

American Bible Society

Consolidated Financial Statements
Years Ended June 30, 2025 and 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



American Bible Society

Consolidated Financial Statements
Years Ended June 30, 2025 and 2024

American Bible Society

Contents

Independent Auditor's Report	3-4
Consolidated Financial Statements	
Consolidated Statements of Financial Position as of June 30, 2025 and 2024	6
Consolidated Statements of Activities and Change in Net Assets for the Years Ended June 30, 2025 and 2024	7-8
Consolidated Statements of Functional Expenses for the Years Ended June 30, 2025 and 2024	9-10
Consolidated Statements of Cash Flows for the Years Ended June 30, 2025 and 2024	11
Notes to the Consolidated Financial Statements	12-45



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Independent Auditor's Report

The Board of Directors
American Bible Society
Philadelphia, Pennsylvania

Opinion

We have audited the consolidated financial statements of American Bible Society (the Society), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities and change in net assets, 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 the Society as of June 30, 2025 and 2024, 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 in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 Consolidated 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 within one year after the date that the consolidated financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Consolidated 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 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 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.

BDO USA, P.C.

February 17, 2026

Consolidated Financial Statements

American Bible Society

Consolidated Statements of Financial Position

<i>June 30,</i>	2025	2024
Assets		
Cash and cash equivalents	\$ 2,613,450	\$ 4,466,122
Accounts receivable, net of allowance for current expected credit losses of \$9,743 in 2025 and \$10,779 in 2024	503,278	1,033,971
Contribution and other receivables, net of allowance for uncollectible receivables of \$146,854 in both 2025 and 2024	1,296,443	1,790,945
Inventories, net	4,390,431	6,970,645
Prepaid expenses and other assets	1,818,208	1,618,237
Investments	696,009,716	675,373,378
Beneficial interest in investments held by third-party trustees	31,664,351	29,460,901
Right-of-use assets - operating leases	28,620,178	30,372,434
Assets held for sale	1,290,889	-
Fixed assets, net	9,642,721	11,358,963
Total Assets	\$ 777,849,665	\$ 762,445,596
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 9,420,248	\$ 14,289,026
Obligations under charitable remainder trusts	8,657,818	10,576,280
Annuities payable	15,782,923	16,309,365
Deferred revenue under life income agreements	4,213,568	4,306,505
Lease liabilities - operating leases	62,145,925	64,377,519
Accrued postretirement benefits	14,101,492	15,769,544
Total Liabilities	114,321,974	125,628,239
Commitments and Contingencies		
Net Assets		
Without donor restrictions	533,799,310	518,926,158
With donor restrictions	129,728,381	117,891,199
Total Net Assets	663,527,691	636,817,357
Total Liabilities and Net Assets	\$ 777,849,665	\$ 762,445,596

See accompanying notes to consolidated financial statements.

American Bible Society

Consolidated Statement of Activities and Change in Net Assets

Year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities			
Operating revenues and support:			
Contributions	\$ 1,502,683	\$ 28,785,213	\$ 30,287,896
Legacies	2,512,792	-	2,512,792
Scripture sales	2,572,475	-	2,572,475
Other	3,330,280	-	3,330,280
Net assets released from restrictions	27,080,936	(27,080,936)	-
Total Operating Revenues and Support	36,999,166	1,704,277	38,703,443
Operating Expenses			
Program services:			
Scripture engagement and distribution:			
National ministries	26,093,480	-	26,093,480
International ministries	27,727,384	-	27,727,384
Total Program Services	53,820,864	-	53,820,864
Supporting services:			
Administration	10,136,213	-	10,136,213
Development	8,144,062	-	8,144,062
Total Supporting Services	18,280,275	-	18,280,275
Total Operating Expenses	72,101,139	-	72,101,139
Changes in Net Assets from Operating Activities, before investment return appropriated for operations	(35,101,973)	1,704,277	(33,397,696)
Investment return appropriated for operations	26,348,331	-	26,348,331
Changes in Net Assets from Operating Activities	(8,753,642)	1,704,277	(7,049,365)
Nonoperating Activities			
Investment return, net of amounts appropriated for operations and capital	24,639,865	4,810,970	29,450,835
Appreciation in fair value of third-party trusts	-	1,837,534	1,837,534
Change in value of split-interest agreements	(1,115,528)	3,484,401	2,368,873
Pension-related activity other than net periodic pension expense	102,457	-	102,457
Changes in Net Assets from Nonoperating Activities	23,626,794	10,132,905	33,759,699
Change in Net Assets	14,873,152	11,837,182	26,710,334
Net Assets, beginning of year	518,926,158	117,891,199	636,817,357
Net Assets, end of year	\$ 533,799,310	\$ 129,728,381	\$ 663,527,691

See accompanying notes to consolidated financial statements.

American Bible Society

Consolidated Statement of Activities and Change in Net Assets

Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities			
Operating revenues and support:			
Contributions	\$ 14,049,670	\$ 17,440,481	\$ 31,490,151
Legacies	3,842,327	-	3,842,327
Scripture sales	5,381,695	-	5,381,695
Other	2,975,015	-	2,975,015
Net assets released from restrictions	19,236,313	(19,236,313)	-
Total Operating Revenues and Support	45,485,020	(1,795,832)	43,689,188
Operating Expenses			
Program services:			
Scripture engagement and distribution:			
National ministries	38,759,903	-	38,759,903
International ministries	37,242,376	-	37,242,376
Total Program Services	76,002,279	-	76,002,279
Supporting services:			
Administration	9,135,891	-	9,135,891
Development	10,865,549	-	10,865,549
Total Supporting Services	20,001,440	-	20,001,440
Total Operating Expenses	96,003,719	-	96,003,719
Changes in Net Assets from Operating Activities, before investment return appropriated for operations	(50,518,699)	(1,795,832)	(52,314,531)
Investment return appropriated for operations	38,210,671	-	38,210,671
Changes in Net Assets from Operating Activities	(12,308,028)	(1,795,832)	(14,103,860)
Nonoperating Activities			
Investment return, net of amounts appropriated for operations and capital	6,715,357	4,429,479	11,144,836
Appreciation in fair value of third-party trusts	-	1,299,065	1,299,065
Change in value of split-interest agreements	(976,217)	1,039,585	63,368
Pension-related activity other than net periodic pension expense	1,393,946	-	1,393,946
Changes in Net Assets from Nonoperating Activities	7,133,086	6,768,129	13,901,215
Impairment losses of Faith and Liberty Discovery Center's long-lived assets	(49,998,565)	-	(49,998,565)
Impairment losses of the American Bible Society's long-lived assets	(2,335,165)	-	(2,335,165)
Total Impairment Losses	(52,333,730)	-	(52,333,730)
Change in Net Assets	(57,508,672)	4,972,297	(52,536,375)
Net Assets, beginning of year	576,434,830	112,918,902	689,353,732
Net Assets, end of year	\$ 518,926,158	\$ 117,891,199	\$ 636,817,357

See accompanying notes to consolidated financial statements.

