5)	20,053,819	-	-	20,053,819	21,239,063	-	-	21,239,063
Total program services	<u>64,833,179</u>	<u>-</u>	<u>-</u>	<u>64,833,179</u>	<u>60,745,042</u>	<u>-</u>	<u>-</u>	<u>60,745,042</u>
Supporting services-								
Administration	6,669,524	-	-	6,669,524	7,032,688	-	-	7,032,688
Development and communications	11,364,070	-	-	11,364,070	11,011,374	-	-	11,011,374
Total supporting services	<u>18,033,594</u>	<u>-</u>	<u>-</u>	<u>18,033,594</u>	<u>18,044,062</u>	<u>-</u>	<u>-</u>	<u>18,044,062</u>
Total operating expenses	<u>82,866,773</u>	<u>-</u>	<u>-</u>	<u>82,866,773</u>	<u>78,789,104</u>	<u>-</u>	<u>-</u>	<u>78,789,104</u>
Changes in net assets from operating activities, before investment return appropriated for operations	(35,763,292)	(33,377)	443,556	(35,353,113)	(32,202,479)	(1,179,501)	379,199	(33,002,781)
Investment return appropriated for operations (Note 4)	34,815,712	-	-	34,815,712	25,514,468	-	-	25,514,468
Changes in net assets from operating activities	<u>(947,580)</u>	<u>(33,377)</u>	<u>443,556</u>	<u>(537,401)</u>	<u>(6,688,011)</u>	<u>(1,179,501)</u>	<u>379,199</u>	<u>(7,488,313)</u>
NONOPERATING ACTIVITIES								
Investment gains, net of amounts appropriated for operations (Note 4)	50,441,388	4,480,078	11,508	54,932,974	27,789,402	1,677,704	10,724	29,477,830
Appreciation in fair value of third-party trusts (Notes 4 and 6)	-	-	1,686,047	1,686,047	-	-	1,477,640	1,477,640
Change in value of split-interest agreements	(2,483,579)	(190,449)	-	(2,674,028)	(2,606,894)	576,804	-	(2,030,090)
Pension related activity other than net periodic pension expense	(1,266,638)	-	-	(1,266,638)	233,654	-	-	233,654
Changes in net assets from nonoperating activities	<u>46,691,171</u>	<u>4,289,629</u>	<u>1,697,555</u>	<u>52,678,355</u>	<u>25,416,162</u>	<u>2,254,508</u>	<u>1,488,364</u>	<u>29,159,034</u>
Changes in net assets	45,743,591	4,256,252	2,141,111	52,140,954	18,728,151	1,075,007	1,867,563	21,670,721
Net assets, beginning of year	326,645,206	23,913,233	33,771,251	384,329,690	307,917,055	22,838,226	31,903,688	362,658,969
Net assets, end of year	<u>\$ 372,388,797</u>	<u>\$ 28,169,485</u>	<u>\$ 35,912,362</u>	<u>\$ 436,470,644</u>	<u>\$ 326,645,206</u>	<u>\$ 23,913,233</u>	<u>\$ 33,771,251</u>	<u>\$ 384,329,690</u>

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

AMERICAN BIBLE SOCIETY
Statement of Functional Expenses
For the year ended June 30, 2011

	Program Services			Supporting Services			
	National Ministries	International Ministries	Total	Administration	Development and Communications	Total	Total
Grants	\$ 6,029,612	\$ 12,803,664	\$ 18,833,276	\$ -	\$ -	\$ -	\$ 18,833,276
Salaries and wages	11,148,552	1,760,103	12,908,655	2,353,294	3,270,768	5,624,062	18,532,717
Employee benefits	4,879,320	715,520	5,594,840	1,179,993	1,566,474	2,746,467	8,341,307
Pension expense	915,653	167,513	1,083,166	191,297	266,656	457,953	1,541,119
Professional fees	2,728,508	1,109,589	3,838,097	250,403	855,117	1,105,520	4,943,617
Legal fees	125,075	18,810	143,885	925,805	35,474	961,279	1,105,164
Accounting fees	48,255	13,581	61,836	101,016	20,585	121,601	183,437
Field reps. and other office expenses	308,902	53,745	362,647	73,395	46,265	119,660	482,307
Office supplies	246,201	38,853	285,054	43,379	84,426	127,805	412,859
Equipment, repairs and rentals	1,141,979	407,683	1,549,662	177,062	178,318	355,380	1,905,042
Telephone	413,330	55,568	468,898	63,394	92,170	155,564	624,462
Miscellaneous	241,483	91,048	332,531	190,347	85,222	275,569	608,100
Data processing	1,454,641	124,690	1,579,331	38,071	411,605	449,676	2,029,007
Occupancy	829,088	348,334	1,177,422	332,622	224,367	556,989	1,734,411
Travel and related costs	1,746,043	440,177	2,186,220	242,378	466,648	709,026	2,895,246
Depreciation and accretion of interest	1,266,538	701,947	1,968,485	184,710	166,900	351,610	2,320,095
Insurance	103,840	41,901	145,741	39,719	59,984	99,703	245,444
Memberships and subscriptions	109,257	96,123	205,380	22,518	25,372	47,890	253,270
Printing, publications and promotions	3,545,808	657,267	4,203,075	148,870	2,165,047	2,313,917	6,516,992
Postage and mailing	1,736,022	376,478	2,112,500	43,828	1,300,294	1,344,122	3,456,622
Storage costs	204,920	2,149	207,069	2,611	3,767	6,378	213,447
Meetings and conventions	341,642	29,076	370,718	64,812	38,611	103,423	474,141
Cost of Scripture and related materials sold	5,214,691	-	5,214,691	-	-	-	5,214,691
Total functional expenses	\$ 44,779,360	\$ 20,053,819	\$ 64,833,179	\$ 6,669,524	\$ 11,364,070	\$ 18,033,594	\$ 82,866,773

The accompanying notes are an integral part of this financial statement.

