Financial Statements Together with
Report of Independent Certified Public Accountants

AMERICAN BIBLE SOCIETY

June 30, 2012 and 2011

AMERICAN BIBLE SOCIETY

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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, 2012 and 2011, 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, 2012 and 2011, 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.

Grant Thornton LLP

New York, New York
December 19, 2012

AMERICAN BIBLE SOCIETY
Statements of Financial Position
As of June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 1,808,911	$ 4,727,979
Accounts, contributions, program loan and accrued interest receivables, net of allowance of $1,861,876 in 2012 and $1,751,449 in 2011	3,423,090	2,999,652
Inventories, net (Note 3)	4,421,618	3,716,141
Prepaid expenses and other assets	1,364,186	1,386,938
Investments (Note 4)	436,179,279	486,836,553
Beneficial interest in investments held by third-party trustees (Note 6)	20,028,110	20,211,454
Land, building, and equipment, net (Note 7)	13,065,722	12,847,468
Collection (Note 2)	-	-
Total assets	$ 480,290,916	$ 532,726,185
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 10,772,665	$ 11,030,570
Payable under securities loan agreement (Note 4)	2,510,219	9,027,195
Obligations under charitable remainder trusts (Note 2)	5,029,985	5,528,169
Annuities payable (Note 2)	24,869,812	26,802,289
Deferred revenue under life income agreements (Note 2)	5,285,416	5,578,003
Accrued postretirement benefits (Note 9)	42,312,366	38,289,315
Total liabilities	90,780,463	96,255,541
Commitments and Contingencies (Notes 4 and 11)		
NET ASSETS (Note 2)		
Unrestricted:		
Undesignated	9,219,050	9,246,974
Designated for specific operating purposes (Note 8)	20,738,201	21,617,930
Funds functioning as endowment (Notes 8 and 12)	281,273,802	329,075,926
Land, building, and equipment	12,647,323	12,447,967
Total unrestricted	323,878,376	372,388,797
Temporarily restricted (Note 8)	31,205,321	28,169,485
Permanently restricted (Notes 8 and 12)	34,426,756	35,912,362
Total net assets	389,510,453	436,470,644
Total liabilities and net assets	$ 480,290,916	$ 532,726,185

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

AMERICAN BIBLE SOCIETY
Statements of Activities
For the years ended June 30, 2012 and 2011

	2012				2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING ACTIVITIES								
Operating revenues-								
Contributions	$ 23,062,719	$ 11,226,408	$ 10,818	$ 34,299,945	$ 22,098,340	$ 5,378,830	$ 329,523	$ 27,806,693
Legacies	5,528,038	10,000	-	5,538,038	7,402,581	58,333	114,033	7,574,947
Scripture sales (Note 3)	8,308,599	-	-	8,308,599	7,959,570	-	-	7,959,570
Other	3,365,720	-	-	3,365,720	4,172,450	-	-	4,172,450
Net assets released from restrictions and reclassifications	10,505,529	(9,525,397)	(980,132)	-	5,470,540	(5,470,540)	-	-
Total operating revenues	50,770,605	1,711,011	(969,314)	51,512,302	47,103,481	(33,377)	443,556	47,513,660
Operating expenses- (Note 11)								
Program services-								
Scripture engagement and distribution:								
National ministries	41,037,470	-	-	41,037,470	44,779,360	-	-	44,779,360
International ministries (Note 5)	27,612,965	-	-	27,612,965	20,053,819	-	-	20,053,819
Total program services	68,650,435	-	-	68,650,435	64,833,179	-	-	64,833,179
Supporting services-								
Administration	5,603,851	-	-	5,603,851	6,669,524	-	-	6,669,524
Development and communications	11,982,736	-	-	11,982,736	11,364,070	-	-	11,364,070
Total supporting services	17,586,587	-	-	17,586,587	18,033,594	-	-	18,033,594
Total operating expenses	86,237,022	-	-	86,237,022	82,866,773	-	-	82,866,773
Changes in net assets from operating activities, before investment return appropriated for operations	(35,466,417)	1,711,011	(969,314)	(34,724,720)	(35,763,292)	(33,377)	443,556	(35,353,113)
Investment return appropriated for operations (Note 4)	36,018,810	-	-	36,018,810	34,815,712	-	-	34,815,712
Changes in net assets from operating activities	552,393	1,711,011	(969,314)	1,294,090	(947,580)	(33,377)	443,556	(537,401)
NONOPERATING ACTIVITIES								
Investment (losses) gains, net of amounts appropriated for operations (Note 4)	(43,428,642)	591,779	11,783	(42,825,080)	50,441,388	4,480,078	11,508	54,932,974
(Depreciation) appreciation in fair value of third-party trusts (Notes 4 and 6)	-	-	(528,075)	(528,075)	-	-	1,686,047	1,686,047
Change in value of split-interest agreements	(1,881,790)	733,046	-	(1,148,744)	(2,483,579)	(190,449)	-	(2,674,028)
Pension related activity other than net periodic pension expense	(3,752,382)	-	-	(3,752,382)	(1,266,638)	-	-	(1,266,638)
Changes in net assets from nonoperating activities	(49,062,814)	1,324,825	(516,292)	(48,254,281)	46,691,171	4,289,629	1,697,555	52,678,355
Changes in net assets	(48,510,421)	3,035,836	(1,485,606)	(46,960,191)	45,743,591	4,256,252	2,141,111	52,140,954
Net assets, beginning of year	372,388,797	28,169,485	35,912,362	436,470,644	326,645,206	23,913,233	33,771,251	384,329,690
Net assets, end of year	$ 323,878,376	$ 31,205,321	$ 34,426,756	$ 389,510,453	$ 372,388,797	$ 28,169,485	$ 35,912,362	$ 436,470,644