American Bible Society

Consolidated Statement of Functional Expenses

Year ended June 30, 2025

	Program Services			Supporting Services			
	National Ministries	International Ministries	Total	Administration	Development	Total	Total
Bible ministry grants	\$ 4,951,678	\$ 9,441,190	\$ 14,392,868	\$ -	\$ 2,036	\$ 2,036	\$ 14,394,904
Scripture-based conventions and meetings	16,273	31,187	47,460	10,721	9,286	20,007	67,467
Cost of scripture and related materials sold	1,487,708	-	1,487,708	-	-	-	1,487,708
Printing, publications, and promotions	1,394,401	1,163,049	2,557,450	6,806	1,625,961	1,632,767	4,190,217
Salaries and wages	4,883,644	6,382,803	11,266,447	3,208,633	1,734,843	4,943,476	16,209,923
Employee benefits	1,431,597	1,882,855	3,314,452	912,436	512,354	1,424,790	4,739,242
Relocation costs	2,739	3,135	5,874	5,915	867	6,782	12,656
Pension expense	300,605	559,035	859,640	250,321	190,153	440,474	1,300,114
Postretirement benefits	289,118	127,039	416,157	32,148	26,100	58,248	474,405
Professional fees	3,535,099	5,062,957	8,598,056	924,292	1,406,200	2,330,492	10,928,548
Postage and mailing	1,571,349	948,524	2,519,873	1,981	1,332,845	1,334,826	3,854,699
Depreciation and amortization	892,635	190,968	1,083,603	282,218	142,661	424,879	1,508,482
Travel and related costs	152,749	341,355	494,104	63,223	87,129	150,352	644,456
Data processing	964,879	41,139	1,006,018	36,485	15,893	52,378	1,058,396
Occupancy	1,944,514	43,604	1,988,118	2,660,242	467,644	3,127,886	5,116,004
Equipment, repairs, and rentals	1,284,840	943,544	2,228,384	1,439,397	285,562	1,724,959	3,953,343
Telephone	21,970	25,750	47,720	15,486	13,401	28,887	76,607
Office supplies	109,492	27,701	137,193	14,558	11,782	26,340	163,533
Storage costs	461,344	6,390	467,734	8,017	4,150	12,167	479,901
Insurance	172,949	162,423	335,372	140,659	77,345	218,004	553,376
Memberships and subscriptions	86,852	128,712	215,564	44,892	58,783	103,675	319,239
Legal, tax, and audit fees	48,674	74,884	123,558	49,246	44,340	93,586	217,144
Banking and compliance	86,141	76,704	162,845	20,776	95,958	116,734	279,579
Miscellaneous	2,230	62,436	64,666	7,761	(1,231)	6,530	71,196
	\$ 26,093,480	\$ 27,727,384	\$ 53,820,864	\$ 10,136,213	\$ 8,144,062	\$ 18,280,275	\$ 72,101,139

See accompanying notes to consolidated financial statements.

American Bible Society

Consolidated Statement of Functional Expenses

Year ended June 30, 2024

	Program Services			Supporting Services			
	National Ministries	International Ministries	Total	Administration	Development	Total	Total
Bible ministry grants	\$ 2,515,431	\$ 16,800,898	\$ 19,316,329	\$ (32,195)	\$ 164,542	\$ 132,347	\$ 19,448,676
Scripture-based conventions and meetings	29,848	64,650	94,498	18,100	21,674	39,774	134,272
Cost of scripture and related materials sold	8,403,892	136,878	8,540,770	-	-	-	8,540,770
Printing, publications, and promotions	1,986,696	1,599,807	3,586,503	5,731	1,900,960	1,906,691	5,493,194
Salaries and wages	5,865,415	7,761,070	13,626,485	3,616,940	2,970,129	6,587,069	20,213,554
Employee benefits	1,550,570	1,633,272	3,183,842	1,044,582	768,089	1,812,671	4,996,513
Relocation costs	2,110	2,976	5,086	6,795	672	7,467	12,553
Pension expense	386,831	538,202	925,033	260,176	206,802	466,978	1,392,011
Postretirement benefits	355,485	161,727	517,212	46,757	31,687	78,444	595,656
Professional fees	3,721,231	5,170,082	8,891,313	947,402	1,632,645	2,580,047	11,471,360
Postage and mailing	1,529,737	1,151,579	2,681,316	4,019	1,395,175	1,399,194	4,080,510
Depreciation and amortization	5,282,033	473,407	5,755,440	592,305	320,552	912,857	6,668,297
Travel and related costs	147,713	304,575	452,288	84,078	116,744	200,822	653,110
Data processing	1,223,316	364,566	1,587,882	100,179	392,396	492,575	2,080,457
Occupancy	3,459,603	57,340	3,516,943	1,575,421	454,686	2,030,107	5,547,050
Equipment, repairs, and rentals	1,233,161	493,873	1,727,034	474,726	173,648	648,374	2,375,408
Telephone	33,495	40,923	74,418	16,181	22,617	38,798	113,216
Office supplies	162,705	66,310	229,015	18,312	47,856	66,168	295,183
Storage costs	394,786	6,304	401,090	8,789	3,756	12,545	413,635
Insurance	247,065	156,529	403,594	184,651	79,754	264,405	667,999
Memberships and subscriptions	85,279	105,316	190,595	15,250	48,105	63,355	253,950
Legal, tax, and audit fees	60,708	95,149	155,857	98,832	34,605	133,437	289,294
Banking and compliance	53,753	47,141	100,894	40,609	39,936	80,545	181,439
Miscellaneous	29,040	9,802	38,842	8,251	38,519	46,770	85,612
	\$ 38,759,903	\$ 37,242,376	\$ 76,002,279	\$ 9,135,891	\$ 10,865,549	\$ 20,001,440	\$ 96,003,719

See accompanying notes to consolidated financial statements.

American Bible Society

Consolidated Statements of Cash Flows

Years ended June 30,	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 26,710,334	\$ (52,536,375)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation and amortization	1,508,482	6,668,297
Non-cash lease expense	1,752,256	1,929,255
Impairment loss on right-of-use assets - operating leases	-	12,500,111
Impairment loss on fixed assets	-	39,833,619
Change in allowance for current expected credit losses	(1,036)	5,410
Change in provision for obsolete and slow-moving inventory	-	4,348,499
Net unrealized and realized appreciation in fair value of investments	(44,770,808)	(38,386,229)
Net unrealized and realized appreciation in fair value of third-party trusts	(1,837,534)	(1,299,065)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	531,729	(287,521)
Contribution and other receivables	494,502	12,808
Inventories, net	2,580,214	739,226
Prepaid expenses and other assets	131,852	(162,355)
Beneficial interest in investments held by third-party trustees, excluding split-interest agreements	(778,261)	(1,264,919)
(Decrease) increase in:		
Accounts payable and accrued expenses	(4,868,778)	(2,137,624)
Lease liabilities - operating leases	(2,231,594)	(1,992,537)
Accrued postretirement benefits	(1,668,052)	(2,838,290)
Net Cash Used in Operating Activities	(22,446,694)	(34,867,690)
Cash Flows from Investing Activities		
Proceeds from sales of investment securities	484,759,475	640,263,369
Purchases of investment securities	(460,628,206)	(607,644,695)
Capital expenditures	(1,411,751)	(2,031,386)
Net Cash Provided by Investing Activities	22,719,518	30,587,288
Cash Flows from Financing Activities		
Proceeds of new split-interest agreements in excess of contributions recognized	238,034	1,687,408
Change in value of split-interest agreements	(2,297,547)	560,260
Change in value of split-interest agreements held by third-party trustees	412,345	732,683
Payments to third-party beneficiaries under split-interest agreements	(3,053,428)	(3,343,223)
Investment income on split-interest agreements held for others	2,575,100	1,995,758
Net Cash (Used in) Provided by Financing Activities	(2,125,496)	1,632,886
Net Decrease in Cash and Cash Equivalents	(1,852,672)	(2,647,516)
Cash and Cash Equivalents, beginning of year	4,466,122	7,113,638
Cash and Cash Equivalents, end of year	\$ 2,613,450	\$ 4,466,122

See accompanying notes to consolidated financial statements.

American Bible Society

Notes to Consolidated Financial Statements

1. The Organization and Nature of Activities

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."

The Society helps people experience God through the Bible. The Society provides access to the Bible to unreached and underserved people around the world, helps people engage in the Bible, including those in crisis who 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.

Mission Objectives

The Society's mission since 1816 has been to help all people experience the life-changing message of God's Word as follows:

God's Word for the Unreached

The Society provides access to the Bible in every language, for every person and consists of leaders and innovators in the Bible translation movement, focusing on creating and applying emerging technologies to accelerate translation efforts through 70 current Bible translation projects.

Because the Society believes the Bible is for all people, the 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 for the accurate and efficient translation of 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, the Society has distributed more than 6.9 billion pieces of scripture 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. The Society's Bible Society partners are experts on their nations' church cultures and help respond to the real-time scripture needs of local believers. In the past year, the Society provided over 2.4 million print and digital Bibles to waiting people around the world. In addition, the Society's intellectual property such as Bible versions and content were licensed in print and digital formats to over 32 million recipients globally.

