

Financial Statements and  
Supplementary Information and Report  
of Independent Certified Public  
Accountants

**American Bible Society**

June 30, 2022 and 2021

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Board of Directors of  
American Bible Society

**Opinion**

We have audited the accompanying consolidated financial statements American Bible Society (the "Society"), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of American Bible Society as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinion**

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Society and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as of and for the years ended June 30, 2022 and 2021, as a whole. The consolidating schedule of financial position as of June 30, 2022 and the consolidating schedule of activities for the year ended June 30, 2022 included on pages 34-35 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2022 consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the 2022 consolidated financial statements or to the 2022 consolidated financial

statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the 2022 consolidated financial statements as a whole.

*Grant Thornton LLP*

New York, New York  
March 3, 2023

**American Bible Society**

**STATEMENTS OF FINANCIAL POSITION**

**June 30,**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 10,721,324	\$ 21,311,610
Accounts, contributions, program loan and accrued interest receivables, net of allowance of \$149,106 in 2022 and \$148,390 in 2021	6,577,426	5,614,071
Amounts held in escrow for construction	-	1,005,028
Inventories, net (Note C)	6,083,505	5,760,124
Prepaid expenses and other assets	3,587,288	3,944,011
Investments (Note D)	664,797,579	738,237,176
Beneficial interest in investments held by third-party trustees (Note F)	25,904,575	30,639,424
Fixed assets, net (Note G)	61,695,716	64,418,300
Total assets	\$ 779,367,413	\$ 870,929,744
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 10,955,616	\$ 13,183,690
Payable under securities loan agreement (Note D)	3,125,815	3,827,218
Deferred allowance from lease activity	16,657,759	16,631,361
Obligations under charitable remainder trusts (Note B)	7,154,719	8,427,531
Annuities payable (Note B)	18,364,070	19,098,143
Deferred revenue under life income agreements (Note B)	4,534,332	5,457,050
Accrued postretirement benefits (Note I)	28,215,541	35,116,798
Total liabilities	89,007,852	101,741,791
<b>Commitments (Notes D and J)</b>		
<b>Net assets (Note B)</b>		
Net assets without donor restrictions	582,424,975	653,865,870
Net assets with donor restrictions (Note L)	107,934,586	115,322,083
Total net assets	690,359,561	769,187,953
Total liabilities and net assets	\$ 779,367,413	\$ 870,929,744

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

**American Bible Society**  
**STATEMENTS OF ACTIVITIES**  
Years ended June 30,

	<b>2022</b>			<b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Operating activities</b>						
Operating revenues and support						
Contributions	\$ 25,814,474	\$ 22,194,886	\$ 48,009,360	\$ 25,360,815	\$ 20,751,828	\$ 46,112,643
Legacies	12,854,408	-	12,854,408	5,135,259	-	5,135,259
Scripture sales (Note C)	4,018,130	-	4,018,130	3,870,451	-	3,870,451
Other	3,705,264	-	3,705,264	3,583,798	-	3,583,798
Net assets released from restrictions (Note H)	20,293,884	(20,293,884)	-	35,461,875	(35,461,875)	-
Total operating revenues and support	<u>66,686,160</u>	<u>1,901,002</u>	<u>68,587,162</u>	<u>73,412,198</u>	<u>(14,710,047)</u>	<u>58,702,151</u>
Operating expenses (Note K)						
Program services						
Scripture engagement and distribution:						
National ministries	34,177,658	-	34,177,658	27,163,821	-	27,163,821
International ministries	42,777,775	-	42,777,775	44,880,486	-	44,880,486
Total program services	<u>76,955,433</u>	<u>-</u>	<u>76,955,433</u>	<u>72,044,307</u>	<u>-</u>	<u>72,044,307</u>
Supporting services						
Administration	7,822,087	-	7,822,087	7,498,299	-	7,498,299
Development	14,799,187	-	14,799,187	13,645,114	-	13,645,114
Total supporting services	<u>22,621,274</u>	<u>-</u>	<u>22,621,274</u>	<u>21,143,413</u>	<u>-</u>	<u>21,143,413</u>
Total operating expenses	<u>99,576,707</u>	<u>-</u>	<u>99,576,707</u>	<u>93,187,720</u>	<u>-</u>	<u>93,187,720</u>
Changes in net assets from operating activities before investment return appropriated for operations	(32,890,547)	1,901,002	(30,989,545)	(19,775,522)	(14,710,047)	(34,485,569)
Investment return appropriated for operations (Note D)	<u>28,811,919</u>	<u>-</u>	<u>28,811,919</u>	<u>34,071,259</u>	<u>-</u>	<u>34,071,259</u>
Changes in net assets from operating activities	<u>(4,078,628)</u>	<u>1,901,002</u>	<u>(2,177,626)</u>	<u>14,295,737</u>	<u>(14,710,047)</u>	<u>(414,310)</u>
<b>Nonoperating activities</b>						
Investment (losses) gains, net of amounts appropriated for operations and capital activities and other (Note D)	(72,596,662)	(7,433,210)	(80,029,872)	122,721,522	14,613,408	137,334,930
(Depreciation) appreciation in fair value of third-party trusts (Notes D and F)	-	(3,936,407)	(3,936,407)	-	4,167,011	4,167,011
Change in value of split-interest agreements	(1,149,525)	2,081,118	931,593	(669,072)	(325,562)	(994,634)
Pension-related activity other than net periodic pension expense	6,383,920	-	6,383,920	3,016,810	-	3,016,810
Changes in net assets from nonoperating activities	<u>(67,362,267)</u>	<u>(9,288,499)</u>	<u>(76,650,766)</u>	<u>125,069,260</u>	<u>18,454,857</u>	<u>143,524,117</u>
<b>CHANGES IN NET ASSETS</b>	<u>(71,440,895)</u>	<u>(7,387,497)</u>	<u>(78,828,392)</u>	<u>139,364,997</u>	<u>3,744,810</u>	<u>143,109,807</u>
Net assets, beginning of year	<u>653,865,870</u>	<u>115,322,083</u>	<u>769,187,953</u>	<u>514,500,873</u>	<u>111,577,273</u>	<u>626,078,146</u>
Net assets, end of year	<u>\$ 582,424,975</u>	<u>\$ 107,934,586</u>	<u>\$ 690,359,561</u>	<u>\$ 653,865,870</u>	<u>\$ 115,322,083</u>	<u>\$ 769,187,953</u>