AMERICAN BIBLE SOCIETY
Statement of Functional Expenses
For the year ended June 30, 2010

	Program Services			Supporting Services			
	National Ministries	International Ministries	Total	Administration	Development and Communications	Total	Total
Grants	\$ 4,804,004	\$ 12,705,476	\$ 17,509,480	\$ -	\$ 13,045	\$ 13,045	\$ 17,522,525
Salaries and wages	9,992,156	2,281,641	12,273,797	2,847,564	2,572,563	5,420,127	17,693,924
Employee benefits	3,674,474	827,796	4,502,270	1,047,178	1,018,270	2,065,448	6,567,718
Pension expense	666,497	341,819	1,008,316	217,401	250,153	467,554	1,475,870
Professional fees	1,918,993	785,533	2,704,526	113,868	1,084,118	1,197,986	3,902,512
Legal fees	106,340	28,719	135,059	334,193	42,770	376,963	512,022
Accounting fees	32,474	16,654	49,128	142,431	17,389	159,820	208,948
Field reps. and other office expenses	349,570	77,426	426,996	95,847	45,628	141,475	568,471
Office supplies	237,146	54,522	291,668	56,333	69,298	125,631	417,299
Equipment, repairs and rentals	958,132	453,301	1,411,433	257,060	175,809	432,869	1,844,302
Telephone	384,646	75,722	460,368	77,453	94,024	171,477	631,845
Miscellaneous	205,231	58,580	263,811	97,099	64,532	161,631	425,442
Data processing	1,396,035	165,791	1,561,826	80,313	567,791	648,104	2,209,930
Occupancy	655,116	335,875	990,991	394,426	163,945	558,371	1,549,362
Travel and related costs	1,278,904	478,446	1,757,350	221,659	333,147	554,806	2,312,156
Depreciation and accretion of interest	2,071,177	1,062,222	3,133,399	735,703	372,382	1,108,085	4,241,484
Insurance	125,912	61,519	187,431	74,503	65,200	139,703	327,134
Memberships and subscriptions	132,341	29,277	161,618	47,104	20,984	68,088	229,706
Printing, publications and promotions	3,012,064	866,290	3,878,354	111,173	2,374,967	2,486,140	6,364,494
Postage and mailing	1,811,195	497,125	2,308,320	15,340	1,639,026	1,654,366	3,962,686
Storage costs	229,625	2,398	232,023	3,739	6,390	10,129	242,152
Meetings and conventions	226,490	32,931	259,421	62,301	19,943	82,244	341,665
Cost of Scripture and related materials sold	5,237,457	-	5,237,457	-	-	-	5,237,457
Total functional expenses	<u>\$ 39,505,979</u>	<u>\$ 21,239,063</u>	<u>\$ 60,745,042</u>	<u>\$ 7,032,688</u>	<u>\$ 11,011,374</u>	<u>\$ 18,044,062</u>	<u>\$ 78,789,104</u>

The accompanying notes are an integral part of this financial statement.

AMERICAN BIBLE SOCIETY
Statements of Cash Flows
For the years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 52,140,954	\$ 21,670,721
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	2,302,157	4,224,457
Change in provision for obsolete and slow-moving inventory	515,490	199,726
Accretion of interest on conditional asset retirement obligations	17,938	17,027
Net unrealized and realized appreciation in fair value of investments	(84,118,169)	(49,468,983)
Net unrealized and realized appreciation in fair value of third-party trusts	(1,686,047)	(1,477,640)
Changes in assets and liabilities:		
Decrease in accounts and accrued interest receivables	1,314,030	1,571,456
(Increase) decrease in inventories	(192,734)	1,004,126
Decrease in prepaid expenses and other assets	33,131	57,953
(Increase) decrease in contributions receivable and beneficial interest in investments held by third-party trustees, excluding split-interest agreements	(166,350)	425,189
Increase (decrease) in accounts payable and accrued expenses	3,093,341	(939,414)
Decrease in grants payable	-	(4,164,947)
Increase (decrease) in accrued postretirement benefits	1,459,822	(1,593,879)
Decrease in amounts held for United Bible Societies and others	-	(17,657,072)
Permanently restricted contributions	(443,556)	(379,199)
	<u>(25,729,993)</u>	<u>(46,510,479)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investment securities	306,279,818	350,831,102
Purchases of investment securities	(274,775,868)	(301,951,128)
Acquisition of fixed assets	(2,841,034)	(1,436,463)
	<u>28,662,916</u>	<u>47,443,511</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of new split-interest agreements, in excess of contributions recognized	1,336,186	1,250,782
Permanently restricted contributions	443,556	379,199
Change in value of split-interest agreements	678,264	2,980,474
Change in value of split-interest agreements held by third-parties	(247,685)	(950,384)
Payments to third-party beneficiaries under split-interest agreements	(5,380,672)	(5,534,116)
Investment income on split-interest agreements held for others	3,125,757	900,140
	<u>(44,594)</u>	<u>(973,905)</u>
Net cash used in financing activities	<u>(44,594)</u>	<u>(973,905)</u>
Net increase (decrease) in cash and cash equivalents	2,888,329	(40,873)
Cash and cash equivalents, beginning of year	<u>1,839,650</u>	<u>1,880,523</u>
Cash and cash equivalents, end of year	<u>\$ 4,727,979</u>	<u>\$ 1,839,650</u>

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

AMERICAN BIBLE SOCIETY

Notes to Financial Statements

June 30, 2011 and 2010

1. DESCRIPTION OF ORGANIZATION AND NATURE OF ACTIVITIES

The Organization

In 1816, the American Bible Society (the “Society”) was founded in New York City as a Christian organization committed to distributing and engaging people with God’s Word in the United States and throughout the world. Serving alongside the whole of the Christian Church, the Society remains dedicated to this original purpose, with a mission “to make the Bible available to every person in a language and format each can understand and afford, so all people may experience its life-changing message.”

Today’s American Bible Society challenges the notion that the Bible is a dusty, outdated rule book by helping people engage with God’s Word to make sense of life. This includes:

- Providing, through the national Scripture Provision Program, affordable Scripture resources in English, Spanish and over 200 languages that are readily available and in stock, in order to reach the broadest base of Christian churches, communities and ministries;
- Partnering with the U.S. military to provide Scripture to servicemen and women, veterans and their families;
- Putting the message of the Bible into action by championing the cause of the oppressed and wide-reaching victims of trauma;
- Providing translations for those who do not have the Bible in their heart language in a way that is true to the original language of the text;
- Working within a close fellowship with the United Bible Societies (“UBS”), a worldwide network of 145 national Bible Societies in over 200 countries.

The Society has three specialized units to help extend and strengthen its mission:

- **The Eugene Nida Institute for Biblical Scholarship** (“NIDA”) helps to secure the fidelity and integrity of all Society Scripture publications and engagement tools. NIDA, which is responsible for the Contemporary English Version and Good News Translation, works with UBS partners and others to provide Scripture in hundreds of languages and nonprofit formats.
- **Bibles.com** is the resource for affordable Scripture resources in English, Spanish and over 200 languages, serving the broadest base of Christian churches, communities and ministries.
- **Global Scripture Impact** provides the Society and other Christian ministries counsel and research to validate, evaluate and increase ministry impact. It also educates and equips donors with resources as to the level of funding needed to run the most effective, Scripture-based programs around the world.