American Bible Society

Notes to Consolidated Financial Statements

God's Word for People in Crisis

The Bible restores broken hearts. The Society's Bible-based Restoring Hope 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 coronavirus pandemic, children and teens experiencing trauma, and members of the military community. Formats include small groups, online video courses, and print and digital documents. In addition, the Society shares free basic trauma healing resources to increase awareness in the church and equips 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. Approximately, 23,000 and 15,000 people completed a healing group in 2025 and 2024 respectively.

God's Word for America

Here in the United States, the Society advocates for the Bible as the living word of God and 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 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 and scripture resources 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 the nation. In the past year, this ministry reached over 400,000 people in the military community.

Since 2011, the Society's State of the Bible research has provided insights into how Americans view and use the Bible and what difference it makes in their lives. This research indicates people who engage with scripture more deeply experience less stress, more hope, higher levels of human flourishing, and lower levels of loneliness than those who interact with the Bible less frequently and give it a less central place in their lives. 20 percent and 18 percent of Americans were scripture engaged in 2025 and 2024, respectively, and the Society prays this proportion will increase in the coming years.

The accompanying consolidated financial statements include the activities as follows:

Faith and Liberty Discovery Center

The Society established the Faith and Liberty Discovery Center (FLDC), a museum for the purposes of exploring the relationship between faith and liberty in the United States of America, from its

American Bible Society

Notes to Consolidated Financial Statements

founding to today, by illuminating the influence of the Bible on individuals in key historical and personal moments. The FLDC was established as a limited liability company on June 11, 2018 under the Limited Liability Company Act of the State of Delaware.

On April 1, 2024, the Society made a strategic decision to close the FLDC's public-facing operations due to financial performance. This decision impacted the museum's operations, which have been a key part of the Society's activities.

In relation to the construction and development of FLDC, the Society provided a three-year \$20 million letter of credit to FLDC, bearing interest at a rate of 3% per annum. In fiscal year 2024, this letter of credit was converted into a five-year term loan, which continued to bear interest at a rate of 3% per annum. The term loan was deemed impaired in April 2024, given FLDC's inability to repay the term loan upon closure of the museum. The loan was forgiven in fiscal year 2025, with the Society recognizing a loss on the forgiveness of the loan and FLDC recognizing a corresponding gain, both of which were eliminated in consolidation.

The Society is continuing the mission of FLDC through its Faith and Liberty Initiative (FLI) and integrating these themes into its wider programming as a key strategy to promote confidence in the Bible. FLI projects leverage and extend the intellectual property and the scholarly and organizational relationships from the FLDC. Products in development include: 1) an online Faith and Liberty Bible app and a commemorative America 250 print edition; 2) a Faith and Liberty high school course suitable for distribution to public and faith-based schools and students; and 3) a Faith and Liberty Speakers Bureau in partnership with a broader coalition starting with the America 250 commemorations. Extensive third-party market testing in 2025 sustains the Society's confidence in this content and strategy for enhancing the mission and attracting ongoing support. The current level of resource support is commensurate with the development and marketing of emerging Faith and Liberty tools and products.

Subsequent to June 30, 2025, the Board of Directors approved the dissolution of FLDC.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the Society are described below.

Basis of Accounting

The accompanying consolidated financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Principles of Consolidation

The consolidated financial statements include the accounts of the Society and FLDC. All inter-organizational balances and transactions have been eliminated in consolidation.

American Bible Society

Notes to Consolidated Financial Statements

Basis of Presentation

The Society follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. The Society is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Measure of Operations

The consolidated statements of activities and change in net assets reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of items attributable to the Society's ongoing program services. 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 consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 equivalents available for long-term investment, which are included within investments on the consolidated statements of financial position.

Accounts Receivable

Accounts receivable principally relate to scripture sales and royalty income. The Society uses the allowance method to record estimates of expected credit losses. The allowance is based on historical experience, current conditions, and reasonable and supportable forecasts.

Accounts receivables are written off when the Society determines that such receivables are deemed uncollectible. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, not to exceed the aggregate of the amount previously written off, are included in determining the necessary reserve at the reporting date.

The Society pools its accounts receivable based on similar risk characteristics in estimating expected credit losses. In situations where certain accounts receivable does not share the same risk characteristics with other accounts receivable, the Society measures those receivables individually. The Society evaluates such pooling decisions and adjusts annually, as needed, as risk characteristics change.

American Bible Society

Notes to Consolidated Financial Statements

The Society determines its estimated credit losses for accounts receivable using an expected-loss-rate approach based on the accounts receivable aging schedule in determining its lifetime expected credit losses on its receivables from customers. This method is used for calculating an estimate of losses based primarily on the Society's historical loss experience by accounts receivable aging bucket. In determining its loss rates, the Society evaluates information related to its historical losses, adjusted for current conditions, and further adjusted for the period of time that the Society can reasonably forecast. For the period of time beyond which the Society can reasonably forecast, reversion to historical loss experience is applied based on the facts and circumstances as of the reporting date. The Society is able to reasonably support a forecast period for one year after the consolidated statement of financial position date. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider the following risk characteristics: age of the receivable, changes in the Society's evaluation of the customers' creditworthiness, and the current and forecasted direction of the economic and business environment.

The allowance for credit losses for accounts receivable amounted to \$9,743 and \$10,779 for the years ended June 30, 2025 and 2024, respectively.

Contributions and other receivables

Contribution receivables are recorded at fair value at the date an unconditional promise to give is received. Conditional promises to give are not recognized in the consolidated financial statements until the conditions have been substantially met. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use upon the due date. Past due contribution receivables are individually analyzed for collectability. The Society establishes an allowance over doubtful contribution receivables based on management's estimate of the collectability of the contribution received. When all collection efforts have been exhausted, the amount is written off against an allowance for bad debts. As of June 30, 2025 and 2024, the allowance for doubtful contribution receivables, amounted to \$146,854 for both years.

Inventory

Inventory consists primarily of finished scripture products held for sale and scripture resources for ministry use. 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.

Prepaid Expenses and Other Assets

Prepaid expenses consist primarily of payments made to third-party vendors before services are performed related to a cloud computing arrangement (CCA) for the financial management and customer relationship management systems. Other assets consist primarily of prepaid postage and insurance costs.

The Society capitalizes certain costs related to the implementation costs of a CCA. Costs incurred during the application development stage are capitalized only when the Society believes it is probable the development will result in new or additional functionality, and the hosted system will be placed into service for its intended use. The types of costs capitalized during the application development stage include configuration and customization activities; during this stage, certain costs capitalized include fees paid to the CCA service provider or other third-party vendors providing implementation services.

American Bible Society

Notes to Consolidated Financial Statements

Costs related to the preliminary project stage and post-implementation activities are expensed as incurred. The Society capitalized \$1,411,750 and \$157,969 of the implementation costs of a CCA during the years ended June 30, 2025 and 2024, respectively. Such amounts are included in fixed assets and are being amortized over five years using the straight-line method.

The commencement date for amortization of capitalized CCA implementation costs is determined separately for each module or component; therefore, amortization will begin when a module or component of the CCA is ready for its intended use. The term of service for amortization purposes should include the initial noncancelable service term and all of the following: (i) periods covered by an option to extend if the reporting entity is reasonably certain to exercise that option; (ii) periods during which the contract is cancellable if the reporting entity is reasonably certain not to exercise its option to cancel; and (iii) periods covered by an option to extend (or not to terminate) the service in which exercise of the option is controlled by the vendor.

Investments

The Society reports investments at estimated fair value. Investment return reported in the consolidated statements of activities and change in net assets is net of all external and direct internal investment management expenses. Interest and dividend income is accounted for on the accrual basis. Realized and unrealized gains and losses on investments, including changes in market value, are reported in the consolidated statements of activities and change in net assets as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulation.