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

**American Bible Society**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year ended June 30, 2022

	Program Services			Supporting Services			
	National Ministries	International Ministries	Total	Administration	Development	Total	Total
Bible ministry grants	\$ 3,731,811	\$ 23,016,318	\$ 26,748,129	\$ -	\$ 12,444	\$ 12,444	\$ 26,760,573
Scripture-based conventions and meetings	52,119	49,500	101,619	12,570	47,288	59,858	161,477
Cost of scripture and related materials sold	2,741,035	-	2,741,035	-	-	-	2,741,035
Printing, publications and promotions	2,266,974	2,037,485	4,304,459	2,819	3,413,122	3,415,941	7,720,400
Salaries and wages	5,835,461	7,303,887	13,139,348	3,727,896	3,732,108	7,460,004	20,599,352
Employee benefit	1,848,040	2,299,671	4,147,711	1,168,239	1,188,905	2,357,144	6,504,855
Relocation costs	12,338	17,128	29,466	25,463	12,308	37,771	67,237
Pension expense	468,205	585,009	1,053,214	280,594	303,626	584,220	1,637,434
Postretirement benefits	973,078	447,238	1,420,316	127,085	112,677	239,762	1,660,078
Professional fees	3,045,105	2,676,705	5,721,810	657,195	1,972,173	2,629,368	8,351,178
Postage and mailing	1,554,194	962,368	2,516,562	5,643	1,646,794	1,652,437	4,168,999
Depreciation and amortization	6,063,428	162,869	6,226,297	211,090	138,016	349,106	6,575,403
Travel and related costs	220,027	340,303	560,330	43,025	240,939	283,964	844,294
Data processing	1,210,447	342,175	1,552,622	53,919	516,977	570,896	2,123,518
Occupancy	2,231,939	1,507,080	3,739,019	585,393	909,533	1,494,926	5,233,945
Equipment, repairs and rentals	1,070,410	438,743	1,509,153	400,267	163,709	563,976	2,073,129
Telephone	51,312	86,765	138,077	30,601	48,068	78,669	216,746
Office supplies	144,690	47,487	192,177	14,150	35,822	49,972	242,149
Storage costs	190,416	5,379	195,795	8,373	3,496	11,869	207,664
Insurance	214,449	157,130	371,579	188,259	97,789	286,048	657,627
Memberships and subscriptions	65,248	86,870	152,118	20,247	65,033	85,280	237,398
Legal, tax and audit fees	88,859	98,339	187,198	184,627	25,378	210,005	397,203
Banking and compliance	86,972	87,442	174,414	65,477	106,439	171,916	346,330
Miscellaneous	11,101	21,884	32,985	9,155	6,543	15,698	48,683
<b>Total expenses</b>	<b>\$ 34,177,658</b>	<b>\$ 42,777,775</b>	<b>\$ 76,955,433</b>	<b>\$ 7,822,087</b>	<b>\$ 14,799,187</b>	<b>\$ 22,621,274</b>	<b>\$ 99,576,707</b>

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



American Bible Society

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2021

	Program Services			Supporting Services			Total
	National Ministries	International Ministries	Total	Administration	Development	Total	
Bible ministry grants	\$ 2,776,127	\$ 24,871,661	\$ 27,647,788	\$ -	\$ 228,710	\$ 228,710	\$ 27,876,498
Scripture-based conventions and meetings	15,150	27,828	42,978	4,621	32,628	37,249	80,227
Cost of scripture and related materials sold	2,927,317	-	2,927,317	-	-	-	2,927,317
Printing, publications and promotions	1,206,581	1,964,205	3,170,786	6,356	2,832,907	2,839,263	6,010,049
Salaries and wages	4,840,701	7,966,770	12,807,471	3,515,121	3,657,750	7,172,871	19,980,342
Employee benefit	1,630,542	2,473,747	4,104,289	1,096,374	1,137,657	2,234,031	6,338,320
Relocation costs	2,372	5,167	7,539	-	8,338	8,338	15,877
Pension expense	398,107	643,723	1,041,830	260,430	298,241	558,671	1,600,501
Postretirement benefits	1,237,610	607,662	1,845,272	161,707	156,165	317,872	2,163,144
Professional fees	3,800,910	2,212,953	6,013,863	634,757	1,566,122	2,200,879	8,214,742
Postage and mailing	940,606	1,108,424	2,049,030	10,494	1,803,177	1,813,671	3,862,701
Depreciation and amortization	3,084,686	170,900	3,255,586	185,302	131,069	316,371	3,571,957
Travel and related costs	25,211	42,472	67,683	13,239	42,078	55,317	123,000
Data processing	1,188,793	386,083	1,574,876	60,160	510,350	570,510	2,145,386
Occupancy	1,930,285	1,506,926	3,437,211	865,381	730,318	1,595,699	5,032,910
Equipment, repairs and rentals	540,994	381,409	922,403	364,708	142,741	507,449	1,429,852
Telephone	55,484	99,762	155,246	33,661	47,906	81,567	236,813
Office supplies	147,229	31,880	179,109	5,539	38,609	44,148	223,257
Storage costs	143,348	7,504	150,852	10,711	3,734	14,445	165,297
Insurance	119,249	151,044	270,293	154,562	87,004	241,566	511,859
Memberships and subscriptions	53,635	87,554	141,189	20,286	71,241	91,527	232,716
Legal, tax and audit fees	34,155	24,294	58,449	3,780	9,465	13,245	71,694
Banking and compliance	55,933	99,825	155,758	82,411	101,871	184,282	340,040
Miscellaneous	8,796	8,693	17,489	8,699	7,033	15,732	33,221
Total expenses	<u>\$ 27,163,821</u>	<u>\$ 44,880,486</u>	<u>\$ 72,044,307</u>	<u>\$ 7,498,299</u>	<u>\$ 13,645,114</u>	<u>\$ 21,143,413</u>	<u>\$ 93,187,720</u>

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

**American Bible Society**  
**STATEMENTS OF CASH FLOWS**  
**Years ended June 30,**

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>		
Changes in net assets	\$ (78,828,392)	\$ 143,109,807
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation and amortization	6,575,403	3,571,957
Change in provision for obsolete and slow-moving inventory	(5,975)	36,209
Net unrealized and realized depreciation (appreciation) in fair value of investments	59,776,517	(161,983,176)
Net unrealized and realized depreciation (appreciation) in fair value of third-party trusts	3,936,407	(4,167,011)
Changes in assets and liabilities:		
(Decrease) increase in accounts and accrued interest receivables	(2,247,785)	12,163,262
Decrease in amounts held in escrow	(1,005,028)	(3,114,125)
Increase in inventories	(317,406)	(812,028)
Decrease in prepaid expenses and other assets	356,722	468,507
Increase (decrease) in contributions receivable and beneficial interest in investments held by third-party trustees, excluding split-interest agreements	1,438,869	(120,771)
(Decrease) increase in accounts payable and accrued expenses	(3,747,629)	14,588,453
Increase (decrease) in deferred allowances from leasing activity, net	26,398	(19,716)
Decrease in accrued postretirement benefits	(6,901,257)	(3,153,665)
Net cash (used in) provided by operating activities	(20,943,156)	567,703
<b>Cash flows from investing activities</b>		
Proceeds from sales of investment securities	417,869,935	467,532,089
Purchases of investment securities	(400,097,267)	(441,093,072)
Capital expenditures	(3,852,817)	(22,801,954)
Net cash provided by investing activities	13,919,851	3,637,063
<b>Cash flows from financing activities</b>		
Proceeds of new split-interest agreements, in excess of contributions recognized	802,860	2,917,495
Endowment contribution	3,050	45,500
Change in value of split-interest agreements	(1,571,202)	1,972,135
Change in value of split-interest agreements held by third-party trustees	(640,428)	971,547
Payments to third-party beneficiaries under split-interest agreements	(3,504,367)	(3,277,589)
Investment income on split-interest agreements held for others	1,343,106	843,364
Net cash (used in) provided by financing activities	(3,566,981)	3,472,452
<b>NET INCREASE IN CASH AND EQUIVALENTS</b>	(10,590,286)	7,677,218
<b>Cash and cash equivalents, beginning of year</b>	21,311,610	13,634,392
<b>Cash and cash equivalents, end of year</b>	\$ 10,721,324	\$ 21,311,610

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

**American Bible Society**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022 and 2021**

**NOTE A - DESCRIPTION OF ORGANIZATION AND NATURE OF ACTIVITIES**

***The Organization***

In 1816, 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 global 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.”