The ongoing work of the Society, incorporated in the State of New York in 1841, is dependent on strong contributions from thousands of donors and supporters. The Society has been classified by the Internal Revenue Service as a not-for-profit organization exempt from federal taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. The Society classifies its unrestricted net assets as follows:

Undesignated - Net assets which are available for the general use and operating activities of the Society.

Designated for specific operating purposes - Net assets that are designated by the Society for specific operating purposes.

Funds functioning as endowment - Net assets functioning as endowment, the income from which will be used to provide for future operations. The Society's Board of Trustees annually approves the level of investment return to be appropriated for operations (see Notes 4 and 12).

Land, building, and equipment - Net assets relating to fixed assets that are used in the operations of the Society.

Temporarily restricted - Net assets subject to donor-imposed stipulations that will be met either by actions of the Society and/or the passage of time. In addition, earnings on donor-restricted endowment funds are classified as temporarily restricted, pursuant to New York Prudent Management of Institutional Funds Act ("NYPMIFA") until appropriated for spending by the Board of Trustees.

Permanently restricted - Net assets subject to donor-imposed stipulations that must be maintained permanently by the Society. Generally, the donors of these assets permit the Society to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

The accompanying statements of activities report the changes in net assets by operating and nonoperating activities. Nonoperating activities principally include investment return (loss) net of amounts appropriated for operations, changes in the fair value of third-party trusts, change in value of split-interest agreements, pension related activity other than net periodic pension expense, and other nonrecurring activities.

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

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, the most significant of which relate to actuarial assumptions used to calculate postretirement benefit obligations, the determination of allowances for doubtful accounts, loans and contribution receivables, provision for obsolete and slow-moving inventory, the useful lives assigned to buildings and equipment, obligations under split-interest agreements, and the fair value of certain financial instruments, particularly alternative investments. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Society classifies deposits in banks, money market accounts, and debt instruments with original maturities of three months or less from the date of purchase as cash equivalents, excluding cash and cash equivalents available for long-term investment, which are included within investments on the accompanying statements of financial position.

Split-Interest Agreements

Assets held under charitable gift annuities, life income funds, and charitable remainder trusts with the Society acting as trustee are included in investments. The Society's remainder interests under charitable remainder trusts administered by third-parties are reflected as beneficial interest in investments held by third-party trustees. Contribution revenue is recognized at the date these split-interest agreements are established.

Under the Society's charitable gift annuities program and for charitable remainder trusts where the Society is the trustee, liabilities are recorded for the present value of the estimated future payments expected to be made to the donors and/or other beneficiaries. Under the life income funds, deferred revenue is recorded representing the amount of the discount for future interests.

Upon termination of a life interest, the share of the corpus attributable to the life tenant becomes available to the Society. Changes in the life expectancy of the donor or beneficiary, amortization of the discount, and other changes in the estimates of future payments are reported as change in value of split-interest agreements on the statement of activities. The discount rate used to value split-interest agreements was 6% at June 30, 2011 and 2010.

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

The following tables summarize the changes in the Society's split-interest balances for the years ended June 30, 2011 and 2010:

	2011			
	Charitable Remainder Trusts	Annuity Agreements	Life Income Fund	Total
Balance at June 30, 2010	\$ 4,901,264	\$ 27,568,244	\$ 5,679,418	\$ 38,148,926
Proceeds of new split-interest agreements	235,313	1,102,584	(1,711)	1,336,186
Change in value of split-interest agreements	229,076	25,824	423,364	678,264
Payments to third-party beneficiaries under split-interest agreements	(624,415)	(4,373,985)	(382,272)	(5,380,672)
Investment income on split-interest agreements held for others	786,931	2,479,622	(140,796)	3,125,757
Balance at June 30, 2011	<u>\$ 5,528,169</u>	<u>\$ 26,802,289</u>	<u>\$ 5,578,003</u>	<u>\$ 37,908,461</u>
	2010			
	Charitable Remainder Trusts	Annuity Agreements	Life Income Fund	Total
Balance at June 30, 2009	\$ 4,669,353	\$ 28,353,977	\$ 5,528,316	\$ 38,551,646
Proceeds of new split-interest agreements	237,465	1,015,128	(1,811)	1,250,782
Change in value of split-interest agreements	326,677	2,508,928	144,869	2,980,474
Payments to third-party beneficiaries under split-interest agreements	(562,752)	(4,514,639)	(456,725)	(5,534,116)
Investment income on split-interest agreements held for others	230,521	204,850	464,769	900,140
Balance at June 30, 2010	<u>\$ 4,901,264</u>	<u>\$ 27,568,244</u>	<u>\$ 5,679,418</u>	<u>\$ 38,148,926</u>

Building, Equipment, and Depreciation

The Society's headquarters building in New York City has been fully depreciated. Building improvements are being depreciated over their estimated useful lives of 40 years. Furniture and equipment acquired for greater than \$5,000 and with useful lives greater than one year are capitalized and depreciated over their estimated useful lives, ranging from three to ten years. Depreciation is calculated using the straight-line method. Leasehold improvements acquired for greater than \$5,000 are recorded at cost and amortized on a straight-line basis over the lesser of the economic useful life of the respective asset or the lease period.

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

Library Collection

The Society maintains a rare scripture collection held for exhibition, education and research which has been acquired through purchases and contributions since the Society's inception. The Society maintains policies and procedures addressing the collection's upkeep and management. The Society has adopted the policy of not capitalizing its collection, which is insured at a value of approximately \$12 million. Purchases of collections are recorded as decreases in unrestricted net assets in the year in which the items are acquired. A portion of the library collection has been loaned to the Museum of Biblical Art ("MOBIA") through 2014 for purposes of conservation and exhibition.

Contributions

Contributions, which include unconditional promises to give, are recognized as revenues in the period received. Unconditional promises to give to the Society after one year are discounted using an appropriate discount rate commensurate with the risks involved (credit adjusted). Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

The Society has been notified of certain intentions to give under various wills and trust agreements, the realizable amounts of which are not presently determinable. The Society's share of such bequests is recorded when the Society has an irrevocable right to the bequest and the proceeds are measurable.