Investments in equity securities with readily determinable fair values as well as investments in mutual and exchange-traded funds (ETF) are reported at quoted market prices. Investments in debt securities are reported at estimated fair value based on quoted interest rates for securities of similar terms and risks.

Investments in hedge funds and private equity funds are reported at fair values as estimated by their respective investment managers, unless the investments report at net asset value (NAV), in which case the NAV is used as the basis for determining fair value, which is an allowable practical expedient. The fund's NAV is provided by the fund's investment managers using a variety of methodologies relevant to the particular investment portfolio that combine primary market data available from national securities exchanges for underlying securities that are actively traded as well as other factors that lead to a determination of a fair value at a different amount. Because of the inherent uncertainty of valuation for these alternative investments or their underlying investments, values for those investments may differ from values that would have been used had a ready market for the investment existed. In all instances, the estimated fair values for these types of investments reflect the Society's interest in the fair values of the underlying investments.

Realized gains and losses from sales of investments are recognized on the trade date on a specific identification basis in the same manner as unrealized gains and losses. Dividend income is recognized on the ex-dividend date. Interest income is recognized when earned.

American Bible Society

Notes to Consolidated Financial Statements

Leases

Leases arise from contractual obligations that convey the right to control the use of identified asset for a period of time in exchange for consideration. At the inception of the contract, the Society determines if an arrangement contains a lease based on whether there is an identified asset and whether the Society controls the use of the identified asset. The Society also determines whether the lease classification is an operating or finance lease at the commencement date based on prescribed accounting rules. The Society recorded a right-of-use asset and lease liability for its operating lease.

A right-of-use asset represents the Society's right to use an underlying asset and a lease liability represents the Society's obligation to make payments during the lease term. Right-of-use assets are recorded and recognized at commencement for the lease liability amount, adjusted for initial direct costs incurred and lease incentives received. Lease liabilities are recorded at the present value of the future lease payments over the lease term at commencement. The implicit rates for the Society's leases were not readily determinable. As such, the Society measures its operating lease assets and liabilities using a risk-free rate of return at the commencement date based on the term of the lease.

The Society's real estate operating lease typically include non-lease components such as common-area maintenance costs, utilities, and other maintenance costs. The Society has elected to include non-lease components with lease payments for the purpose of calculating lease right-of-use assets and liabilities to the extent that they are fixed. Non-lease components that are neither fixed nor variable based on an index or rate are expensed as incurred as variable lease payments.

The Society's lease terms may include options to extend or terminate the lease. The Society generally uses the base, non-cancelable lease term when recognizing the lease assets and liabilities, unless it is reasonably certain that the Society will exercise those options. The Society's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As a matter of policy, the Society has elected to exclude leases with terms of 12 months or less (short-term) from the accompanying consolidated statements of financial position. The Society had no short-term leases as of June 30, 2025 and 2024, respectively.

Fixed Assets

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 ten years. Software relates to developed internal software and is depreciated over five years. Exhibits associated with the development and installation of software and hardware exhibits are depreciated over a period of five 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.

Assets Held for Sale

The Society classifies non-current assets (or disposal groups) as held for sale when their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

American Bible Society

Notes to Consolidated Financial Statements

This classification is made only when management is committed to a plan to sell the asset, the asset is available for immediate sale in its present condition, and the sale is highly probable to be completed within one year from the date of classification.

Upon classification as held for sale, the asset (or disposal group) is measured at the lower of its carrying amount and fair value less costs to sell. Any initial or subsequent write-down to fair value less costs to sell is recognized as an impairment loss in the statement of activities and changes in net assets. Depreciation (or amortization) of the asset ceases upon classification as held for sale.

Assets held for sale are presented separately in the consolidated statement of financial position. Any liabilities directly associated with the assets held for sale are also presented separately.

The Society reviews the status of assets classified as held for sale at each reporting date to ensure continued compliance with the held for sale criteria. If the criteria are no longer met, the asset is reclassified and measured in accordance with the applicable accounting standard.

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.

Impairment of Long-Lived Assets

The Society reviews the valuation of its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets.

For the year ended June 30, 2025, the Society evaluated its long-lived assets for indicators of impairment in accordance with FASB ASC 360-10-15, *Impairment or Disposal of Long-Lived Assets* (FASB ASC 360). Based on this evaluation, no events or circumstances were identified that would indicate the carrying amounts of the Society's long-lived assets may not be recoverable. Accordingly, no impairment losses were recognized during the year ended June 30, 2025.

FLDC

During the year ended 2024, the Society concluded it had a triggering event requiring assessment of impairment for certain of its long-lived assets in conjunction with closure of the public-facing operations of FLDC. As a result, the Society reviewed the long-lived assets in accordance with FASB ASC 360, for impairment and the carrying amount of the assets exceeded the current fair value of the assets as of June 30, 2024. The impairment was measured, under the market approach to determine the fair values of the impairment assets. As a result, a total impairment loss related to

American Bible Society

Notes to Consolidated Financial Statements

FLDC was recorded for the year ended June 30, 2024 of \$49,998,565 in the consolidated statements of activities and change in net assets and comprised of the following:

- i. *Right-of-Use Assets* - An impairment loss of \$12,500,111 has been recognized, reflecting the diminished value of the leased property used for museum operations.
- ii. *Leasehold Improvements* - An impairment loss of \$37,498,454 has been recognized, representing the reduced recoverable value of improvements made to the leased premises.

The Society

During the year ended 2024, the Society concluded it had a triggering event requiring assessment of impairment for certain of its long-lived assets due to an extended period of vacancy of its right-of-use assets and the related fixed assets that led to a reassessment of the future economic benefits expected from the use of these assets. As a result, the Society reviewed the long-lived assets in accordance with FASB ASC 360 for impairment and the carrying amount of the assets exceeded the current fair value of the assets as of June 30, 2024. The impairment was measured under the income approach to determine the fair values of the impairment assets. An impairment loss was recorded in the accompanying consolidated statements of activities and change in net assets for the year ended June 30, 2024 of \$2,335,165.

Bible Ministry Grants Payable

The awarding of grants is reflected on the consolidated 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 consolidated statements of financial position. As of June 30, 2025 and 2024, the Society had Bible ministry grants payable of \$4,652,356 and \$6,615,327, 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 consolidated statements of activities and change in net assets. The discount rate utilized to value split-interest agreements remained constant at 6% as of June 30, 2025 and 2024. The mortality table utilized to calculate the life expectancy of annuitants as of June 30, 2025 and 2024 is the Individual Annuity Reserve (IAR) 2012 Mortality Table, which is a dynamic table that updates life expectancy from year to year.

American Bible Society

Notes to Consolidated Financial Statements

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 \$29,327,805 and \$28,158,566 as of June 30, 2025 and 2024, respectively, and are in excess of all reserve requirements in all states that require such reserves.

Net Assets

Net assets are classified into two categories: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Undesignated

Undesignated net assets without donor restrictions are those net assets that are not subject to donor-imposed stipulations or board designations.

Net Assets Without Donor Restrictions - Board Designated

The Society's Board of Directors has set aside a portion of net assets without donor restrictions as board-designated fund assets and has implemented an investment policy that includes an annual discretionary transfer of amounts to undesignated net assets to support operations.

Net Assets with Donor Restrictions

Net assets with donor restrictions generally result from net contributions and other inflows of assets whose use by the Society is limited by donor-imposed stipulations that either expire by passage of time or are fulfilled and the restriction removed by actions of the Society pursuant to those stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities and change in net assets as net assets released from restrictions. Donor contributions with restrictions that will be fulfilled in the same fiscal year that contributions are received are reported in the accompanying consolidated statements of activities and change in net assets as contributions without donor restrictions.

The Society also has net assets with donor restrictions that generally result from contributions and other inflows of assets whose use by the Society is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the Society. Generally, the donors of these assets permit the Society to use the income earned on related investments for general or specific purposes.