American Bible Society helps people experience God through the Bible. The Society translates and distributes the Bible to unreachable people around the world, helps people in crisis find restoration through Scripture, and advocates for the Bible’s message of hope here in America. Through the church and a global network of Bible Societies, the Society carries God’s Word where it is needed most. The Society’s research and experience tell us the Bible makes us more generous, more compassionate, more loving toward our neighbors, and more hopeful about our future in Christ. That’s why the Society’s mission since 1816 has been to help all people experience the life-changing message of God’s Word.

God’s Word for the Unreached

The Society translates the Bible into every language, for every person. The Society is a leader and pioneer in the Bible translation movement, and has committed to a bold strategy to translate the Bible into every living language by 2033. This year the Society provided greater access to Scripture to 77 million people – reaching 102 language groups through Bible translation.

Because the Society believes the Bible is for all people, its translation ministry includes audio and video Bibles, sign language Bibles, braille Bibles, and Bible resources that contextualize the gospel message for diverse cultures and traditions around the world. The Society’s innovative translation framework allows it to accurately and efficiently translate first Bibles, study Bibles, and modern language Bibles for the next generation.

The Society also distributes the Bible with the aim of placing God’s Word into the hands and hearts of all people searching for truth. Since its founding, it has distributed more than 6.9 billion Bibles worldwide. Often, the Society’s Bible distribution ministry leads it to the frontlines of conflict, war, terrorism, natural disasters, and other humanitarian crises. The Society joyfully partners with local Bible Societies ministering in more than 240 countries and territories around the world to ensure efficient distribution through the local community. Bible Society partners are experts on their nations’ church cultures and help the Society respond to the real-time Scripture needs of local believers. In the past year, the Society has provided 16 million print and digital Bibles to waiting people around the world.

God’s Word for People in Crisis

The Bible restores broken hearts. The Society’s Bible-based trauma healing ministry helps people in crisis find peace through the power of Scripture. First developed in the Democratic Republic of the Congo to help people rebuild in the aftermath of war and genocide, this ministry combines mental health best practices with the power of God’s Word. By engaging with the Bible’s healing words in safe, small group settings, people are guided to give their pain to Jesus and begin the journey to joy and restoration.

The Society’s trauma healing resources address the many forms of trauma experienced by the world’s people. These resources equip churches and agencies in serving populations suffering from conflict and war, survivors of disaster, people struggling with the aftermath of the COVID-19 pandemic, children and teens experiencing trauma, and members of the military community. Formats include small groups, online

## American Bible Society

### NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

video courses, and print and digital documents. In addition, the Society shares free basic trauma healing resources to increase awareness in the church and equip believers to care for people in crisis.

Since 2012, this ministry has built a global community of trained facilitators who come alongside local communities of faith to serve people in crisis through Bible-based trauma healing. This year, more than 2,000 churches were equipped with trauma healing resources and training and more than 32,000 people completed a healing group.

#### God's Word for America

Here in the United States, the Society advocates for the Bible as the living Word of God and the surest source of truth. The Society engages Americans with the Bible by providing resources and experiences that help people encounter and live out the truths of Scripture. The Society's daily devotionals, prayer guides, Bible stories, and teachings are uniquely contextualized to serve a beautifully diverse audience of believers and seekers.

The Society's Armed Services Ministry serves the nation's brave heroes by distributing the Word of God to U.S. military members, veterans, and their families. To date, the Society has shared more than 60 million Bibles within the military community. Through a growing network chaplains and church partners on the frontlines of military ministry, the Society provides military-specific Bible resources that equip military families in their service to our nation. In the past year, this ministry reached 435,000 people in the military community.

Just as the Bible's message of love should guide each of us in our personal lives and relationships, the Bible's call for justice should also inform every civic institution. We honor America's heritage of faith and freedom of expression. Through the Faith and Liberty Discovery Center, further described below, the Society celebrates and explores the Bible's role in inspiring the men and women who founded and reformed our great nation. The Society champions the Bible cause—connecting the timeless message of God's Word with ongoing conversations in the public sphere.

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 that is not a private foundation.

While remaining incorporated in the State of New York, the Society relocated its headquarters to Philadelphia in August 2015, after the sale of its New York City headquarters building in January 2015.

The Society has established an initiative called the Faith and Liberty Discovery Center ("FLDC") for the purposes of exploring the relationship between faith and liberty in America, from its founding to today, by illuminating the influence of the Bible on individuals in key historical and personal moments. The FLDC serves religious, educational, and charitable purposes as an educational and cultural institution of public history to steward cultural memory, facilitate individual and group discovery, and foster personal engagement with the Bible. As such, the FLDC aspires to advance the objective of sustained discovery and exploration of the role of the Bible as a dynamic cultural force in the American experience. Toward this end, the FLDC will serve as a national center and public intellectual community dedicated to collaboration and exchange in exploring the relationship between faith and liberty in the American experience.

In connection with the construction and development of the FLDC, the American Bible Society extended a 3-year \$20 million letter of credit to the FLDC which bears interest at a rate of 3% per annum. In fiscal year 2024, the letter of credit will convert to a 5-year term loan, which will continue to bear interest at a rate of 3% per annum.

**American Bible Society**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021**

The FLDC was established as a limited liability company on June 11, 2018 under the Limited Liability Company Act of the State of Delaware. The sole member of Faith and Liberty Discovery Center, LLC is American Bible Society, with which FLDC activities consolidate.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying financial statements of the Society have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets are classified and reported as follows:

Net Assets Without Donor Restrictions

Represent net assets that are not subject to donor-imposed stipulations and are fully available to be utilized in any of the Society's programs or supporting services. Net assets without donor restrictions include certain amounts designated for specific use by the Society's Board of Directors. Net assets without donor restrictions at June 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Undesignated deficit	\$ (37,262,628)	\$ (43,367,912)
Undesignated deficit related to FLDC	(16,051,320)	(15,361,670)
Board-designated for pension benefits	9,030,180	11,242,362
Board-designated for retiree medical benefits	28,215,541	35,116,798
Board-designated for Bible translation	1,494,914	1,639,087
Board-designated for other ministry projects	23,822,809	-
Funds functioning as an endowment (Note L)	511,479,763	600,178,905
Land, building and equipment	12,067,729	19,469,644
Land, building and equipment related to FLDC	49,627,987	44,948,656
	<u>\$ 582,424,975</u>	<u>\$ 653,865,870</u>

Net Assets With Donor Restrictions

Represent net assets that are subject to donor-imposed stipulations whose use is restricted by time and/or purpose. A portion of the Society's net assets with donor restrictions requires the Society to use or expend the gifts as specified, based on purpose or passage of time.

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

***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP 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

## American Bible Society

### NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

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 fixed assets, obligations under split-interest agreements, and the fair value of certain financial instruments, particularly non-exchange traded 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 statement of financial position.