Scripture Sales, Royalties and Accounts Receivable

Scripture sales, net of discounts, are recorded when shipped and title passes to customers. Royalty income is recognized when earned. Accounts receivable, which principally relate to Scripture sales, are reflected net of an appropriate allowance for doubtful accounts. The allowance for doubtful accounts is determined based upon an annual review of account balances, including age of the balance and historical collection experience.

Fair Value of Financial Instruments

The carrying amounts of financial instruments approximate fair value. The fair value of investments is based on quoted market prices, except for certain investments, principally private equities and similar interests, for which quoted market prices are not readily available. The estimated fair value of these investments is based on valuations provided by external investment managers or by the respective general partner or manager. Because the fair value of the Society's investment in these assets is not readily available, their estimated value is subject to uncertainty and, therefore, may differ markedly from the value that would have been reported on the accompanying financial statements had a ready market for such investments existed. Such difference could be material. Liabilities under split-interest agreements are reflected based upon the present value of the estimated future payments expected to be made to donors and other beneficiaries (see Note 4).

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

Concentrations of Credit Risk

Financial instruments that potentially subject the Society to concentrations of credit risk consist principally of cash and cash equivalents and investments in fixed income funds, equity funds, and alternative investments. The Society maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Society's cash accounts were placed with high credit quality financial institutions and the Society's investment portfolio is diversified with several investment managers in a variety of asset classes. The Society has not experienced, nor does it anticipate, any losses with respect to such accounts.

Conditional Asset Retirement Obligation

In accordance with the accounting guidance for Conditional Asset Retirement Obligations, the Society recognized a liability associated with the eventual abatement of asbestos located in its headquarters building which at June 30, 2011 and 2010 totaled \$399,499 and \$381,561, respectively. For the years ended June 30, 2011 and 2010, the accretion of interest related to this obligation totaled \$17,938 and \$17,027, respectively.

Income Taxes

Certain of the Society's investments (Note 4) give rise to unrelated business income tax liabilities. There was no income tax expense for the year ended June 30, 2011. Income taxes paid for the year ended June 30, 2010 totaled \$193,467 and is deducted from investment income on the accompanying 2010 statement of activities.

In July 2006, guidance was issued in the area of "Accounting for Uncertainty in Income Taxes." The standard clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This standard provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The standard also provides guidance on measurement, classification, interest and penalties, and disclosure. It was effective for the Society on July 1, 2009, and had no material impact on the accompanying financial statements. The tax years ended 2008, 2009, and 2010 are still open to audit for both federal and state purposes. The Society has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

Reclassifications

Certain prior period amounts in Note 4 have been reclassified in order to conform to the 2011 presentation. Such reclassifications did not change total assets, liabilities, revenues, expenses or changes in net assets as reflected on the 2010 financial statements.

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

Subsequent Events

The Society evaluated its June 30, 2011 financial statements for subsequent events through January 3, 2012, the date the financial statements were available to be issued. The Society is not aware of any material subsequent events which would require recognition or disclosure in the accompanying financial statements.

3. INVENTORIES, NET

Inventories are valued at the lower of cost or market under the standard cost method, less an appropriate reserve for slow-moving or obsolete items. Inventories at June 30, 2011 and 2010 consist of the following:

	<u>2011</u>	<u>2010</u>
Finished Scripture products held for sale	\$ 5,549,631	\$ 5,215,530
Work in process and raw materials	<u>150,682</u>	<u>292,049</u>
	5,700,313	5,507,579
Less: Inventory reserve	<u>(1,984,172)</u>	<u>(1,468,682)</u>
	<u>\$ 3,716,141</u>	<u>\$ 4,038,897</u>
Components of gross margin:		
Scripture sales	\$ 7,959,570	\$ 8,295,914
Less: cost of Scripture and related materials sold	<u>(5,214,691)</u>	<u>(5,237,457)</u>
Gross margin on Scripture sales	<u>\$ 2,744,879</u>	<u>\$ 3,058,457</u>

4. INVESTMENTS

Investments, at fair value, at June 30, 2011 and 2010 consist of the following:

	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ 14,181,092	\$ 5,395,041
Receivable for securities sold	445,200	442,949
Equities	223,738,500	182,791,623
Fixed income	99,152,690	106,037,865
Private equity	24,352,206	20,256,129
Real assets	48,372,948	40,579,591
Absolute return	<u>76,593,917</u>	<u>79,077,639</u>
	<u>\$ 486,836,553</u>	<u>\$ 434,580,837</u>

The cost of the investments totaled \$378,848,860 and \$388,066,222 at June 30, 2011 and 2010, respectively. Included in investments at June 30, 2011 and 2010 are \$10,422,756 and \$10,644,063, respectively, held under trusts where the Society acts as trustee in connection with its split-interest agreements with donors. Life income agreements of \$12,101,836 and \$12,634,961 at June 30, 2011 and 2010, respectively, are also included in investments.

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

The Society lends certain equities and bonds included in its investment portfolio to brokerage firms. In return for the securities loaned, the Society receives cash and/or U.S. treasury securities as collateral in amounts at least equal to the fair value of the securities loaned. At June 30, 2011 and 2010, the fair value of the securities (collateral received) included in investments was \$9,027,195 and \$9,385,698, respectively. The Society retains all rights of ownership to the securities loaned and continues to receive all interest and dividend income. The related collateral at June 30, 2011 and 2010 is presented as part of investments and payable under securities loan agreement on the accompanying statements of financial position.

The Society has committed to investing an additional \$19,131,602 in certain private equity partnerships, which are to be funded primarily over the next 3-5 years, with a maximum commitment period of 12 years.

Fair Value Measurements

The Society adopted guidance that established a framework for measuring fair value and expanding its disclosures about fair value measurements. The standard provides a consistent definition for fair value which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of the respective financial instrument. The standard defines three levels of inputs which may be used to measure fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level I - Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments in Level I include listed equities held in the name of the Society, and exclude listed equities and other securities held indirectly through commingled funds.
- Level II - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the measurement date, and fair value is determined through the use of models or other valuation methodologies. Also included in Level 2 are investments measured using a NAV per share, or its equivalent, that may be redeemed at that NAV at the date of the statement of financial position or in the near term, which the Society has generally considered to be within 90 days.
- Level III - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include privately held investments and limited partnership interests. Also included in Level 3 are investments measured using a NAV per share, or its equivalent, that can never be redeemed at NAV or for which redemption at NAV is uncertain due to lockup periods or other investment restrictions.