Revenue Recognition

Contributions

Contributions, which include unconditional promises to give, are recognized as revenues in the period received. Contributions received are considered available for use unless specifically restricted by the donor. Amounts received that are designated for a future period or are restricted by the donor for specific purposes are reported as contributions with donor restrictions. These contributions also increase net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with

American Bible Society

Notes to Consolidated Financial Statements

donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and change in net assets as net assets released from restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as contributions without donor restrictions.

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, including those received under multi-year grant agreements, are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

A promise is considered conditional only if the donor has stipulated one or more barriers that must be overcome before the Society is entitled to the assets transferred or promised, and there also exists a right of return to the donor of any assets transferred or a right of release of the donor's obligation to honor the promise. A transfer of assets from a donor that contains donor conditions is accounted for as a refundable advance until the conditions have been substantially met or explicitly waived by the donor.

As of June 30, 2025 and 2024, the Society has no conditional promises to give.

Legacies Revenue

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 legacy and bequests is recorded when the Society has an irrevocable right to the bequest and the proceeds are readily measurable.

Other Revenue

Other revenue is primarily made up on royalties' income related to the Society's translations and publications. Royalty income is recognized when earned and amounted to \$2,685,500 and \$2,362,185 for the years ended June 30, 2025 and 2024, respectively.

Scripture Sales and Accounts Receivable

The Society's revenue streams from contracts with customers consist of scripture sales, net of discounts. The Society earned \$2,572,475 and \$5,381,695 in scripture sales from contracts with customers during the years ended June 30, 2025 and 2024, respectively. Revenue from scripture sales is recognized at a point in time when the related performance obligation is satisfied, which occurs upon shipment of the scriptures, that is, when title passes to the customer.

The Society did not have any impairment or credit losses on any receivables or contract assets arising from contracts with customers.

American Bible Society

Notes to Consolidated Financial Statements

Expenses

Expenses are recognized during the period in which they are incurred. Expenses paid in advance and not yet incurred are deferred to the applicable period.

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the consolidated statements of activities and change in net assets and consolidated statements of functional expenses. Costs that can be specifically identified with a final cost objective are charged directly to that activity. Certain categories of expenses that are attributable to one or more program or supporting functions of the organization are allocated.

The Society organizes its expenses based on their purpose and contribution to its mission, differentiating between program-related activities and support services. Additionally, it employs time studies to assess the portion of administrative staff's time dedicated to program services.

Following is a description of the Society's program and supporting services:

Program Services

Program expenses are those costs generated in support of activities that directly advance the Society's mission. These are activities that result in goods and services being distributed to beneficiaries, customers, or members that fulfill the purposes for which the organization exists. Program services are considered either national or international in nature.

National ministries provide services mainly to beneficiaries within the United States, while international ministries offer services primarily to those outside the United States.

Supporting Services

Administrative expenses encompass costs related to activities essential for the organization's operations and overall mission, yet not directly tied to any specific program or fundraising effort. These include general management, oversight, recordkeeping, budgeting, finance, and other administrative tasks.

Development costs cover all the Society's fundraising activities.

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 consolidated financial statements had a ready market for such investments existed. Such difference could be material. Liabilities under split-interest agreements are reflected

American Bible Society

Notes to Consolidated Financial Statements

based upon the present value of the estimated future payments expected to be made to donors and other stipulated beneficiaries.

Concentrations of Credit Risk

The Society's assets that are exposed to credit risk consist primarily of cash and cash equivalents; investments; and contributions, bequests, and other receivables. Cash and cash equivalents are maintained at financial institutions, and, at times, balances may exceed federally insured limits. The Society has historically not experienced losses related to these balances. Amounts on deposit in excess of federally insured limits approximate \$25.4 million and \$32.7 million at June 30, 2025 and 2024, respectively. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the investment balances, and the amounts reported in the consolidated statements of financial position. The Society's contributions, bequests, and other receivables balance consists primarily of amounts due from individuals and corporations. Historically, the Society has not experienced significant losses related to the bequests and contributions receivable balances and, therefore, believes that the credit risk related to them is minimal.

Income Taxes

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. Therefore, the Society is generally not subject to tax under present income tax laws; however, any unrelated business income may be subject to federal and state income taxes. 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.

Certain of the Society's investments could give rise to unrelated business income tax (UBIT) liabilities. The Society had no UBIT liability as of June 30, 2025 and 2024.

The Society has adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB ASC Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return.

The Society has evaluated its uncertainty in income taxes for the years ended June 30, 2025 and 2024, respectively, and determined that there were no matters that would require recognition in the consolidated financial statements, or that might have any effect on the Society's tax-exempt status. As of June 30, 2025, there are no audits for any tax periods pending or in progress. It is the Society's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense in the year it becomes known. The Society believes that it is no longer subject to U.S. federal, state, and local, or non-U.S., income tax examinations by tax authorities for years before years ended June 30, 2022 and prior. There are currently no examinations pending or in progress regarding the Society's income tax returns.

American Bible Society

Notes to Consolidated Financial Statements

Recent Accounting Authoritative Guidance Not Yet Adopted

On June 30, 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The amendments in ASU 2022-03 are intended to increase comparability of financial information across reporting entities that have investments in equity securities measured at fair value that are subject to contractual restrictions on the holder of the equity security preventing the sale of those securities. Additionally, the ASU introduces new disclosure requirements to provide investors with information about contractual sale restrictions including the nature and remaining duration of the restrictions. ASC 820, *Fair Value Measurement*, indicates that, when measuring the fair value of an asset or a liability, a reporting entity should consider the characteristics of the asset or liability, including restrictions on the sale of the asset or liability, if a market participant also would take those characteristics into account. Key to that determination is the unit of account for the asset or liability being measured at fair value. The amendments in ASU 2022-03 clarify that a contractual restriction on the sale of an equity security on the holder of the equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. In these situations, the amendments also clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. Conversely, if a contractual restriction on the sale of the equity security is on the equity security itself, that contractual restriction is considered in measuring fair value. The amendments are effective for fiscal years beginning after December 15, 2024. The Society continues to evaluate the effect the adoption of ASC 2022-03 will have on the consolidated financial statements.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This ASU provides a practical expedient for entities to assume that current conditions as of the statement of financial position date remain unchanged for the remaining life of current accounts receivable and current contract assets when measuring expected credit losses under CECL. The practical expedient does not apply to other types of receivables or loans. Additionally, entities other than public business entities may elect an accounting policy to consider subsequent collections received after the statement of financial position date in estimating expected credit losses, provided the practical expedient is elected. ASU 2025-05 is effective for annual periods beginning after December 15, 2025, and interim periods within those annual periods, with early adoption permitted. The Society is currently evaluating the impact of this ASU on its consolidated financial statements.

The Society also assessed other accounting pronouncements issued or effective during the year ended June 30, 2025 and deemed they were not applicable to the Society or are not anticipated to have a material effect on the consolidated financial statements.

American Bible Society

Notes to Consolidated Financial Statements

3. 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 consolidated statement of financial position date for general expenditure were as follows:

<i>June 30,</i>	2025	2024
Financial assets available for general use within one year at year-end:		
Cash and cash equivalents	\$ 2,613,450	\$ 4,466,122
Accounts receivable, net	503,278	1,033,971
Contribution and other receivables, net	1,296,443	1,790,945
Total Financial Assets Available Within One Year	4,413,171	7,291,038
Add: anticipated investment return to be used in the subsequent fiscal year for operations (endowment spending)	33,345,000	33,100,000
Total Financial Assets Available for General Expenditures Within One Year	\$ 37,758,171	\$ 40,391,038

Excluded from the detail provided above are all investment amounts pertaining to the Society's endowment funds totaling \$535,850,141 and \$509,623,941 as of June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024, the Society's endowment fund includes both donor-restricted investments (original gift amount and accumulated gains) totaling \$50,124,974 and \$45,639,842, respectively, and the Society's funds functioning as an endowment (quasi-endowment) totaling \$485,725,167 and \$463,984,099, respectively (See Note 13 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 5. Although the Society does not intend to spend from its board-designated endowment, other than amounts appropriated for operations annually, as of June 30, 2025 and 2024, the Society had \$485,725,167 and \$463,984,099, 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, 2025 only includes an approximation of investment return that will be made available to fund fiscal year 2026 operations, pursuant to the Society's Board-approved endowment spending policy.