#### ***Bible Ministry Grants Payable***

The awarding of grants is reflected on the financial statements at the time they are approved by the Society and the respective grantee is notified and any stipulated barriers to entitlement are satisfied. Grants represent unconditional promises to give and are expected to be paid within one year of approval. Grants payable are included within accounts payable and accrued expenses on the accompanying statements of financial position. As of June 30, 2022 and 2021, the Society had grants payable of \$6,851,005 and \$6,480,395 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 stipulated beneficiaries. Under 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 utilized to value split-interest agreements remained constant at 6% at June 30, 2022 and 2021. The mortality table utilized to calculate the life expectancy of annuitants at June 30, 2022 and 2021 is the IAR 2012 Mortality Table, which is a dynamic table that updates life expectancy from year to year.

The Society is required to segregate assets to serve as reserves related to its gift annuity program based on the laws of the State of New York and other states in which it solicits and administers these gifts. Such reserves totaled \$26,631,161, and \$31,067,798 at June 30, 2022 and 2021, respectively, and are in excess of all reserve requirements in all states that require such reserves.

**American Bible Society**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021**

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

	2022			
	Charitable Remainder Trusts	Annuity Agreements	Life Income Fund	Total
Balance at June 30, 2021	\$ 8,427,531	\$ 19,098,143	\$ 5,457,050	\$ 32,982,724
Proceeds of new split-interest agreements	272,844	530,016	-	802,860
Change in value of split-interest agreements	(1,905,682)	1,149,737	(815,257)	(1,571,202)
Payments to third-party beneficiaries under split-interest agreements	(767,456)	(2,413,826)	(323,085)	(3,504,367)
Investment income on split-interest agreements held for others	1,127,482	-	215,624	1,343,106
Balance at June 30, 2022	<u>\$ 7,154,719</u>	<u>\$ 18,364,070</u>	<u>\$ 4,534,332</u>	<u>\$ 30,053,121</u>
	2021			
	Charitable Remainder Trusts	Annuity Agreements	Life Income Fund	Total
Balance at June 30, 2020	\$ 4,903,851	\$ 20,249,718	\$ 5,373,750	\$ 30,527,319
Proceeds of new split-interest agreements	2,453,650	463,845	-	2,917,495
Change in value of split-interest agreements	1,211,065	669,072	91,998	1,972,135
Payments to third-party beneficiaries under split-interest agreements	(766,987)	(2,284,492)	(226,110)	(3,277,589)
Investment income on split-interest agreements held for others	625,952	-	217,412	843,364
Balance at June 30, 2021	<u>\$ 8,427,531</u>	<u>\$ 19,098,143</u>	<u>\$ 5,457,050</u>	<u>\$ 32,982,724</u>

**Fixed Assets and Depreciation**

Furniture and equipment acquired for greater than \$5,000 and with useful lives greater than three years are capitalized and depreciated over their estimated useful lives, ranging from three to 10 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.

## American Bible Society

### NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

#### ***Library Collection***

The Society maintains a rare Scripture collection held for exhibition, education and research that 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 \$15 million. Purchases of collections are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired.

#### ***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 (barriers) on which they depend are substantially met.

The Society has been notified of certain intentions to give under various wills and trust agreements as well as conditional gifts, 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, that is when 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. Such receivables are written-off when determined to be uncollectible.

#### ***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 as of the reporting date. 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 stipulated beneficiaries.

#### ***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 deposit 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.



**American Bible Society**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021**

***Income Taxes***

Certain of the Society's investments (See Note D) give rise to unrelated business income tax ("UBIT") liabilities. The Society had a UBIT liability of \$0 at June 30, 2022 and 2021.

The Society follows guidance that 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 guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The Society is exempt from federal income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. 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. The Society has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

***New Pronouncements***

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*, which requires entities that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use ("ROU") asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the ROU asset. ASU No. 2016-02 is effective for the Society for fiscal year 2023. The Society is in the process of evaluating the impact this standard will have on its financial statements.

***Subsequent Events***

The Society evaluated its June 30, 2022 financial statements for subsequent events through March 3, 2023, the date the financial statements were available to be issued.

**American Bible Society**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021**

**NOTE C - 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, 2022 and 2021 and Scripture sales for the years then ended consist of the following:

	2022	2021
Finished scripture products held for sale	\$ 3,616,622	\$ 3,376,620
Scripture resources for ministry use	2,340,107	2,416,437
Work in process and raw materials	152,392	7,098
FLDC retail inventory	59,875	51,435
	6,168,996	5,851,590
Less: inventory reserve	(85,491)	(91,466)
	\$ 6,083,505	\$ 5,760,124
Components of gross margin:		
Scripture sales	\$ 4,018,130	\$ 3,870,451
Less: cost of scripture and related materials sold	(2,741,035)	(2,927,317)
Gross margin on scripture sales	\$ 1,277,095	\$ 943,134

Included in national ministries bible ministry grants expense is the cost of Scripture resources for ministry use, which totaled \$1,520,195 and \$1,348,055 for the years ended June 30, 2022 and 2021, respectively.

**NOTE D - INVESTMENTS**

Investments, at fair value, at June 30, 2022 and 2021 consist of the following:

	2022	2021
Cash and cash equivalents, net	\$ 8,895,691	\$ 17,648,319
Equities	326,081,179	415,759,200
Fixed income	155,611,919	118,404,136
Private equities	102,239,512	74,762,382
Real assets	41,747,626	37,456,021
Absolute return	30,221,652	74,207,118
	\$ 664,797,579	\$ 738,237,176

The cost of investments totaled \$530,933,137 and \$530,226,677 at June 30, 2022 and 2021, respectively.

Included in investments at June 30, 2022 and 2021 are \$12,923,671 and \$12,698,369, respectively, held under trusts where the Society acts as trustee in connection with its split-interest agreements with donors. Life income agreements of \$8,859,588 and \$8,498,393 at June 30, 2022 and 2021, respectively, are also included in investments.

**American Bible Society**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2022 and 2021**

The Society's investments at June 30, 2022 are comprised of the following:

	Fair Value	Cost
Endowment investments	\$ 549,800,188	\$ 414,414,285
Non-endowment investments	28,628,738	30,280,930
Board-designated for retiree medical/pension benefits	37,245,721	36,324,147
Other investments*	49,122,932	49,913,775
Total investments	\$ 664,797,579	\$ 530,933,137

\*Annuities, pooled income funds and charitable remainder trusts

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, 2022 and 2021, the fair value of the collateral received totaled \$3,125,815 and \$3,827,218, respectively, and is reflected as part of liabilities. 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, 2022 and 2021 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 \$40,302,548 in certain private equity partnerships, which are to be funded primarily over the next three to five 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 that 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 1 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; and
- 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.