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

AMERICAN BIBLE SOCIETY
Statement of Functional Expenses
For the year ended June 30, 2012

	Program Services			Supporting Services			
	National Ministries	International Ministries	Total	Administration	Development and Communications	Total	Total
Scripture program payments	$ 4,722,172	$ 16,623,064	$ 21,345,236	$ -	$ -	$ -	$ 21,345,236
Salaries and wages	10,882,905	3,251,101	14,134,006	2,251,642	3,231,946	5,483,588	19,617,594
Employee benefits	2,565,822	777,541	3,343,363	542,896	765,160	1,308,056	4,651,419
Pension expense	1,008,342	151,611	1,159,953	183,566	287,086	470,652	1,630,605
Postretirement benefits	1,860,080	279,121	2,139,201	334,253	528,533	862,786	3,001,987
Professional fees	3,304,444	2,043,516	5,347,960	402,094	1,331,985	1,734,079	7,082,039
Legal fees	61,162	16,784	77,946	125,362	10,907	136,269	214,215
Accounting fees	49,286	23,459	72,745	89,188	13,339	102,527	175,272
Office supplies	240,119	73,033	313,152	42,536	62,962	105,498	418,650
Equipment, repairs and rentals	749,786	474,719	1,224,505	153,714	126,881	280,595	1,505,100
Telephone	287,744	93,254	380,998	42,139	77,857	119,996	500,994
Miscellaneous	87,314	24,759	112,073	64,047	30,415	94,462	206,535
Data processing	1,619,167	233,068	1,852,235	56,282	458,197	514,479	2,366,714
Occupancy	1,080,185	694,550	1,774,735	438,026	246,769	684,795	2,459,530
Travel and related costs	1,325,876	724,934	2,050,810	221,339	383,649	604,988	2,655,798
Depreciation and accretion of interest	1,120,902	308,710	1,429,612	468,635	253,937	722,572	2,152,184
Insurance	89,216	60,842	150,058	26,274	57,666	83,940	233,998
Memberships and subscriptions	152,470	14,975	167,445	19,453	17,749	37,202	204,647
Printing, publications and promotions	3,076,845	1,319,066	4,395,911	61,966	3,150,613	3,212,579	7,608,490
Postage and mailing	1,291,337	374,890	1,666,227	16,239	899,038	915,277	2,581,504
Storage costs	272,942	4,388	277,330	7,443	4,467	11,910	289,240
Scripture-based conventions and meetings	241,357	45,580	286,937	56,757	43,580	100,337	387,274
Cost of Scripture and related materials sold	4,947,997	-	4,947,997	-	-	-	4,947,997
Total functional expenses	$ 41,037,470	$ 27,612,965	$ 68,650,435	$ 5,603,851	$ 11,982,736	$ 17,586,587	$ 86,237,022