American Bible Society

Notes to Consolidated Financial Statements

4. Inventories

Inventories at June 30, 2025 and 2024 and Scripture sales for the years then ended consist of the following:

	2025	2024
Finished scripture products held for sale	\$ 6,332,622	\$ 6,214,353
Scripture resources for ministry use	5,207,318	7,905,801
FLDC retail inventory	30,406	30,406
Total Inventories	11,570,346	14,150,560
Less: inventory reserve		
Finished scripture products and scripture resources	(7,149,509)	(7,149,509)
FLDC retail inventory	(30,406)	(30,406)
Total Inventory Reserve	(7,179,915)	(7,179,915)
Total Inventories, Net	\$ 4,390,431	\$ 6,970,645
Components of gross margin/(loss):		
Scripture sales	\$ 2,572,475	\$ 5,381,695
Less: cost of scripture and related materials sold and reserves	(1,487,708)	(8,540,770)
Gross Margin/(Loss) on Scripture Sales	\$ 1,084,767	\$ (3,159,075)

Included in national ministries Bible ministry grants expense is the cost of Scripture resources for ministry use, which totaled \$1,931,891 and \$1,933,367 for the years ended June 30, 2025 and 2024, respectively.

5. Investments

Investments consist of the following:

<i>June 30,</i>	2025	2024
Cash equivalents	\$ 25,780,292	\$ 30,568,458
Equities	343,005,297	301,048,107
Fixed income	121,297,797	142,117,144
Private equities	133,381,345	121,200,293
Real assets	48,031,275	51,619,431
Global equities	24,513,710	28,819,945
	\$ 696,009,716	\$ 675,373,378

Included in investments at June 30, 2025 and 2024 is \$19,084,178 and \$15,898,034, respectively, held under trusts where the Society acts as trustee in connection with its split-interest agreements with donors. Life income agreements of \$7,474,777 and \$8,215,142 at June 30, 2025 and 2024, respectively, are also included in investments.

American Bible Society

Notes to Consolidated Financial Statements

The Society's investments at June 30, 2025 are comprised of the following:

	Investments	Cost
Endowment investments	\$ 565,711,221	\$ 443,078,162
Non-endowment investments	51,246,312	49,499,168
Board-designated for retiree medical/pension benefits	22,204,662	28,232,143
Other investments*	56,847,521	53,094,089
	<u>\$ 696,009,716</u>	<u>\$ 573,903,562</u>

* Annuities, pooled income funds, and charitable remainder trusts.

The Society's investments at June 30, 2024 are comprised of the following:

	Investments	Cost
Endowment investments	\$ 547,125,943	\$ 429,877,919
Non-endowment investments	47,669,878	48,957,303
Board-designated for retiree medical/pension benefits	24,819,941	32,389,672
Other investments*	55,757,616	52,045,631
	<u>\$ 675,373,378</u>	<u>\$ 563,270,525</u>

* 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, 2025 and 2024, the fair value of the collateral received totaled \$38 in both years and is included in investments and accounts payable and accrued expenses on the accompanying consolidated statements of financial position. The Society retains all rights of ownership to the securities loaned and continues to receive all interest and dividend income.

The Society has committed to investing an additional \$69,837,339 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.

American Bible Society

Notes to Consolidated Financial Statements

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

Level 1 - This level consists of inputs to the valuation methodology are quoted prices are available in active markets for identical investments as of the reporting date. The type of investments in Level 1 includes listed equities held in the name of the Society and excludes listed equities and other securities held indirectly through commingled funds.

Level 2 - This level consists of inputs to the valuation methodology are pricing inputs, including broker quotes, and 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.

Level 3 - This level consists of inputs to the valuation methodology are pricing inputs and 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.

The Society uses NAV or its equivalent to determine the value of all the underlying investments that: (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.

The following tables prioritize the inputs used to report the fair value of the Society's investments within the hierarchy levels discussed above:

June 30, 2025

Description	Assets Measured at NAV	Level 1	Level 2	Level 3	Total
Equities	\$ 45,756,372	\$ 278,054,202	\$ 17,280,818	\$ 1,913,905	\$ 343,005,297
Fixed income	-	34,227,756	87,070,041	-	121,297,797
Private equities	133,381,345	-	-	-	133,381,345
Real assets	42,074,167	-	-	5,957,108	48,031,275
Global equities	6,506,898	-	18,006,812	-	24,513,710
	227,718,782	312,281,958	122,357,671	7,871,013	670,229,424
Cash equivalents*	-	-	-	-	25,780,292
Total Fair Value Investments	\$ 227,718,782	\$ 312,281,958	\$ 122,357,671	\$ 7,871,013	\$ 696,009,716

* Cash is measured at cost and has not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the balance sheet.

American Bible Society

Notes to Consolidated Financial Statements

June 30, 2024

Description	Assets Measured at NAV				Total
	Level 1	Level 2	Level 3		
Equities	\$ 75,859,174	\$ 202,762,375	\$ 20,536,111	\$ 1,890,447	\$ 301,048,107
Fixed income	-	31,464,236	110,652,908	-	142,117,144
Private equities	121,200,293	-	-	-	121,200,293
Real assets	42,655,023	-	-	8,964,408	51,619,431
Global equities	17,103,026	-	11,716,919	-	28,819,945
	256,817,516	234,226,611	142,905,938	10,854,855	644,804,920
Cash equivalents*	-	-	-	-	30,568,458
Total Fair Value Investments	\$ 256,817,516	\$ 234,226,611	\$ 142,905,938	\$ 10,854,855	\$ 675,373,378

* Cash is measured at cost and has not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the balance sheet.

The following tables summarize the changes in the Society's Level 3 investments:

June 30, 2025

	Equities	Real Assets	Total
Balance, June 30, 2024	\$ 1,890,447	\$ 8,964,408	\$ 10,854,855
Unrealized appreciation	23,231	-	23,231
Purchases (proceeds from sales, redemptions, and distributions)	227	(3,007,300)	(3,007,073)
Balance, June 30, 2025	\$ 1,913,905	\$ 5,957,108	\$ 7,871,013

June 30, 2024

	Equities	Real Assets	Total
Balance, June 30, 2023	\$ 1,710,462	\$ 9,498,952	\$ 11,209,414
Unrealized appreciation	89,008	-	89,008
Purchases (proceeds from sales, redemptions, and distributions)	90,977	(534,544)	(443,567)
Balance, June 30, 2024	\$ 1,890,447	\$ 8,964,408	\$ 10,854,855

Quantitative information related to Level 3 investment assets measured and carried at fair value on a recurring basis using significant unobservable inputs follows:

June 30,

Description	Fair Value		Principal Valuation Technique	Unobservable Inputs
	2025	2024		
Equities	\$ 1,913,905	\$ 1,890,447	Market approach	Values assigned to underlying funds less liabilities
Real assets	\$ 5,957,108	\$ 8,964,408	Market approach	Values assigned to underlying funds less liabilities

American Bible Society

Notes to Consolidated Financial Statements

Investment Return

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 latest 12-quarter average market value of the funds functioning as an endowment ended December 31 of the prior 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. In 2024, the 4.2% formula was adopted one year earlier than planned.

Amounts approved totaled \$25,200,000 in 2025 and 2024. In addition, the Society's Board of Directors approved the use of an additional \$1,148,331 and \$13,010,671 in 2025 and 2024, respectively, of investment return to fund additional ministry expense, pension expense, and post-retiree health care benefits.