**American Bible Society**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021**

The following table prioritizes the inputs used to report the fair value of the Society's investments within the hierarchy levels discussed above as of June 30, 2022:

	Cash/ Equivalents, Net	Equities	Fixed Income	Alternative Assets			Total
				Private Equities	Real Assets	Absolute Return	
Level 1	\$ 8,895,691	\$115,718,532	\$ 84,616,957	\$ -	\$ -	\$ -	\$209,231,180
Level 2	-	43,259,344	70,994,962	-	-	-	114,254,306
Level 3	-	1,707,661	-	-	14,327,334	-	16,034,995
NAV	-	165,395,642	-	102,239,512	27,420,292	30,221,652	325,277,098
	<u>\$ 8,895,691</u>	<u>\$326,081,179</u>	<u>\$155,611,919</u>	<u>\$102,239,512</u>	<u>\$ 41,747,626</u>	<u>\$ 30,221,652</u>	<u>\$664,797,579</u>

The following table summarizes the changes in the Society's Level 3 investments for the year ended June 30, 2022:

	Equities	Real Assets	Total
Balance at June 30, 2021	\$ 1,708,743	\$ 10,572,571	\$ 12,281,314
Unrealized (depreciation) appreciation	(1,006)	4,514,139	4,513,133
Proceeds from sales, redemptions, and distributions	(76)	(759,376)	(759,452)
Balance at June 30, 2022	<u>\$ 1,707,661</u>	<u>\$ 14,327,334</u>	<u>\$ 16,034,995</u>

The following table prioritizes the inputs used to report the fair value of the Society's investments within the hierarchy levels discussed above as of June 30, 2021:

	Cash/ Equivalents, Net	Equities	Fixed Income	Alternative Assets			Total
				Private Equities	Real Assets	Absolute Return	
Level 1	\$ 17,648,319	\$174,187,564	\$ 55,800,757	\$ -	\$ -	\$ -	\$247,636,640
Level 2	-	30,919,276	62,603,379	-	-	-	93,522,655
Level 3	-	1,708,743	-	-	10,572,571	-	12,281,314
NAV	-	208,943,617	-	74,762,382	26,883,450	74,207,118	384,796,567
	<u>\$ 17,648,319</u>	<u>\$415,759,200</u>	<u>\$118,404,136</u>	<u>\$ 74,762,382</u>	<u>\$ 37,456,021</u>	<u>\$ 74,207,118</u>	<u>\$738,237,176</u>

The following table summarizes the changes in the Society's Level 3 investments for the year ended June 30, 2021:

	Equities	Real Assets	Total
Balance at June 30, 2020	\$ 1,708,438	\$ 17,843,673	\$ 19,552,111
Unrealized appreciation	315	2,268,433	2,268,748
Proceeds from sales, redemptions, and distributions	(10)	(9,539,535)	(9,539,545)
Balance at June 30, 2021	<u>\$ 1,708,743</u>	<u>\$ 10,572,571</u>	<u>\$ 12,281,314</u>

**American Bible Society**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021**

The Society's investments are managed in accordance with investment guidelines established by the Society's Board of Directors. The Society's Board of Directors annually approves the level of investment return to be appropriated for operations. The Society's Board of Directors approved an updated resourcing model beginning in fiscal 2022. The long-range goal for the annual spending rate was set at 4.2% of the opening balance of the funds functioning as an endowment each year. A transition period was established that allows a fixed sum to be added to the calculated spending formula amount for fiscal years 2022 through 2024. Amounts approved totaled \$26,000,000 and \$28,145,153 in 2022 and 2021, respectively. In addition, the Society's Board of Directors also approved the use of an additional \$2,811,919 and \$5,926,106 in 2022 and 2021, respectively, of investment return to fund additional ministry expense, pension expense, and post-retiree health care benefits each year.

The components of investment return (loss) for the years ended June 30, 2022 and 2021 are as follows:

	2022	2021
Interest and dividends	\$ 11,064,157	\$ 11,116,831
Unrealized (depreciation) appreciation in fair value of investments	(94,951,715)	121,741,991
Realized gains	35,175,198	40,241,185
Investment expenses	(2,505,593)	(1,693,818)
Investment (loss) return, net	(51,217,953)	171,406,189
Amounts appropriated for program services	(26,000,000)	(28,145,153)
Amounts appropriated for specific operating purposes	(2,811,919)	(5,926,106)
Investment return appropriated for operations	(28,811,919)	(34,071,259)
Investment (loss) gain, less amounts appropriated for operations and capital activities	\$ (80,029,872)	\$ 137,334,930
Unrealized (depreciation) appreciation in fair value of investment in third-party trusts	\$ (3,936,407)	\$ 4,167,011

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.

American Bible Society

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

The following tables list investments reported at fair value based on NAV by major asset category as of June 30, 2022 and 2021:

2022								
Type	Strategy	NAV in Funds	# in Funds	Remaining Life	\$ Amount of Unfunded Commitments	Timing to Drawdown Commitments	Redemption Terms	Redemption Restrictions
Private equities	U.S. and international venture and buyout	\$ 102,239,512	32	1 to 12 years	\$ 32,640,427	1 to 10 years	N/A	N/A
Inflation hedging/real assets	Real assets and natural resources, primarily in the U.S., private equity structure and ETF	27,420,292	12	1 to 30 years	7,662,121	1 to 4 years	Private equity structures have no redemption options.	N/A
Flexible capital/absolute return	Global equity and fixed income funds in market neutral strategies, and fund-of-funds structure	30,221,652	6	N/A	-	N/A	Ranges as follows: Quarterly & annual liquidity: with 30-90 days' notice.	1 and 3 year lock-up periods where applicable have expired; 2 funds currently liquidating.
Equity partnerships	Long/short and long only funds structured as partnerships	94,864,604	3	N/A	-	N/A	Ranges from 0-60 days' notice to monthly or quarterly redemptions.	N/A
Commingled funds	Global funds, primarily long only, equities and bond funds, and ETF	70,531,038	3	N/A	-	N/A	Ranges from 10-30 days' notice to monthly redemptions.	N/A
Total		<u>\$ 325,277,098</u>	<u>56</u>		<u>\$ 40,302,548</u>			
2021								
Type	Strategy	NAV in Funds	# in Funds	Remaining Life	\$ Amount of Unfunded Commitments	Timing to Drawdown Commitments	Redemption Terms	Redemption Restrictions
Private equities	U.S. and international venture and buyout	\$ 74,762,382	27	1 to 12 years	\$ 39,265,824	1 to 10 years	N/A	N/A
Inflation hedging/real assets	Real assets and natural resources, primarily in the U.S., private equity structure and ETF	26,883,450	12	1 to 30 years	13,585,486	1 to 4 years	Private equity structures have no redemption options.	N/A
Flexible capital/absolute return	Global equity and fixed income funds in market neutral strategies, and fund-of-funds structure	74,207,118	8	N/A	-	N/A	Ranges as follows: Quarterly/Annual/3-year liquidity, 45-91 days.	1 fund allows annual liquidity, 3 funds quarterly liquidity, 1 fund 3-year liquidity, and 3 funds liquidating.
Equity partnerships	Long/short and long only funds structured as partnerships	123,309,770	4	N/A	-	N/A	30 days' notice and quarterly redemptions.	N/A
Commingled funds	Global funds, primarily long only, equities and bond funds, and ETF	85,633,847	3	N/A	-	N/A	Ranges from 1 business day notice to 30 days, monthly redemptions.	N/A
Total		<u>\$ 384,796,567</u>	<u>54</u>		<u>\$ 52,851,310</u>			

**American Bible Society**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021**

**NOTE E - 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 much of its program efforts globally through funding programmatic efforts of its fellow national Bible Societies. During fiscal 2022 and 2021, this support amounted to \$16,002,404 and \$20,219,369 respectively.

During fiscal 2006, due to the uncertainty associated with repayment, the Society agreed to convert its then 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, 2022 and 2021, the receivable, which has been fully reserved for, net of amounts forgiven, totaled \$146,854 and \$146,854 respectively.

**NOTE F - 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 fair value totaling \$25,904,575 and \$30,639,424 at June 30, 2022 and 2021, respectively.