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

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
Scripture program payments	$ 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	3,126,189	483,796	3,609,985	691,889	956,840	1,648,729	5,258,714
Pension expense	915,653	167,513	1,083,166	191,297	266,656	457,953	1,541,119
Postretirement benefits	1,753,131	231,724	1,984,855	488,104	609,634	1,097,738	3,082,593
Professional fees	2,851,687	1,187,126	4,038,813	257,377	876,892	1,134,269	5,173,082
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
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	118,303	13,511	131,814	183,372	63,446	246,818	378,632
Data processing	1,454,641	124,690	1,579,331	38,071	411,605	449,676	2,029,007
Occupancy	1,132,357	400,671	1,533,028	394,150	253,666	647,816	2,180,844
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
Scripture-based conventions and meetings	347,276	30,484	377,760	76,680	55,578	132,258	510,018
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
Statements of Cash Flows
For the years ended June 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ (46,960,191)	$ 52,140,954
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	2,913,301	2,302,157
Change in provision for obsolete and slow-moving inventory	(683,878)	515,490
Accretion of interest on conditional asset retirement obligations	18,898	17,938
Net unrealized and realized depreciation (appreciation) in fair value of investments	5,549,341	(84,118,169)
Net unrealized and realized depreciation (appreciation) in fair value of third-party trusts	528,075	(1,686,047)
Changes in assets and liabilities:		
(Increase) decrease in accounts and accrued interest receivables	(765,260)	1,314,030
Decrease (increase) in inventories	(21,599)	(192,734)
Decrease in prepaid expenses and other assets	22,752	33,131
Increase in contributions receivable and beneficial interest in investments held by third-party trustees, excluding split-interest agreements	(193,671)	(166,350)
(Decrease) increase in accounts payable and accrued expenses	65,018	3,093,341
Increase in accrued postretirement benefits	4,023,051	1,459,822
Permanently restricted contributions	(10,818)	(443,556)
Net cash used in operating activities	(35,514,981)	(25,729,993)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investment securities	192,956,481	306,279,818
Purchases of investment securities	(154,365,524)	(274,775,868)
Acquisition of fixed assets	(3,131,555)	(2,841,034)
Net cash provided by investing activities	35,459,402	28,662,916
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of new split-interest agreements, in excess of contributions recognized	672,581	1,336,186
Permanently restricted contributions	10,818	443,556
Change in value of split-interest agreements	1,322,225	678,264
Change in value of split-interest agreements held by third-parties	(151,059)	(247,685)
Payments to third-party beneficiaries under split-interest agreements	(5,489,084)	(5,380,672)
Investment income on split-interest agreements held for others	771,030	3,125,757
Net cash used in financing activities	(2,863,489)	(44,594)
Net (decrease) increase in cash and cash equivalents	(2,919,068)	2,888,329
Cash and cash equivalents, beginning of year	4,727,979	1,839,650
Cash and cash equivalents, end of year	$ 1,808,911	$ 4,727,979

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

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 Society continues to invite millions across the globe to experience the life-changing message of the Bible, focusing on:

- RESTORATION - For those facing the world's toughest traumas;
- UNCOVER THE WORD - For today's generations set adrift;
- TO THE NATIONS - For those without God's Word in their own language and communities.

The Society carries out its mission by:

- Affirming the power of God to speak to every generation through the Holy Scripture;
- Providing translations of the Holy Scripture that are faithful to the original biblical texts;
- Working in partnership with all Christian churches and Christian communities; and,
- Using the best of today's technology and tools to allow the Word of God to come alive for both culture-facing Bible advocacy and church equipping Bible engagement.

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.

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 the 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.

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 estimates and assumptions embodied in the accompanying financial statements 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.