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

The following table prioritizes the inputs used to report the fair value of the Society's investments within the hierarchy levels as of June 30, 2011:

	Cash /Equiv. & Receivables	Equities	Fixed Income	Alternative Assets			Total
				Private Equities	Real Assets	Absolute Return	
Level I	\$ 14,343,512	\$ 72,002,787	\$ 25,089,615	\$ -	\$ 8,313,588	\$ -	\$ 119,749,502
Level II	282,780	91,685,074	72,815,842	-	-	-	164,783,696
Level III	-	60,050,639	1,247,233	24,352,206	40,059,360	76,593,917	202,303,355
Total	<u>\$ 14,626,292</u>	<u>\$ 223,738,500</u>	<u>\$ 99,152,690</u>	<u>\$ 24,352,206</u>	<u>\$ 48,372,948</u>	<u>\$ 76,593,917</u>	<u>\$ 486,836,553</u>

The following table summarizes the changes in the Society's Level III investments for the year ended June 30, 2011:

	Equities	Fixed Income	Private Equities	Real Assets	Absolute Return	Total
Balance at June 30, 2010	\$ 42,788,666	\$ 1,267,476	\$ 20,256,129	\$ 25,668,107	\$ 79,077,639	\$ 169,058,017
Total net realized gains	3,005	-	2,286,913	809,058	6,861,125	9,960,101
Total net unrealized appreciation	17,189,152	(20,243)	6,110,497	2,207,041	2,655,183	28,141,630
Purchases of investments	25,191,597	-	4,067,476	15,564,378	48,951,285	93,774,736
Proceeds from sales, redemptions, and distributions	(25,121,781)	-	(8,368,809)	(4,189,224)	(60,951,315)	(98,631,129)
Balance at June 30, 2011	<u>\$ 60,050,639</u>	<u>\$ 1,247,233</u>	<u>\$ 24,352,206</u>	<u>\$ 40,059,360</u>	<u>\$ 76,593,917</u>	<u>\$ 202,303,355</u>

The following table summarizes the changes in the Society's Level II investments for the year ended June 30, 2011:

	Equities	Fixed Income	Total
Balance at June 30, 2010	\$ 80,075,797	\$ 64,031,604	\$ 144,107,401
Total net realized gains	5,318	73,699	79,017
Total net unrealized appreciation	21,339,520	1,768,916	23,108,436
Purchases of investments	32,827,854	59,703,390	92,531,244
Proceeds from sales, redemptions, and distributions	(42,563,415)	(52,761,767)	(95,325,182)
Balance at June 30, 2011	<u>\$ 91,685,074</u>	<u>\$ 72,815,842</u>	<u>\$ 164,500,916</u>

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

The following table summarizes the changes in the Society's Level I investments for the year ended June 30, 2011:

	<u>Equities</u>	<u>Fixed Income</u>	<u>Real Assets</u>	<u>Total</u>
Balance at June 30, 2010	\$ 59,927,160	\$ 40,738,785	\$ 14,911,484	\$ 115,577,429
Total net realized gains	4,370,715	897,123	1,979,661	7,247,499
Total net unrealized appreciation	13,002,108	(517,183)	2,734,089	15,219,014
Purchases of investments	21,908,845	16,662,669	2,975,948	41,547,462
Proceeds from sales, redemptions, and distributions	<u>(27,206,041)</u>	<u>(32,691,779)</u>	<u>(14,287,594)</u>	<u>(74,185,414)</u>
Balance at June 30, 2011	<u>\$ 72,002,787</u>	<u>\$ 25,089,615</u>	<u>\$ 8,313,588</u>	<u>\$ 105,405,990</u>

The following table prioritizes the inputs used to report the fair value of the Society's investments within the hierarchy levels as of June 30, 2010:

	<u>Cash /Equiv. & Payables</u>	<u>Equities</u>	<u>Fixed Income</u>	<u>Alternative Assets</u>		<u>Absolute Return</u>	<u>Total</u>
				<u>Private Equities</u>	<u>Real Assets</u>		
Level I	\$ 5,555,210	\$ 59,927,160	\$ 40,738,785	\$ -	\$ 14,911,484	\$ -	\$ 121,132,639
Level II	282,780	80,075,797	64,031,604	-	-	-	144,390,181
Level III	-	42,788,666	1,267,476	20,256,129	25,668,107	79,077,639	169,058,017
Total	<u>\$ 5,837,990</u>	<u>\$ 182,791,623</u>	<u>\$ 106,037,865</u>	<u>\$ 20,256,129</u>	<u>\$ 40,579,591</u>	<u>\$ 79,077,639</u>	<u>\$ 434,580,837</u>

The following table summarizes the changes in the Society's Level III investments for the year ended June 30, 2010:

	<u>Equities</u>	<u>Fixed Income</u>	<u>Private Equities</u>	<u>Real Assets</u>	<u>Absolute Return</u>	<u>Total</u>
Balance at June 30, 2009	\$ 36,911,658	\$ 1,267,476	\$ 17,869,648	\$ 21,158,026	\$ 71,021,980	\$ 148,228,788
Total net realized gains (losses)	3,917	-	654,173	-	(14,289)	643,801
Total net unrealized appreciation	3,968,315	-	2,034,415	3,872,325	8,038,113	17,913,168
Purchases of investments	62,919,122	-	18,729,541	3,405,753	119,615	85,174,031
Proceeds from sales, redemptions, and distributions	<u>(61,014,346)</u>	<u>-</u>	<u>(19,031,648)</u>	<u>(2,767,997)</u>	<u>(87,780)</u>	<u>(82,901,771)</u>
Balance at June 30, 2010	<u>\$ 42,788,666</u>	<u>\$ 1,267,476</u>	<u>\$ 20,256,129</u>	<u>\$ 25,668,107</u>	<u>\$ 79,077,639</u>	<u>\$ 169,058,017</u>

The Society's investments are managed in accordance with investment guidelines established by the Society's Board of Trustees. The Society's Board of Trustees annually approves the level of investment return to be appropriated for operations. The annual spending rate, subject to Board approval, is calculated as follows: 70% of the previous year's spending amount adjusted for the annual rate of inflation, plus 30% of the most recent four-quarter average market value of the investment pool multiplied by 5%. Amounts approved were \$20,500,392 and \$21,692,616 for 2011 and 2010, respectively. In addition, the Society's Board of Trustees also approved the use of \$14,315,320 and \$3,821,852 in 2011 and 2010, respectively, of investment return to fund additional program expenses, pension expense, post-retiree health care benefits and fixed asset purchases.