At June 30, 2022 and 2021, 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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 30,639,424	\$ 25,638,803
New agreements	-	-
Terminated agreements	(138,065)	(140,544)
Change in value due to actuarial valuations	(660,377)	974,154
Unrealized depreciation (appreciation) in fair value of third-party trusts	<u>(3,936,407)</u>	<u>4,167,011</u>
Balance, end of year	<u>\$ 25,904,575</u>	<u>\$ 30,639,424</u>

**American Bible Society**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021**

**NOTE G - FIXED ASSETS, NET**

During fiscal year 2022, the Society completed construction on the buildout of the east end of the ground floor of its headquarters building. This project related to both exterior construction as well as costs pertaining to tenant improvements associated with a sublease agreement related to a portion of the east end space. The construction in progress assets that had been recorded by the Society were transferred to the FLDC and were placed into service on May 1, 2022. Fixed assets are carried at cost less accumulated depreciation and amortization and consist of the following at June 30, 2022 and 2021 for the Society and Faith and Liberty Discovery Center:

	2022			2021		
	Society	FLDC	Total	Society	FLDC	Total
Furniture, fixtures, and equipment	\$ 4,068,111	\$ 4,642,024	\$ 8,710,135	\$ 4,068,111	\$ 5,551,691	\$ 9,619,802
Leasehold improvements	13,679,014	38,117,134	51,796,148	19,809,990	28,872,874	48,682,864
Capitalized software	1,284,295	1,099,071	2,383,366	1,284,295	-	1,284,295
Exhibits	-	13,503,668	13,503,668	-	12,953,539	12,953,539
	<u>19,031,420</u>	<u>57,361,897</u>	<u>76,393,317</u>	<u>25,162,396</u>	<u>47,378,104</u>	<u>72,540,500</u>
Less: accumulated depreciation and amortization	<u>(6,963,691)</u>	<u>(7,733,910)</u>	<u>(14,697,601)</u>	<u>(5,692,752)</u>	<u>(2,429,448)</u>	<u>(8,122,200)</u>
	<u>\$12,067,729</u>	<u>\$49,627,987</u>	<u>\$61,695,716</u>	<u>\$19,469,644</u>	<u>\$44,948,656</u>	<u>\$64,418,300</u>

In addition, as of June 30, 2022 and 2021, the Society has \$0 and \$1,005,028, respectively, on deposit in an escrow account, held by a financial institution, for purposes of construction-related activities occurring as part of its east side development project at its headquarters location.

**NOTE H - NET ASSETS**

The Society's Board of Directors has also designated certain net assets without donor restrictions to function as an endowment (quasi-endowment). A portion of the annual investment return generated from these assets is used to fund operating expenses as approved by the Board of Directors. 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 (see also Note L).

Net assets with donor restrictions at June 30, 2022 and 2021 are expendable for the following purposes:

	2022	2021
Life income agreements	\$ 12,708,000	\$ 12,982,761
Trust agreements	21,545,286	23,057,210
Accumulated gains on endowment	19,980,456	24,144,595
Geographically focused programs and operations	12,365,239	9,869,655
	<u>\$ 66,598,981</u>	<u>\$ 70,054,221</u>



**American Bible Society**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021**

Net assets with donor restrictions are restricted to investment in perpetuity, the income from which is expendable for the following purposes:

	2022	2021
Bible engagement and distribution	\$ 7,859,194	\$ 7,855,594
General support	33,476,411	37,412,268
	\$ 41,335,605	\$ 45,267,862

During the years ended June 30, 2022 and 2021, the Society released \$20,293,884 and \$35,461,875, respectively, from donor restrictions.

**NOTE I - 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 \$1,563,000 and \$1,557,000 in 2022 and 2021, respectively, to the plan. Contributions are based on a percentage of each eligible employee's compensation, which includes an employer matching contribution.

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:

	2022	2021
Postretirement benefit obligation at beginning of year		
Actives not fully eligible to retire	\$ 924,212	\$ 1,121,044
Actives fully eligible to retire	3,656,496	4,644,046
Retirees	30,536,090	32,505,375
Total	\$ 35,116,798	\$ 38,270,465
Service cost	\$ 46,978	\$ 58,177
Interest cost	869,676	890,126
Actuarial gain	(5,794,177)	(2,048,590)
Benefits paid	(2,023,734)	(2,053,380)
Postretirement benefit obligation at end of year		
Actives not fully eligible to retire	631,559	924,212
Actives fully eligible to retire	2,594,424	3,656,496
Retirees	24,989,558	30,536,090
Total	\$ 28,215,541	\$ 35,116,798

**American Bible Society**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2022 and 2021**

The change in plan assets for the years ended June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Employer contribution	\$ 2,023,734	\$ 2,053,380
Benefits paid	<u>(2,023,734)</u>	<u>(2,053,380)</u>
Fair value of plan assets at end of year	<u>\$ -</u>	<u>\$ -</u>

The funded status as of June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Postretirement benefit obligation at end of year	\$ 28,215,541	\$ 35,116,798
Fair value of plan assets at end of year	<u>-</u>	<u>-</u>
Funded status end of year	<u>\$ 28,215,541</u>	<u>\$ 35,116,798</u>
Current liability	\$ 1,992,231	\$ 2,023,734
Non-current liability	<u>26,223,310</u>	<u>33,093,064</u>
Total	<u>\$ 28,215,541</u>	<u>\$ 35,116,798</u>

Components of net periodic benefit cost for the years ended June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Service cost	\$ 46,978	\$ 58,177
Interest cost	869,676	890,126
Amortization of actuarial losses	<u>589,743</u>	<u>968,220</u>
Net periodic postretirement benefit cost	<u>\$ 1,506,397</u>	<u>\$ 1,916,523</u>

Other changes in benefit obligations recognized in net assets without donor restrictions for the years ended June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Net actuarial gain	\$ (5,794,177)	\$ (2,048,590)
Amortization of unrecognized amounts	<u>(589,743)</u>	<u>(968,220)</u>
Total changes recognized in net assets without donor restrictions	<u>\$ (6,383,920)</u>	<u>\$ (3,016,810)</u>
Total changes recognized in net periodic benefit cost and net assets without donor restrictions	<u>\$ (4,877,523)</u>	<u>\$ (1,100,287)</u>

The estimated net loss to be amortized from net assets without donor restrictions into net periodic benefit cost during the year ended June 30, 2023 is \$0.

**American Bible Society**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2022 and 2021**

**Assumptions**

	2022	2021
Assumptions used to determine benefits at June 30:		
Discount rate	4.35%	2.55%
Assumptions used to determine net periodic benefit cost for the years ended June 30:		
Discount rate	2.55%	2.39%
Assumed health care cost trend rates at June 30:		
Health care cost trend rate assumed for next year	7.00%	7.50%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.50%	4.50%
Year that the rate reaches the ultimate trend rate	2027	2027
Dental trend rate	4.50%	4.50%
Effect of a 1% increase in health care cost trend rate on:		
Interest and service cost	\$ 131,455	\$ 156,533
Accumulated postretirement benefit obligation	\$ 2,635,236	\$ 3,818,389
Effect of a 1% decrease in health care cost trend rate on:		
Interest and service cost	\$ (108,556)	\$ (127,685)
Accumulated postretirement benefit obligation	\$ (2,233,469)	\$ (3,175,018)

**Contributions**

The Society expects to contribute \$1,992,231 to its postretirement benefit plan during the year ending June 30, 2023.