Grants Payable

The awarding of grants is reflected on the financial statements at the time they are approved by the Society. Grants represent unconditional promises to give and are expected to be paid within one year. Grants payable are included within accounts payable and accrued expenses on the accompanying statements of financial position. As of June 30, 2012 and 2011, the Society had grants payable of $649,367 and $229,810, respectively.

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, 2012 and 2011.

The following tables summarize the changes in the Society's obligations under split-interest agreements for the years ended June 30, 2012 and 2011:

	2012			
	Charitable Remainder Trusts	**Annuity Agreements**	**Life Income Fund**	**Total**
Balance at June 30, 2011	$ 5,528,169	$ 26,802,289	$ 5,578,003	$ 37,908,461
Proceeds of new split-interest agreements	-	674,534	(1,953)	672,581
Change in value of split-interest agreements	(220,487)	1,829,824	(287,112)	1,322,225
Payments to third-party beneficiaries under split-interest agreements	(628,560)	(4,459,638)	(400,886)	(5,489,084)
Investment income on split-interest agreements held for others	350,863	22,803	397,364	771,030
Balance at June 30, 2012	$ 5,029,985	$ 24,869,812	$ 5,285,416	$ 35,185,213

	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	$ 5,528,169	$ 26,802,289	$ 5,578,003	$ 37,908,461

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 installed 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 betterment or the lease period to which they pertain.

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 2015 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).

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, 2012 and 2011 totaled $418,399 and $399,499, respectively. For the years ended June 30, 2012 and 2011, the accretion of interest related to this obligation totaled $18,898 and $17,938, respectively.

Income Taxes

Certain of the Society's investments (Note 4) give rise to unrelated business income tax liabilities. During the year ended June 30, 2012, the Society received tax refunds totaling $123,220 for applying the loss incurred during the year ended June 30, 2010 against the revenues subject to tax for the years ended June 30, 2008 and 2009. In addition, the Society paid income taxes of $96,457 for the year ended June 30, 2011 and estimated taxes of $98,320 for the year ended June 30, 2012. Income taxes paid that are not offset by refunds are deducted from investment income on the accompanying 2012 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 2009, 2010, and 2011 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 the accompanying 2011 statement of functional expenses have been reclassified in order to conform to the 2012 presentation. Such reclassifications did not change total assets, liabilities, revenues, expenses or changes in net assets as reflected on the 2011 financial statements.

Subsequent Events

The Society evaluated its June 30, 2012 financial statements for subsequent events through December 19, 2012, the date the financial statements were available to be issued.

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, 2012 and 2011 consist of the following:

	2012	2011
Finished Scripture products held for sale	$ 5,446,504	$ 5,549,631
Work in process and raw materials	275,408	150,682
	5,721,912	5,700,313
Less: Inventory reserve	(1,300,294)	(1,984,172)
	$ 4,421,618	$ 3,716,141
Components of gross margin:		
Scripture sales	$ 8,308,599	$ 7,959,570
Less: cost of Scripture and related materials sold	(4,947,997)	(5,214,691)
Gross margin on Scripture sales	$ 3,360,602	$ 2,744,879

4. INVESTMENTS

Investments, at fair value, at June 30, 2012 and 2011 consist of the following:

	2012	2011
Cash and cash equivalents	$ 18,896,590	$ 14,181,092
Receivable for securities sold	579,234	445,200
Equities	172,603,998	223,738,500
Fixed income	95,076,768	99,152,690
Private equity	24,017,716	24,352,206
Real assets	43,679,886	48,372,948
Absolute return	81,325,087	76,593,917
	$ 436,179,279	$ 486,836,553

The cost of the investments totaled $343,670,726 and $378,848,860 at June 30, 2012 and 2011, respectively. Included in investments at June 30, 2012 and 2011 are $9,730,856 and $10,422,756, respectively, held under trusts where the Society acts as trustee in connection with its split-interest agreements with donors. Life income agreements of $11,614,909 and $12,101,836 at June 30, 2012 and 2011, respectively, are also included in investments.