The components of investment gain are as follows:

<i>Years ended June 30,</i>	2025	2024
Interest and dividends	\$ 12,999,981	\$ 13,310,688
Unrealized appreciation/(depreciation) in fair value of investments	13,366,741	(4,157,461)
Realized gains	31,404,068	42,543,691
Investment expenses	(1,971,624)	(2,341,411)
Investment Return, net	55,799,166	49,355,507
Amounts appropriated for program services	(25,200,000)	(25,200,000)
Amounts appropriated for specific operating purposes	(1,148,331)	(13,010,671)
Investment Returns Appropriated for Operations	(26,348,331)	(38,210,671)
Investment Return, less amounts appropriated for operations and program services	\$ 29,450,835	\$ 11,144,836
Unrealized and Realized Appreciation in Fair Value of Investments in Third-Party Trusts	\$ 1,837,534	\$ 1,299,065

American Bible Society

Notes to Consolidated Financial Statements

The following tables list investments reported at NAV by major asset category as of June 30, 2025:

Type	Strategy	NAV in Funds	# of Funds	Remaining Life	Amounts of Unfunded Commitments	Timing to Drawdown Commitments	Redemption Terms	Redemption Restrictions
Private equities	U.S. and international venture and buyout.	\$133,381,345	46	1-12 years	\$ 60,802,534	1-10 years	N/A	N/A
Real assets	Real assets and natural resources, primarily in the U.S., private equity structure, and ETF.	42,074,167	16	1-30 years	9,034,805	1-4 years	Private equity structures have no redemption options.	N/A
Global equities	Global equity and fixed-income funds in market neutral strategies, and fund-of-funds structure.	6,506,898	4	N/A	N/A	N/A	Ranges as follows: Quarterly and annual liquidity: with 30-90 days' notice.	1- and 3-year lock-up periods where applicable have expired; 2 funds currently liquidating.
Equities - partnerships	Long/short and long-only funds structured as partnerships.	13,312,138	1	N/A	N/A	N/A	Ranges from 0-60 days' notice to monthly or quarterly redemptions.	N/A
Equities - commingled funds	Global funds, primarily long-only, equities and bond funds, and ETF.	32,444,234	3	N/A	N/A	N/A	Ranges from 10-30 days' notice to monthly redemptions.	N/A
Total		\$227,718,782	70		\$ 69,837,339			

American Bible Society

Notes to Consolidated Financial Statements

The following tables list investments reported at NAV by major asset category as of June 30, 2024:

Type	Strategy	NAV in Funds	# of Funds	Remaining Life	Amounts of Unfunded Commitments	Timing to Drawdown Commitments	Redemption Terms	Redemption Restrictions
Private equities	U.S. and international venture and buyout.	\$121,200,293	28	1-12 years	\$ 66,330,116	1-10 years	N/A	N/A
Real assets	Real assets and natural resources, primarily in the U.S., private equity structure, and ETF.	42,655,023	16	1-30 years	8,420,676	1-4 years	Private equity structures have no redemption options.	N/A
Global equities	Global equity and fixed-income funds in market neutral strategies, and fund-of-funds structure.	17,103,026	4	N/A	N/A	N/A	Ranges as follows: Quarterly and annual liquidity: with 30-90 days' notice.	1- and 3-year lock-up periods where applicable have expired; 2 funds currently liquidating.
Equities - partnerships	Long/short and long-only funds structured as partnerships.	12,838,571	1	N/A	N/A	N/A	Ranges from 0-60 days' notice to monthly or quarterly redemptions.	N/A
Equities - commingled funds	Global funds, primarily long-only, equities and bond funds, and ETF.	63,020,603	3	N/A	N/A	N/A	Ranges from 10-30 days' notice to monthly redemptions.	N/A
Total		\$256,817,516	52		\$ 74,750,792			

American Bible Society
Notes to Consolidated Financial Statements

6. Transactions with Fellowship and Affiliated Organizations

The Society provides significant 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. In the fiscal years 2025 and 2024, this financial support amounted to \$10,787,915 and \$15,289,625, respectively. These amounts are included within the Bible ministry grants expenses for international ministries program services within the accompanying consolidated statements of functional expenses.

During fiscal year 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, 2025 and 2024, the receivable, which has been fully reserved for, net of amounts forgiven, totaled \$146,854 in both years.

7. Beneficial Interest in Investments Held by Third-Party Trustees

The Society maintains a beneficial interest in investments held by third-party trustees. At June 30, 2025 and 2024, the Society's beneficial interest in investments held by third-party trustees was classified as Level 3 within the fair value hierarchy. See Note 5.

The following tables summarize the changes in the Society's Level 3 beneficial interest in investments held by third-party trustees:

<i>Years ended June 30,</i>	2025	2024
Balance, beginning of year	\$ 29,460,901	\$ 27,629,600
Terminated agreements	(46,429)	(97,419)
Change in value due to actuarial valuations	(15,512)	203,416
Unrealized appreciation in fair value of third-party trusts	2,265,391	1,725,304
Balance, end of year	\$ 31,664,351	\$ 29,460,901

8. Lease Commitments

The Society assesses contracts at inception to determine whether an arrangement includes a lease, which conveys the Society's right to control the use of an identified asset for a period of time in exchange for consideration.

The Society has operating leases for office space for which a right-of-use asset and a lease liability are recorded in the accompanying 2025 and 2024 consolidated statements of financial position in accordance with ASU 2016-02, *Leases*.

American Bible Society

Notes to Consolidated Financial Statements

The Society's operating lease does not contain residual value guarantees. The Society has recorded the right-of-use of asset balance of \$28,620,178 and \$30,372,434 in the accompanying consolidated statements of financial position as of June 30, 2025 and 2024, respectively, for the following operating lease for its office space:

The Society has a 25-year operating lease for its headquarters space located in Philadelphia, Pennsylvania. The lease relates to the following spaces: (a) the 8th- and 9th-floor office spaces; (b) FLDC's ground-floor retail space; and (c) the ground-floor concourse space. The Society is renting 148,009 square feet under this arrangement. The lease is expiring on October 31, 2041 and includes five options to extend the lease term; however, the Society has determined that it is not reasonably certain it will exercise the option to extend. Rental payments under the lease totaled \$4,342,443 and \$4,174,166 for the years ended June 30, 2025 and 2024, respectively.

The Society's office space lease typically includes non-lease components such as common-area maintenance costs, utilities, and other maintenance costs. The Society has elected to include non-lease components with lease payments for the purpose of calculating lease right-of-use assets and liabilities to the extent that they are fixed or variable based on an index or rate. Non-lease components that are not fixed are expenses as incurred as variable lease payments.

The maturity of the lease liability under the Society's operating lease is as follows:

Years ending June 30,

2026	\$	4,457,853
2027		4,531,720
2028		4,599,236
2029		4,666,752
2030		4,734,268
Thereafter		58,377,668
		81,367,497
Less: effects of discounting		(19,221,572)
Lease Liabilities Recognized	\$	62,145,925

Within the consolidated statements of functional expenses, operating and variable lease expense is included in occupancy.

These amounts were as follows:

<i>June 30,</i>		2025		2024
Operating lease costs (costs resulting from lease payments)	\$	4,371,591	\$	4,167,892
Variable lease costs (excluded from lease payments)		966,385		1,083,866
Total Lease Costs	\$	5,337,976	\$	5,251,758

American Bible Society

Notes to Consolidated Financial Statements

Supplemental quantitative information related to operating lease is as follows:

<i>June 30,</i>	2025	2024
Cash paid for amounts included in the measurement of lease liabilities	\$ 4,371,591	\$ 4,174,166
Weighted-average remaining lease terms	16.08 years	17.04 years
Weighted-average discount rate	2.84%	2.84%

9. Fixed Assets

Fixed assets consist of the following:

June 30, 2025

	Society	FLDC	Total
Furniture, fixtures, and equipment	\$ 4,566,050	\$ 5,035,390	\$ 9,601,440
Leasehold improvements	13,679,014	38,242,135	51,921,149
Software	3,489,748	954,577	4,444,325
Exhibits	-	13,525,781	13,525,781
Construction in process	845,365	-	845,365
Total Fixed Assets	22,580,177	57,757,883	80,338,060
Less: accumulated depreciation, amortization, and impairment	(13,070,135)	(56,334,315)	(69,404,450)
	9,510,042	1,423,568	10,933,610
Less: assets held for sale, net (Note 10)	-	(1,290,889)	(1,290,889)
Total Fixed Assets, Net	\$ 9,510,042	\$ 132,679	\$ 9,642,721

June 30, 2024

	Society	FLDC	Total
Furniture, fixtures, and equipment	\$ 4,475,125	\$ 5,035,390	\$ 9,510,515
Leasehold improvements	13,679,014	38,242,135	51,921,149
Software	1,433,143	954,576	2,387,719
Exhibits	-	13,525,781	13,525,781
Construction in process	1,909,766	-	1,909,766
Total Fixed Assets	21,497,048	57,757,882	79,254,930
Less: accumulated depreciation, amortization, and impairment	(11,632,510)	(56,263,457)	(67,895,967)
Total Fixed Assets, Net	\$ 9,864,538	\$ 1,494,425	\$ 11,358,963

Depreciation and amortization expense totaled \$1,508,482 and \$6,668,297 for the years ended June 30, 2025 and 2024, respectively.