**Estimated Future Benefit Payments**

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

2023	\$ 1,992,231
2024	2,020,114
2025	2,032,631
2026	1,981,165
2027	1,904,565
2028-2032	8,915,962

**American Bible Society**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2022 and 2021**

**NOTE J - COMMITMENTS**

***Rental Expense***

Total future minimum rental commitments due under non-cancelable operating leases for facilities and equipment are as follows:

<u>Year Ending June 30:</u>	<u>Facilities</u>	<u>Equipment</u>	<u>Total</u>
2023	\$ 4,049,072	\$ 45,600	\$ 4,094,672
2024	4,174,243	7,600	4,181,843
2025	4,342,365	-	4,342,365
2026	4,457,852	-	4,457,852
2027	4,531,720	-	4,531,720
Thereafter	71,045,996	-	71,045,996
	<u>\$ 92,601,248</u>	<u>\$ 53,200</u>	<u>\$ 92,654,448</u>

Effective July 2, 2015, the Society entered into a 25-year operating facilities lease for its headquarters space located in Philadelphia, Pennsylvania. Rent expense for the use of this space for the years ended June 30, 2022 and 2021 totaled \$3,744,360 and \$3,744,360, respectively. Deferred allowance from lease activity primarily relates to a period of free rent related to the Society's headquarters lease and a tenant construction allowance that is being amortized over the term of the lease.

Equipment rent expense for the years ended June 30, 2022 and 2021 totaled \$52,792 and \$46,904, respectively.

**NOTE K - EXPENSES AND OTHER CHARGES**

During the years ended June 30, 2022 and 2021, the Society incurred joint costs of \$11,125,156 and \$10,460,216, respectively, for informational materials and activities that included development appeals. Of those costs, \$5,709,797 and \$5,180,907, respectively, have been allocated to development with \$5,415,359 and \$5,279,309, respectively, allocated to program services.

**NOTE L - ENDOWMENT**

The Society's endowment consists of approximately 450 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 Directors 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 Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions or relevant law.

During 2010, New York State passed the New York State Uniform Prudent Management of Institutional Funds Act ("NYPMIFA"). 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, 2022 and 2021, there were no deficiencies of this nature.

**American Bible Society**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021**

The Society has adopted investment and spending policies for its 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 part of its donor-restricted endowment: (a) the original value of gifts donated to its permanent endowment; (b) the original value of subsequent gifts to its permanent endowment; and (c) accumulations to its permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Such accumulated gains are appropriated for expenditure by the Board of Directors 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:

- The duration and preservation of the fund;
- The purposes of the Society and its donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and appreciation of endowment investments;
- Other resources of the Society;
- The investment policies of the Society; and
- Where appropriate, alternatives to spending from the donor-restricted endowment fund and the possible effects on the Society.

The following tables summarize endowment net asset composition by type of fund as of June 30, 2022 and 2021:

	2022			
	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Gains	Corpus	
Donor-restricted endowment funds	\$ -	\$ 19,980,456	\$ 19,804,462	\$ 39,784,918
Board-designated endowment funds	511,479,763	-	-	511,479,763
Total endowment funds	\$ 511,479,763	\$ 19,980,456	\$ 19,804,462	\$ 551,264,681

**American Bible Society**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021**

	2021			
	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Gains	Corpus	
Donor-restricted endowment funds	\$ -	\$ 24,144,595	\$ 19,800,312	\$ 43,944,907
Board-designated endowment funds	600,178,905	-	-	600,178,905
Total endowment funds	\$ 600,178,905	\$ 24,144,595	\$ 19,800,312	\$ 644,123,812

Excluded from the donor-restricted portion of the endowment in the tables above at June 30, 2022 and 2021 are \$21,531,143 and \$25,467,550, respectively, of perpetual trusts held by third parties.

The following table summarizes the changes in endowment net assets for the year ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Gains	Corpus	
Endowment net assets, beginning of year	\$ 600,178,905	\$ 24,144,595	\$ 19,800,312	\$ 644,123,812
Contributions, net of amounts transferred to operations*	7,159,336	-	3,050	7,162,386
Interest and dividends	10,497,947	-	1,100	10,499,047
Unrealized depreciation in fair value of investments	(84,597,343)	(4,164,139)	-	(88,761,482)
Realized gains	33,992,023	-	-	33,992,023
Investment expenses	(2,411,995)	-	-	(2,411,995)
Other income, primarily royalties	445,143	-	-	445,143
Net change in value of split-interest agreements	(1,149,525)	-	-	(1,149,525)
Amounts appropriated for program services	(26,000,000)	-	-	(26,000,000)
Amounts appropriated for specific operating purposes	(2,811,919)	-	-	(2,811,919)
Amounts designated for specific purposes	(23,822,809)	-	-	(23,822,809)
Endowment net assets, end of year	\$ 511,479,763	\$ 19,980,456	\$ 19,804,462	\$ 551,264,681

\* The Society reports legacies received as increases in net assets without donor restrictions unless use of the related assets is limited by explicit donor-imposed restrictions. Because of the variability of this support, the application of such funds to support operations is budgeted at an amount approved by the Board of Directors annually. The excess between the unrestricted legacies received and the amount budgeted is reported as an addition or deduction in funds functioning as endowment.

**American Bible Society**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021**

The following table summarizes the changes in endowment net assets for the year ended June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Gains	Corpus	
Endowment net assets, beginning of year	\$ 480,801,452	\$ 14,032,922	\$ 19,753,969	\$ 514,588,343
Contributions, net of amounts transferred to operations*	(722,127)	-	45,500	(676,627)
Interest and dividends	11,038,560	-	843	(11,039,403)
Unrealized depreciation in fair value of investments	107,634,072	10,111,673	-	117,745,745
Realized gains	37,562,595	-	-	37,562,595
Investment expenses	(1,572,436)	-	-	(1,572,436)
Other income, primarily royalties	177,120	-	-	177,120
Net change in value of split-interest agreements	(669,072)	-	-	(669,072)
Amounts appropriated for program services	(28,145,153)	-	-	(28,145,153)
Amounts appropriated for specific operating purposes	(5,926,106)	-	-	(5,926,106)
Endowment net assets, end of year	<u>\$ 600,178,905</u>	<u>\$ 24,144,595</u>	<u>\$ 19,800,312</u>	<u>\$ 644,123,812</u>

\* The Society reports legacies received as increases in net assets without donor restrictions unless use of the related assets is limited by explicit donor-imposed restrictions. Because of the variability of this support, the application of such funds to support operations is budgeted at an amount approved by the Board of Directors annually. The excess between the unrestricted legacies received and the amount budgeted is reported as an addition or deduction in funds functioning as endowment.