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, 2012 and 2011, the fair value of the securities (collateral received) included in investments was $2,510,219 and $9,027,195, 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, 2012 and 2011 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 $21,924,473 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 1 - 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 2 - 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 3 - 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 and similar 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.

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, 2012:

				Alternative Assets			
	Cash /Equiv. & Receivables	**Equities**	**Fixed Income**	**Private Equity**	**Real Assets**	**Absolute Return**	**Total**
Level 1	$ 19,193,044	$ 70,767,643	$ 29,034,257	$ -	$ 6,682,478	$ -	$ 125,677,422
Level 2	282,780	47,197,220	64,702,149	-	-	-	112,182,149
Level 3	-	54,639,135	1,340,362	24,017,716	36,997,408	81,325,087	198,319,708
Total	$ 19,475,824	$ 172,603,998	$ 95,076,768	$ 24,017,716	$ 43,679,886	$ 81,325,087	$ 436,179,279

The following table summarizes the changes in the Society's Level 3 investments for the year ended June 30, 2012:

	Equities	**Fixed Income**	**Private Equity**	**Real Assets**	**Absolute Return**	**Total**
Balance at June 30, 2011	$ 60,050,639	$ 1,247,233	$ 24,352,206	$ 40,059,360	$ 76,593,917	$ 202,303,355
Total net realized gains	75,205	-	3,214,798	102,139	28,415	3,420,557
Unrealized appreciation (depreciation)	2,260,900	18,366	(2,042,648)	(2,217,868)	(297,278)	(2,278,528)
Purchases of investments	3,348,419	74,763	415,670	5,813,419	5,123,974	14,776,245
Proceeds from sales, redemptions, and distributions	(11,096,028)	-	(1,922,310)	(6,759,642)	(123,941)	(19,901,921)
Balance at June 30, 2012	$ 54,639,135	$ 1,340,362	$ 24,017,716	$ 36,997,408	$ 81,325,087	$ 198,319,708

The following table summarizes the changes in the Society's Level 2 investments for the year ended June 30, 2012:

	Equities	Fixed Income	Total
Balance at June 30, 2011	$ 91,685,074	$ 72,815,842	$ 164,500,916
Total net realized gains	2,252,688	198,206	2,450,894
Unrealized appreciation (depreciation)	(12,162,161)	1,539,424	(10,622,737)
Purchases of investments	5,798,019	32,838,412	38,636,431
Proceeds from sales, redemptions, and distributions	(40,376,400)	(42,689,735)	(83,066,135)
Balance at June 30, 2012	$ 47,197,220	$ 64,702,149	$ 111,899,369

The following table summarizes the changes in the Society's Level 1 investments for the year ended June 30, 2012:

	Equities	Fixed Income	Real Assets	Total
Balance at June 30, 2011	$ 72,002,783	$ 25,089,615	$ 8,313,588	$ 105,405,986
Total net realized gains	2,482,028	429,686	-	2,911,714
Unrealized (depreciation) appreciation	(7,654,233)	1,348,965	(1,631,110)	(7,936,378)
Purchases of investments	27,600,111	17,902,738	-	45,502,849
Proceeds from sales, redemptions, and distributions	(23,663,046)	(15,736,747)	-	(39,399,793)
Balance at June 30, 2012	$ 70,767,643	$ 29,034,257	$ 6,682,478	$ 106,484,378

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:

				Alternative Assets			
	Cash /Equiv. & Receivables	Equities	Fixed Income	Private Equity	Real Assets	Absolute Return	Total
Level 1	$ 14,343,512	$ 72,002,787	$ 25,089,615	$ -	$ 8,313,588	$ -	$ 119,749,502
Level 2	282,780	91,685,074	72,815,842	-	-	-	164,783,696
Level 3	-	60,050,639	1,247,233	24,352,206	40,059,360	76,593,917	202,303,355
Total	$ 14,626,292	$ 223,738,500	$ 99,152,690	$ 24,352,206	$ 48,372,948	$ 76,593,917	$ 486,836,553

The following table summarizes the changes in the Society's Level 3 investments for the year ended June 30, 2011:

	Equities	Fixed Income	Private Equity	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	$ 60,050,639	$ 1,247,233	$ 24,352,206	$ 40,059,360	$ 76,593,917	$ 202,303,355

The following table summarizes the changes in the Society's Level 2 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	$ 91,685,074	$ 72,815,842	$ 164,500,916

The following table summarizes the changes in the Society's Level 1 investments for the year ended June 30, 2011:

	Equities	Fixed Income	Real Assets	Total
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 (depreciation)	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	(27,206,041)	(32,691,779)	(14,287,594)	(74,185,414)
Balance at June 30, 2011	$ 72,002,787	$ 25,089,615	$ 8,313,588	$ 105,405,990

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 fair market value of the investment pool multiplied by 5%. Amounts approved were $19,976,847 and $20,500,392 for 2012 and 2011, respectively. In addition, the Society's Board of Trustees also approved the use of $16,041,963 and $14,315,320 in 2012 and 2011, respectively, of investment return to fund additional program expenses, pension expense, post-retiree health care benefits and fixed asset purchases.

The components of investment (loss) gain for the years ended June 30, 2012 and 2011 are as follows:

	2012	2011
Interest and dividends	$ 6,895,984	$ 7,713,514
Unrealized (depreciation) appreciation in fair value of investments	(20,837,641)	66,473,075
Unrealized (depreciation) appreciation in fair value of investments in third-party trusts	(528,075)	1,686,047
Realized gains	8,771,321	17,280,687
Investment expenses	(1,635,934)	(1,718,590)
Investment (loss) gain, net	$ (7,334,345)	$ 91,434,733
Amounts appropriated for program services	$ (19,976,847)	$ (20,500,392)
Amounts appropriated for specific operating purposes	(16,041,963)	(14,315,320)
Total investment return appropriated for operations	(36,018,810)	(34,815,712)
Investment (loss) gain, net of amounts appropriated for operations	$ (43,353,155)	$ 56,619,021

The Society uses the net asset value ("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 investment company.

Per ASU 2009-12, the following tables list investments in other companies (in partnership format) by major category as of June 30, 2012 and 2011:

2012

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.	$ 24,017,706	25	1 to 12 years	$ 9,586,348	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.	43,679,886	14	1 to 30 years	12,338,125	1 to 4 years	Private equity structures have no redemption options; 1 fund 35 days; ETF daily liquidity.	N/A
Absolute Return	Global equity and fixed income funds in market neutral strategies, fund-of-funds structure.	81,325,087	4	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 period 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.	52,931,857	2	N/A	N/A	N/A	30 days notice and quarterly/ annual redemptions.	N/A
Commingled Funds	Global funds, primarily long only, equities and bond funds.	77,166,337	6	N/A	N/A	N/A	Ranges from 2 business days to 30 days notice.	N/A
Total		$ 279,120,873	51		$ 21,924,473			

				2011				
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.	$ 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.	48,372,948	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.	76,593,917	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.	108,540,086	6	N/A	N/A	N/A	Ranges from 5 business days to 30 days notice.	N/A
Total		$ 266,204,364	49		$ 19,131,602			

5. TRANSACTIONS WITH FELLOWSHIP AND AFFILIATED ORGANIZATIONS

The Society provides major financial support to the United Bible Societies Association "UBSA," and, as one of the founding national Bible Societies of the United Bible Societies fellowship, performs its program efforts globally through funding programmatic efforts of its fellow national Bible Societies. During fiscal 2012 and 2011, this support amounted to $12,255,000 and $10,363,000, respectively. In addition, during fiscal 2012, the Society extended a line of credit of up to $2 million to support UBSA transition needs payable through 2016 at no interest. As of June 30, 2012, UBSA has not drawn down on the line of credit.

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, 2012 and 2011, the receivable, which has been fully reserved for, totaled $933,486 and $1,040,202, 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 annually. During fiscal 2012 and 2011, this support amounted to $1,884,000 and $1,948,000, respectively. Of each of these amounts, $1,241,000 consisted of cash contributions and the remaining amounts consisted of donated salaries and benefits and facilities costs.

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 $20,028,110 and $20,211,454 at June 30, 2012 and 2011, respectively.