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

The components of investment gain (loss) for the years ended June 30, 2011 and 2010 were as follows:

	<u>2011</u>	<u>2010</u>
Interest and dividends	\$ 7,713,514	\$ 7,463,606
Unrealized appreciation in fair value of investments	66,473,075	54,835,287
Unrealized appreciation in fair value of investments in third-party trusts	1,686,047	1,477,640
Realized gains (losses)	17,280,687	(5,366,304)
Investment expenses	<u>(1,718,590)</u>	<u>(1,940,291)</u>
Investment gain, net	<u>\$ 91,434,733</u>	<u>\$ 56,469,938</u>
Amounts appropriated for program services	\$ (20,500,392)	\$ (21,692,616)
Amounts appropriated for specific operating purposes	<u>(14,315,320)</u>	<u>(3,821,852)</u>
Total investment return appropriated for operations	<u>(34,815,712)</u>	<u>(25,514,468)</u>
Investment gain, net of amounts appropriated for operations	<u>\$ 56,619,021</u>	<u>\$ 30,955,470</u>

The Society uses the NAV per share or its equivalent to determine the fair value of all the underlying investments which: (a) do not have a readily determinable fair value and (b) prepare their investees financial statements consistent with the measurement principles of an investment company or have the attributes of an investments company.

Per ASU 2009-12, the following tables list investments in other companies (in partnership format) by major category as of June 30, 2011:

<u>2011</u>								
<u>Type</u>	<u>Strategy</u>	<u>NAV in Funds</u>	<u># of Funds</u>	<u>Remaining Life</u>	<u>\$ Amount of Unfunded Commitments</u>	<u>Timing to Drawdown Commitments</u>	<u>Redemption Terms</u>	<u>Redemption Restrictions</u>
Private Equities	Venture and buyout in the U.S. and international.	\$ 24,352,206	25	1 to 12 years	\$ 10,097,642	1 to 10 years	None	N/A
Real Assets	Real assets and natural resources, primarily in the U.S., private equity structure and ETF's.	48,372,949	13	1 to 30 years	9,033,960	1 to 4 years	Private equity structures have no redemption options; 1 fund 35 days; ETF daily liquidity.	1 fund has a 1 year lock-up, expires 11/30/2011.
Absolute Return	Global equity and fixed income funds in market neutral strategies, fund-of-funds structure.	76,593,916	3	N/A	N/A	N/A	Ranges as follows: 65 days notice, 90 days notice, 100 days notice.	1 fund has a 3 year lock-up that is reset every 3 years and provides liquidity at the end of the period, expires 12/31/2013.
Equity Partnerships	Long/short and long only funds structured as partnerships.	8,345,207	2	N/A	N/A	N/A	30 days notice and quarterly redemptions.	1 fund has a 1 year lock-up, with a 20% gate on redemptions.
Commingled Funds	Global funds, primarily long only, equities and bond funds.	<u>108,540,086</u>	<u>6</u>	N/A	<u>N/A</u>	N/A	Ranges from 5 business days to 30 days notice.	N/A
Total		<u>\$ 266,204,364</u>	<u>49</u>		<u>\$ 19,131,602</u>			

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

2010								
Type	Strategy	NAV in Funds	# of Funds	Remaining Life	\$ Amount of Unfunded Commitments	Timing to Drawdown Commitments	Redemption Terms	Redemption Restrictions
Private Equities	Venture and buyout in the U.S. and international.	\$ 20,256,129	24	1 to 12 years	\$ 10,043,211	1 to 10 years	None	N/A
Real Assets	Real assets and natural resources, primarily in the U.S., private equity structure and ETF's.	40,579,591	13	1 to 30 years	5,179,671	1 to 4 years	Private equity structures have no redemption options; ETF's with 30 days notice	N/A
Absolute Return	Global equity and fixed income funds in market neutral strategies, fund-of-funds structure.	79,077,639	3	N/A	N/A	N/A	Ranges as follows: 65 days notice, 90 days notice, 100 days notice	1 fund has a 1 year lock-up, 1 fund has a 3 year lock-up, and 1 fund has a 25% per qtr. restriction and a 2 year lock-up
Equity Partnerships	Long/short and long only funds structured as partnerships.	41,088,902	2	N/A	N/A	N/A	30 days notice and quarterly redemptions	1 fund has a 1 year lock-up, with a 20% gate on redemptions
Commingled Funds	Global funds, primarily long only, equities and bond funds.	<u>95,044,493</u>	<u>8</u>	N/A	<u>N/A</u>	N/A	Ranges from 5 business days to 30 days notice	N/A
Total		<u>\$ 276,046,754</u>	<u>50</u>		<u>\$ 15,222,882</u>			

5. TRANSACTIONS WITH FELLOWSHIP AND AFFILIATED ORGANIZATIONS AND GRANTS PAYABLE

The Society provides major financial support to UBS and also supports member Bible Societies and programs designated by the fellowship. During fiscal 2011 and 2010, this support amounted to \$10,363,000 and \$10,060,000, respectively.

During fiscal 2006, due to the uncertainty associated with repayment, the Society agreed to convert its program loan receivable due from the Bible Society in Russia, in the amount of \$1,500,000, to a local fundraising challenge grant which, if successful, would lead to the eventual forgiveness of the loan balance. At June 30, 2011 and 2010, the receivable, which has been fully reserved for, totaled \$1,040,202 and \$1,143,748, respectively.

In addition to the loan of its rare Scripture collection (see Note 2), the Society provides major financial support and "in-kind" services to MOBIA. During fiscal 2011 and 2010, this support amounted to \$1,948,000 and \$1,585,000, respectively. Of these amounts, \$1,241,000 and \$1,000,000, respectively, consisted of cash contributions and the remaining amounts consisted of donated salaries and benefits and facilities costs.

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

6. BENEFICIAL INTEREST IN INVESTMENTS HELD BY THIRD-PARTY TRUSTEES

The Society maintains a beneficial interest in investments held by third-party trustees. The Society's share of such funds had a market value of \$20,211,454 and \$18,111,372 at June 30, 2011 and 2010, respectively.

At June 30, 2011 and 2010, the Society's beneficial interest in investments held by third-party trustees was classified as Level III within the fair value hierarchy.