**NOTE M - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

The Society regularly monitors liquidity required to meet its operating needs. The Society's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

<u>Available Financial Assets as of June 30,</u>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 10,721,324	\$ 21,311,610
Accounts, program loan and accrued interest receivables, net, due within one year	6,209,293	6,404,413
Contribution receivable, due within one year, unrestricted as to use	<u>271,280</u>	<u>117,832</u>
Total financial assets available within one year	17,201,897	27,833,855
Add: anticipated investment return to be used in the subsequent fiscal year for operations (endowment spending)	<u>43,173,807</u>	<u>47,968,352</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 60,375,704</u>	<u>\$ 75,802,207</u>

**American Bible Society**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022 and 2021**

Excluded from the detail provided above are all investment amounts pertaining to the Society's endowment funds totaling \$551,264,681 and \$644,123,812 as of June 30, 2022 and 2021, respectively. As of June 30, 2022 and 2021, the Society's endowment fund includes both donor-restricted investments (original gift amount and accumulated gains) totaling \$39,784,918 and \$43,944,907, respectively, and the Society's board-designated endowment (quasi-endowment) totaling \$511,479,763 and \$600,178,905, respectively (See Note L for a detail of the Society's endowment fund). Earnings from donor-restricted endowment funds are unavailable for general use. The endowment is subject to an annual spending rate that is further described in Note D. Although the Society does not intend to spend from its board-designated endowment, other than amounts appropriated for operations annually, as of June 30, 2022 and 2021, the Society had \$511,479,763 and \$600,178,905, respectively, of board-designated endowment funds that could be made available to support operations if necessary, following Board approval. Accordingly, the extent of available financial assets as of June 30, 2022 only includes an approximation of investment return that will be made available to fund fiscal year 2023 operations, pursuant to the Society's Board-approved endowment spending policy.

As part of the Society's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.



SUPPLEMENTARY INFORMATION

American Bible Society

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

June 30, 2022

	Society	FLDC	Eliminations	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,813,349	\$ 2,907,975	\$ -	\$ 10,721,324
Accounts, contributions, program loan and accrued interest receivables net of allowance of \$149,106	6,577,426	-	-	6,577,426
Loan receivable from the FLDC	19,949,997	-	(19,949,997)	-
Amounts receivable from ABS	-	1,196,494	(1,196,494)	-
Inventories, net	6,023,630	59,875	-	6,083,505
Prepaid expenses and other assets	3,473,075	114,213	-	3,587,288
Investments	664,797,579	-	-	664,797,579
Beneficial interest in investments held by third-party trustees	25,904,575	-	-	25,904,575
Fixed assets, net	12,067,729	49,627,987	-	61,695,716
	<u>\$ 746,607,360</u>	<u>\$ 53,906,544</u>	<u>\$ (21,146,491)</u>	<u>\$ 779,367,413</u>
Total assets				
<b>LIABILITIES AND NET ASSETS</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 10,575,736	\$ 379,880	\$ -	\$ 10,955,616
Amounts payable to FLDC	1,196,494	-	(1,196,494)	-
Loan payable to the Society	-	19,949,997	(19,949,997)	-
Payable under securities loan agreement	3,125,815	-	-	3,125,815
Deferred allowance from lease activity	16,657,759	-	-	16,657,759
Obligations under charitable remainder trusts	7,154,719	-	-	7,154,719
Annuities payable	18,364,070	-	-	18,364,070
Deferred revenue under life income agreements	4,534,332	-	-	4,534,332
Accrued postretirement benefits	28,215,541	-	-	28,215,541
	<u>89,824,466</u>	<u>20,329,877</u>	<u>(21,146,491)</u>	<u>89,007,852</u>
Total liabilities				
<b>Commitments</b>				
<b>Net assets</b>				
Net assets without donor restrictions	548,848,308	33,576,667	-	582,424,975
Net assets with donor restrictions	107,934,586	-	-	107,934,586
	<u>656,782,894</u>	<u>33,576,667</u>	<u>-</u>	<u>690,359,561</u>
Total net assets				
Total liabilities and net assets	<u>\$ 746,607,360</u>	<u>\$ 53,906,544</u>	<u>\$ (21,146,491)</u>	<u>\$ 779,367,413</u>

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the consolidated financial statements and notes thereto.

**American Bible Society**  
**CONSOLIDATING SCHEDULE OF ACTIVITIES**  
Year ended June 30, 2022

	Without Donor Restrictions				With Donor Restrictions				Total
	Society	FLDC	Eliminations	Total	Society	FLDC	Eliminations	Total	
<b>Operating activities</b>									
Operating revenues and support:									
Contributions	\$ 25,814,474	\$ 14,931,187	\$ (14,931,187)	\$ 25,814,474	\$ 22,194,886	\$ -	\$ -	\$ 22,194,886	\$ 48,009,360
Legacies	12,854,408	-	-	12,854,408	-	-	-	-	12,854,408
Scripture sales	4,018,130	-	-	4,018,130	-	-	-	-	4,018,130
Other	3,607,841	97,423	-	3,705,264	-	-	-	-	3,705,264
Net assets released from restrictions	20,293,884	-	-	20,293,884	(20,293,884)	-	-	(20,293,884)	-
Total operating revenues and support	66,588,737	15,028,610	(14,931,187)	66,686,160	1,901,002	-	-	1,901,002	68,587,162
Operating expenses									
Program services									
Scripture engagement and distribution:									
National ministries	39,971,350	9,737,493	(15,531,185)	34,177,658	-	-	-	-	34,177,658
International ministries	42,777,775	-	-	42,777,775	-	-	-	-	42,777,775
Total program services	82,749,125	9,737,493	(15,531,185)	76,955,433	-	-	-	-	76,955,433
Supporting services									
Administration	7,318,428	503,659	-	7,822,087	-	-	-	-	7,822,087
Development	14,001,411	797,776	-	14,799,187	-	-	-	-	14,799,187
Total supporting services	21,319,839	1,301,435	-	22,621,274	-	-	-	-	22,621,274
Total operating expenses	104,068,964	11,038,928	(15,531,185)	99,576,707	-	-	-	-	99,576,707
Changes in net assets from operating activities, before investment return appropriated for operations	(37,480,227)	3,989,682	599,998	(32,890,547)	1,901,002	-	-	1,901,002	(30,989,545)
Investment return appropriated for operations (Note D)	28,811,919	-	-	28,811,919	-	-	-	-	28,811,919
Changes in net assets from operating activities	(8,668,308)	3,989,682	599,998	(4,078,628)	1,901,002	-	-	1,901,002	(2,177,626)
<b>Nonoperating activities</b>									
Investment losses, net of amounts appropriated for operations and capital activities and other (Note D)	(71,996,664)	-	(599,998)	(72,596,662)	(7,433,210)	-	-	(7,433,210)	(80,029,872)
Depreciation in fair value of third-party trusts	-	-	-	-	(3,936,407)	-	-	(3,936,407)	(3,936,407)
Change in value of split-interest agreements	(1,149,525)	-	-	(1,149,525)	2,081,118	-	-	2,081,118	931,593
Pension-related activity other than net periodic pension expense	6,383,920	-	-	6,383,920	-	-	-	-	6,383,920
Changes in net assets from nonoperating activity	(66,762,269)	-	(599,998)	(67,362,267)	(9,288,499)	-	-	(9,288,499)	(76,650,766)
<b>CHANGES IN NET ASSETS</b>	(75,430,577)	3,989,682	-	(71,440,895)	(7,387,497)	-	-	(7,387,497)	(78,828,392)
Net assets, beginning of year	624,278,885	29,586,985	-	653,865,870	115,322,083	-	-	115,322,083	769,187,953
Net assets, end of year	\$ 548,848,308	\$ 33,576,667	\$ -	\$ 582,424,975	\$ 107,934,586	\$ -	\$ -	\$ 107,934,586	\$ 690,359,561

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the consolidated financial statements and notes thereto.