At June 30, 2012 and 2011, the Society's beneficial interest in investments held by third-party trustees was classified as Level 3 within the fair value hierarchy.

The following tables summarize the changes in the Society's Level 3 beneficial interest in investments held by third-party trustees for the years ended June 30, 2012 and 2011:

	2012	2011
Beginning balance	$ 20,211,454	$ 18,111,372
Distribution of trust assets (income and terminations)	-	(383,370)
Change in value due to actuarial valuations	151,059	247,685
Unrealized (depreciaiton) appreciation in fair value of third-party trusts	(528,075)	1,686,047
New trusts	193,672	549,720
Ending balance	$ 20,028,110	$ 20,211,454

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, 2012 and 2011:

	2012	2011
Building and building improvements	$ 34,100,574	$ 34,005,319
Furniture, machinery, and equipment	17,842,141	15,855,489
Leasehold improvements	765,244	580,861
Capitalized software	2,048,966	1,183,701
	54,756,925	51,625,370
Less: Accumulated depreciation	(41,716,203)	(38,802,902)
	13,040,722	12,822,468
Land	25,000	25,000
	$ 13,065,722	$ 12,847,468

8. NET ASSETS

The Society's Board of Trustees has designated certain unrestricted net assets for specific operating purposes as follows at June 30, 2012 and 2011:

	2012	2011
Employee pension benefits	$ 16,444,185	$ 18,480,688
Bible engagement and distribution	900,000	1,349,115
Contingency funding for programs	3,394,016	1,788,127
	$ 20,738,201	$ 21,617,930

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, 2012 and 2011 are available for the following purposes:

	2012	2011
Life income agreements	$ 11,363,316	$ 11,103,841
Trust agreements	15,629,266	14,924,798
Geographically focused and operations	4,212,739	2,140,846
	$ 31,205,321	$ 28,169,485

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

	2012	2011
Bible engagement and distribution	$ 6,456,861	$ 7,425,210
General support	27,969,895	28,487,152
	$ 34,426,756	$ 35,912,362

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 $1,631,000 and $1,541,000 in 2012 and 2011, respectively, to the plan. Contributions are based on a percentage of each eligible employee's compensation.

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, 2012 and 2011:

	2012	2011
Funded status:		
Accumulated Postretirement Benefit Obligation ("APBO"):		
Current retirees	$ (32,203,246)	$ (30,138,778)
Actives	(10,109,120)	(8,150,537)
Total	$ (42,312,366)	$ (38,289,315)

Amounts recognized in unrestricted net assets as of June 30, 2012 and 2011 consist of:

	2012	2011
Prior service credit	$ (34,602)	$ (47,894)
Actuarial losses	11,754,874	8,015,783
	$ 11,720,272	$ 7,967,889

Components of net periodic benefit cost for the years ended June 30, 2012 and 2011 are as follows:

	2012	2011
Service cost	$ 216,755	$ 239,425
Interest cost	2,041,836	2,050,692
Amortization of:		
Prior service cost	(13,291)	(13,291)
Actuarial losses	355,398	246,945
Net periodic postretirement benefit cost	$ 2,600,698	$ 2,523,771

Other changes in benefit obligations recognized in unrestricted net assets for the years ended June 30, 2012 and 2011 are as follows:

	2012	2011
Net actuarial loss	$ 4,094,489	$ 1,500,292
Amortization of net gain	(342,107)	(233,654)
Amortization of prior service cost	-	-
Total changes recognized in unrestricted assets	$ 3,752,382	$ 1,266,638
Total changes recognized in net periodic benefit cost and unrestricted net assets	$ 5,420,580	$ 3,790,409

The estimated net loss to be amortized from unrestricted net assets into net periodic benefit cost during fiscal 2013 is $580,349.