The following table summarizes the changes in the Society's Level III beneficial interest in investments held by third-party trustees for the years ended June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Beginning balance	\$ 18,111,372	\$ 16,108,538
Distribution of trust assets (income and terminations)	(383,370)	(801,241)
Change in value due to actuarial valuations	247,685	950,383
Unrealized appreciation in fair value of third-party trusts	1,686,047	1,477,640
New trusts	549,720	376,052
Ending balance	<u>\$ 20,211,454</u>	<u>\$ 18,111,372</u>

7. LAND, BUILDING, AND EQUIPMENT, NET

Land, building, and equipment are carried at cost less accumulated depreciation and consist of the following at June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Building and building improvements	\$ 34,005,319	\$ 33,062,108
Furniture, machinery, and equipment	15,855,489	15,022,802
Leasehold improvements	580,861	579,606
Capitalized software	1,183,701	119,820
	<u>51,625,370</u>	<u>48,784,336</u>
Less: Accumulated depreciation	(38,802,902)	(36,500,745)
	12,822,468	12,283,591
Land	25,000	25,000
	<u>\$ 12,847,468</u>	<u>\$ 12,308,591</u>

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

8. NET ASSETS

The Society's Board of Trustees has designated certain unrestricted net assets for specific operating purposes as follows at June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Employee pension benefits	\$ 18,480,688	\$ 16,282,871
Bible engagement and distribution	1,349,115	3,039,128
Contingency funding for programs	<u>1,788,127</u>	<u>108,448</u>
	<u>\$ 21,617,930</u>	<u>\$ 19,430,447</u>

In addition, the Society's Board of Trustees has designated certain unrestricted net assets to function as an endowment (quasi-endowment). The investment return generated from these assets is used to fund operating expenses as approved by the Board of Trustees. Investment return in excess of approved amounts is used to maintain the purchasing power of the investments and to help ensure resources for future needs, ministries, and opportunities.

Temporarily restricted net assets at June 30, 2011 and 2010 are available for the following purposes:

	<u>2011</u>	<u>2010</u>
Life income agreements	\$ 11,103,841	\$ 9,999,853
Trust agreements	14,924,798	12,036,621
Geographically focused and operations	<u>2,140,846</u>	<u>1,876,759</u>
	<u>\$ 28,169,485</u>	<u>\$ 23,913,233</u>

Permanently restricted net assets of the Society are restricted to investment in perpetuity, the income from which is expendable for the following purposes:

	<u>2011</u>	<u>2010</u>
Bible engagement and distribution	\$ 7,425,210	\$ 7,313,702
General support	<u>28,487,152</u>	<u>26,457,549</u>
	<u>\$ 35,912,362</u>	<u>\$ 33,771,251</u>

9. PENSION, POSTRETIREMENT HEALTH CARE, AND LIFE INSURANCE BENEFITS

The Society currently provides a defined contribution pension plan for all qualified employees. The Society contributed approximately \$1,541,000 and \$1,476,000 in 2011 and 2010, respectively, to the plan. Contributions are based on a percentage of each eligible employee's compensation.

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

The Society also provides certain noncontributory health care and life insurance benefits to retired employees hired prior to July 1, 2005. This unfunded plan is designed to provide medical benefits to participants based upon date of hire and years of service.

The following table sets forth the plan's funded status and other information relative to the plan as of and for the years ended June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Funded status:		
Accumulated Postretirement Benefit Obligation ("APBO"):		
Current retirees	\$ (30,138,778)	\$ (30,327,744)
Actives	<u>(8,150,537)</u>	<u>(6,501,749)</u>
Total	<u>\$ (38,289,315)</u>	<u>\$ (36,829,493)</u>
Unfunded status	\$ (38,289,315)	\$ (36,829,493)

Amounts recognized in unrestricted net assets as of June 30, 2011 and 2010 consist of:

	<u>2011</u>	<u>2010</u>
Prior service credit	\$ (47,894)	\$ (61,185)
Actuarial losses	<u>8,015,783</u>	<u>6,762,436</u>
	<u>\$ 7,967,889</u>	<u>\$ 6,701,251</u>

Components of net periodic benefit cost for the years ended June 30, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Service cost	\$ 239,425	\$ 238,600
Interest cost	2,050,692	2,411,996
Amortization of:		
Prior service cost	(13,291)	(13,291)
Actuarial losses	<u>246,945</u>	<u>384,905</u>
Net periodic postretirement benefit cost	<u>\$ 2,523,771</u>	<u>\$ 3,022,210</u>

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

Other changes in benefit obligations recognized in unrestricted net assets for the years ended June 30, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Net actuarial loss	\$ 1,500,292	\$ (1,612,969)
Amortization of net gain	(233,654)	(371,614)
Amortization of prior service cost	-	-
Total changes recognized in unrestricted assets	<u>\$ 1,266,638</u>	<u>\$ (1,984,583)</u>
Total changes recognized in net periodic benefit cost and unrestricted net assets	<u>\$ 3,790,409</u>	<u>\$ 1,037,627</u>

The estimated net loss to be amortized from unrestricted net assets into net periodic benefit cost during fiscal 2012 is \$336,780.

Assumptions

	<u>2011</u>	<u>2010</u>
Assumptions used to determine benefit obligations at June 30:		
Discount rate	5.50 %	5.75 %
Assumptions used to determine net periodic benefit cost for the years ended June 30:		
Discount rate	5.75 %	6.50 %
Assumed health care cost trend rates at June 30:		
Health care cost trend rate assumed for next year	7.50 %	8.50 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00 %	5.00 %
Year that the rate reaches the ultimate trend rate	2016	2016
Rate of increase in the per capita cost of covered dental benefits	5.00 %	5.00 %
Effect of a 1% increase in health care cost trend rate on:		
Interest cost plus service cost	\$ 268,936	\$ 316,206
Accumulated postretirement benefit obligation	4,603,934	5,002,330
Effect of a 1% decrease in health care cost trend rate on:		
Interest cost plus service cost	(220,226)	(226,017)
Accumulated postretirement benefit obligation	(3,802,564)	(3,544,878)

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

Contributions

The Society expects to contribute \$2,330,029 to its postretirement benefit plan during the year ending June 30, 2012.

Estimated Future Benefit Payments

The following benefit payments, which reflect anticipated future service, are expected to be paid in the years ending June 30th, as follows:

2012	\$ 2,330,029
2013	2,438,261
2014	2,515,817
2015	2,540,092
2016	2,567,772
2017 to 2021	12,568,166

10. COMMITMENTS AND CONTINGENCIES

Rental Income

Total future minimum rental income under noncancelable operating leases for leased space in the Society's headquarters building at June 30, 2011 is as follows:

Year ending June 30:

2012	\$ 3,881,970
2013	3,679,649
2014	2,946,450
2015	3,163,550
	<u>\$ 13,671,619</u>

Rental income on facilities leased for the years ended June 30, 2011 and 2010 totaled \$3,462,963 and \$2,844,451, respectively.