Assumptions

	2012	2011
Assumptions used to determine benefit obligations at June 30:		
Discount rate	3.88 %	5.50 %
Assumptions used to determine net periodic benefit cost for the years ended June 30:		
Discount rate	5.50 %	5.75 %
Assumed health care cost trend rates at June 30:		
Health care cost trend rate assumed for next year	8.00 %	7.50 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.50 %	5.00 %
Year that the rate reaches the ultimate trend rate	2019	2016
Rate of increase in the per capita cost of covered dental benefits	4.50 %	5.00 %
Effect of a 1% increase in health care cost trend rate on:		
Interest cost plus service cost	$ 295,744	$ 268,936
Accumulated postretirement benefit obligation	5,221,626	4,603,934
Effect of a 1% decrease in health care cost trend rate on:		
Interest cost plus service cost	$ (149,286)	$ (220,226)
Accumulated postretirement benefit obligation	(4,259,761)	(3,802,564)

Contributions

The Society expects to contribute $2,210,083 to its postretirement benefit plan during the year ending June 30, 2013.

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:

2013	$ 2,210,083
2014	2,279,974
2015	2,338,674
2016	2,361,939
2017	2,401,099
2018 to 2022	11,379,673

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, 2012 is as follows:

Year ending June 30:	
2013	$ 3,755,268
2014	2,950,594
2015	3,039,112
	$ 9,744,974

Rental income on facilities leased for the years ended June 30, 2012 and 2011 totaled $3,929,983 and $3,462,963, respectively.

Rental Expense

Total future minimum rental expense under noncancelable operating leases for facilities and equipment at June 30, 2012 is as follows:

Year ending June 30:	Facilities	Equipment
2013	$ 472,048	$ 64,440
2014	419,233	14,855
2015	175,732	-
	$ 1,067,013	$ 79,295

Office rent expense for the years ended June 30, 2012 and 2011 totaled $481,477 and $430,353, respectively. Equipment rent expense for each of the years ended June 30, 2012 and 2011 totaled $66,636 and $65,959, respectively.

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, 2012 and 2011, the Society incurred joint costs of $9,431,619 and $7,288,676, respectively, for informational materials and activities that included development appeals. Of those costs $5,102,506 and $4,075,076, respectively, were allocated to development while $4,329,113 and $3,213,600, 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, 2012 and 2011, 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) 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.

During the year ended June 30, 2012, following the required review by the Office of the Attorney General of the State of New York, the Society modified donor-imposed restrictions on certain permanent endowment funds of $980,132 that had become impractical to fulfill due to substantial changes in circumstances. These amounts are presented as a reclassification of net assets in the below table. The Society has designated each of these funds for Bible distribution, translation, engagement or advocacy in a manner that is respectful of original donor intent and fitting with the Society's mission.

The following table summarizes endowment net asset composition by type of fund as of June 30, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 2,249,049	$ 17,551,288	$ 19,800,337
Board-designated endowment funds	281,273,802	-	-	281,273,802
Total endowment funds	$ 281,273,802	$ 2,249,049	$ 17,551,288	$ 301,074,139

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

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

Excluded from permanently restricted net assets in the tables above at June 30, 2012 and 2011 are $16,875,468 and $17,392,725, respectively, of perpetual trusts held by third-parties.

The following table summarizes the changes in endowment net assets for the year ended June 30, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 329,075,926	$ 1,268,917	$ 18,519,637	$ 348,864,480
Contributions, net of amounts transferred to operations*	(3,467,001)	-	-	(3,467,001)
Interest and dividends	5,834,495	-	11,783	5,846,278
Unrealized depreciation in fair value of investments	(20,056,641)	-	-	(20,056,641)
Realized gains	8,863,984	-	-	8,863,984
Investment expenses	(1,509,659)	-	-	(1,509,659)
Other income, primarily royalties	433,298	-	-	433,298
Reclassification of net assets	-	980,132	(980,132)	-
Net change in value of split-interest agreements	(1,881,790)	-	-	(1,881,790)
Amounts appropriated for program services	(19,976,847)	-	-	(19,976,847)
Amounts appropriated for specific operating purposes	(16,041,963)	-	-	(16,041,963)
Endowment net assets, end of year	$ 281,273,802	$ 2,249,049	$ 17,551,288	$ 301,074,139

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	$ 329,075,926	$ 1,268,917	$ 18,519,637	$ 348,864,480

* 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.