Rental Expense

Total future minimum rental expense under noncancelable operating leases for facilities and equipment at June 30, 2011 is as follows:

Year ending June 30:

	<u>Facilities</u>	<u>Equipment</u>
2012	\$ 481,477	\$ 66,636
2013	472,048	64,440
2014	419,233	14,855
2015	175,732	-
	<u>\$ 1,548,490</u>	<u>\$ 145,931</u>

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

Office rent expense for the years ended June 30, 2011 and 2010 totaled \$430,353 and \$444,869, respectively. Equipment rent expense for each of the years ended June 30, 2011 and 2010 totaled \$65,959.

Contingencies

In the normal course of its operations, the Society is a party to various legal proceedings and complaints, some of which are covered by insurance. While it is not feasible to predict the ultimate outcomes of such matters, management of the Society is not aware of any claims or contingencies that would have a material adverse effect on the Society's financial position, changes in net assets or cash flows.

11. EXPENSES AND OTHER CHARGES

During the years ended June 30, 2011 and 2010, the Society incurred joint costs of \$7,288,676 and \$7,628,286, respectively, for informational materials and activities that included development appeals. Of those costs \$4,075,076 and \$3,987,319, respectively, were allocated to development while \$3,213,600 and \$3,640,967, respectively, were allocated to program services.

12. ENDOWMENT

The Society's endowment consists of approximately 640 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Society's Board of Trustees to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Society's Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions or relevant law.

On September 17, 2010, New York State passed the New York State Uniform Prudent Management of Institutional Funds Act. All not-for-profit organizations formed in New York, including the Society, must comply with this law, commencing with the Society's 2011 fiscal year.

From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the fund's historic dollar value. At June 30, 2011 and 2010, there were no deficiencies of this nature.

The Society has adopted investment and spending policies for endowment assets that support the objective of providing a sustainable and increasing level of endowment income distribution to support the Society's activities through the annual operating budget while preserving the real (inflation adjusted) purchasing power of the endowment exclusive of gift additions. The Society's primary investment objective is to maximize total return within reasonable and prudent levels of risk while maintaining sufficient liquidity to meet disbursement needs and ensure preservation of capital.

The Society has interpreted NYPMIFA as requiring the Society, absent explicit donor stipulations to the contrary, to act in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in making determinations to appropriate or accumulate endowment funds, taking into account both its obligation to preserve the value of the endowment and its obligations to use the endowment to achieve the purposes for which it was donated. 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)

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

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 such amounts are appropriated for expenditure by the Board of Trustees of the Society in a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, 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 its 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, and,
- (8) Where appropriate, alternatives to spending from the donor-restricted endowment fund and the possible effects on the Society.

Upon the enactment of NYPMIFA, the Society reviewed historic endowment earnings and disbursements and determined that no cumulative net asset reclassification was necessary.

The following table summarizes endowment net asset composition by type of fund as of June 30, 2011:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,268,917	\$ 18,519,637	\$ 19,788,554
Board-designated endowment funds	<u>329,075,926</u>	<u>-</u>	<u>-</u>	<u>329,075,926</u>
Total endowment funds	<u>\$329,075,926</u>	<u>\$ 1,268,917</u>	<u>\$ 18,519,637</u>	<u>\$348,864,480</u>

The following table summarizes endowment net asset composition by type of fund as of June 30, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ -	\$ 18,294,096	\$ 18,294,096
Board-designated endowment funds	<u>286,772,908</u>	<u>-</u>	<u>-</u>	<u>286,772,908</u>
Total endowment funds	<u>\$286,772,908</u>	<u>\$ -</u>	<u>\$ 18,294,096</u>	<u>\$305,067,004</u>

Excluded from permanently restricted net assets from the tables above at June 30, 2011 and 2010 are \$17,392,725 and \$15,477,154, respectively, of perpetual trusts held by third-parties.

AMERICAN BIBLE SOCIETY
Notes to Financial Statements
June 30, 2011 and 2010

The following table summarizes the changes in endowment net assets for the year ended June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 286,772,908	\$ -	\$ 18,294,096	\$ 305,067,004
Contributions, net of amounts transferred to operations*	(2,131,128)	-	214,033	(1,917,095)
Interest and dividends	7,086,326	-	11,508	7,097,834
Unrealized appreciation in fair value of investments	59,529,810	1,268,917	-	60,798,727
Realized gains	16,464,676	-	-	16,464,676
Investment expenses	(1,593,609)	-	-	(1,593,609)
Other income, primarily royalties	240,550	-	-	240,550
Amounts transferred to quasi-endowment	5,684	-	-	5,684
Net change in value of split-interest agreements	(2,483,579)	-	-	(2,483,579)
Amounts appropriated for program services	(20,500,392)	-	-	(20,500,392)
Amounts appropriated for specific operating purposes	(14,315,320)	-	-	(14,315,320)
Endowment net assets, end of year	<u>\$ 329,075,926</u>	<u>\$ 1,268,917</u>	<u>\$ 18,519,637</u>	<u>\$ 348,864,480</u>

The following table summarizes the changes in endowment net assets for the year ended June 30, 2010:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 260,349,624	\$ -	\$ 18,280,225	\$ 278,629,849
Contributions, net of amounts transferred to operations*	(2,474,533)	-	3,147	(2,471,386)
Interest and dividends	6,678,209	-	10,724	6,688,933
Unrealized appreciation in fair value of investments	51,074,103	-	-	51,074,103
Realized losses	(5,357,817)	-	-	(5,357,817)
Investment expenses	(1,801,486)	-	-	(1,801,486)
Other income, primarily royalties	112,903	-	-	112,903
Amounts transferred to quasi-endowment	6,313,267	-	-	6,313,267
Net change in value of split-interest agreements	(2,606,894)	-	-	(2,606,894)
Amounts appropriated for program services	(21,692,616)	-	-	(21,692,616)
Amounts appropriated for specific operating purposes	(3,821,852)	-	-	(3,821,852)
Endowment net assets, end of year	<u>\$ 286,772,908</u>	<u>\$ -</u>	<u>\$ 18,294,096</u>	<u>\$ 305,067,004</u>

* The Society reports legacies received as increases in unrestricted net assets unless use of the related assets is limited by explicit donor-imposed restrictions (i.e., temporarily or permanently restricted). Because of the variability of this revenue, the application of such funds to support operations is budgeted at an amount approved by the Board of Trustees annually. The excess or deficiency between the unrestricted legacies received and the amount budgeted is reported as an addition or deduction in funds functioning as endowment.