American Bible Society

Notes to Consolidated Financial Statements

10. Assets Held for Sale

During the year ended June 30, 2025, the Society committed to a plan to sell certain fixed assets related to FLDC. As a result, these fixed assets have been classified as held for sale in accordance with FASB ASC 360. The fixed assets are available for immediate sale in their present condition and are being actively marketed at prices that are reasonable in relation to their estimated fair value.

The carrying amount of the fixed assets classified as held for sale as of June 30, 2025, was \$1,290,889, which represents their estimated fair value less costs to sell. No impairment loss was recognized upon reclassification, as the carrying amount did not exceed fair value less costs to sell.

11. Net Assets Without Donor Restrictions

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available to finance the general operations of the Society. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Society, the environment in which it operates, and the purposes specified in its articles of incorporation.

Board-Designated Net Assets

The Society's board-designated net assets are based on voluntary resolutions by the Board of Directors to designate a portion of net assets without donor restrictions for specific purposes and do not result in restricted net assets. Since designations are voluntary and may be reversed by the Board of Directors at any time, designated net assets are classified as net assets without donor restrictions.

Net assets without donor restrictions consist of the following:

<i>June 30,</i>	2025	2024
Board-designated for retirement benefits	\$ 8,103,170	\$ 9,050,397
Board-designated for retiree medical benefits	14,101,492	15,769,544
Board-designated for Bible translation	363,964	715,857
Board-designated for other ministry projects	15,478,305	18,047,298
Funds functioning as an endowment (Note 13)	486,109,658	463,984,099
Land, building, and equipment	9,510,042	9,855,537
Land, building, and equipment related to FLDC	132,679	1,503,426
	\$ 533,799,310	\$ 518,926,158

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

American Bible Society

Notes to Consolidated Financial Statements

power of the investments and to help ensure resources for future needs, ministries, and opportunities (see also Note 5).

12. Net Assets with Donor Restrictions

Net assets with donor restrictions result from gifts of cash and other assets with donor-imposed restrictions to (a) support particular operating activities, (b) invest for a specified term, (c) use in a specified future period, or (d) acquire long-lived assets.

Net assets with donor restrictions were expendable for the following purposes:

<i>June 30,</i>	2025	2024
Subject to expenditure for specified purpose:		
Geographically focused programs and operations	\$ 10,923,025	\$ 8,820,943
Split interest agreement held in trust	42,278,490	38,866,056
	<u>53,201,515</u>	<u>47,686,999</u>
Subject to the Society's spending policy and appropriation:		
Portion of donor-restricted endowment funds subject to time restriction, which, once appropriated, is expendable to support programs	29,816,154	25,690,896
Not subject to appropriation or expenditure:		
Net assets from endowments, contributions receivable, held in perpetuity to support programs	46,710,712	44,513,304
Total Net Assets with Donor Restrictions	\$ 129,728,381	\$ 117,891,199

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

<i>Years ended June 30,</i>	2025	2024
Purpose restrictions accomplished:		
Geographically focused programs	\$ 26,237,675	\$ 18,758,675
Release of appropriated endowment funds with purpose restrictions	843,261	477,638
Total Restrictions Released	\$ 27,080,936	\$ 19,236,313

13. 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.

American Bible Society

Notes to Consolidated Financial Statements

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, 2025 and 2024, there were no deficiencies of this nature.

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.
- Where appropriate, alternatives to spending from the donor-restricted endowment fund and the possible effects on the Society.

American Bible Society

Notes to Consolidated Financial Statements

The following tables summarize endowment net asset composition by type of fund:

June 30, 2025

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Gains	Corpus	
Donor-restricted endowment funds	\$ -	\$ 29,816,154	\$ 20,308,820	\$ 50,124,974
Board-designated endowment funds	485,725,167	-	-	485,725,167
Total Endowment Funds	\$ 485,725,167	\$ 29,816,154	\$ 20,308,820	\$ 535,850,141

June 30, 2024

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Gains	Corpus	
Donor-restricted endowment funds	\$ -	\$ 25,690,896	\$ 19,948,946	\$ 45,639,842
Board-designated endowment funds	463,984,099	-	-	463,984,099
Total Endowment Funds	\$ 463,984,099	\$ 25,690,896	\$ 19,948,946	\$ 509,623,941

Excluded from the donor-restricted portion of the endowment in the tables above at June 30, 2025 and 2024 are \$26,348,750 and \$24,564,358, respectively, of perpetual trusts held by third parties.

The following table summarizes the changes in endowment net assets for the year ended June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Gains	Corpus	
Endowment Net Assets , beginning of year	\$ 463,984,099	\$ 25,690,896	\$ 19,948,946	\$ 509,623,941
Amounts transferred to operations net of contributions*	(3,457,455)	-	358,766	(3,098,689)
Interest and dividends	12,228,532	-	1,108	12,229,640
Unrealized appreciation in fair value of investments	13,388,810	4,125,258	-	17,514,068
Realized gains	31,267,517	-	-	31,267,517
Prior years' accumulated deficit	(2,451,713)	-	-	(2,451,713)
Investment expenses	(1,896,704)	-	-	(1,896,704)
Other income, primarily royalties	125,940	-	-	125,940
Net change in value of split-interest agreements	(1,115,528)	-	-	(1,115,528)
Amounts appropriated for program services	(25,200,000)	-	-	(25,200,000)
Amounts appropriated for specific operating purposes	(1,148,331)	-	-	(1,148,331)
Endowment Net Assets , end of year	\$ 485,725,167	\$ 29,816,154	\$ 20,308,820	\$ 535,850,141

* 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

American Bible Society

Notes to Consolidated Financial Statements

between the unrestricted legacies received and the amount budgeted is reported as an addition or deduction in funds functioning as endowment.

The following table summarizes the changes in endowment net assets for the year ended June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Gains	Corpus	
Endowment Net Assets , beginning of year	\$ 468,755,830	\$ 22,464,172	\$ 19,805,462	\$ 511,025,464
Amounts transferred to operations net of contributions*	(2,226,957)	-	142,488	(2,084,469)
Interest and dividends	13,076,340	-	996	13,077,336
Unrealized (depreciation) appreciation in fair value of investments	(8,376,214)	3,226,724	-	(5,149,490)
Realized gains	42,054,695	-	-	42,054,695
Prior years' accumulated deficit	(8,002,111)	-	-	(8,002,111)
Investment expenses	(2,312,063)	-	-	(2,312,063)
Other income, primarily royalties	201,467	-	-	201,467
Net change in value of split-interest agreements	(976,217)	-	-	(976,217)
Amounts appropriated for program services	(25,200,000)	-	-	(25,200,000)
Amounts appropriated for specific operating purposes	(13,010,671)	-	-	(13,010,671)
Endowment Net Assets , end of year	\$ 463,984,099	\$ 25,690,896	\$ 19,948,946	\$ 509,623,941

* 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.

14. Split-Interest Agreements

The following tables summarize the changes in the Society's obligations under split-interest agreements:

	Charitable Reminder Trust	Annuity Agreements	Life Income Fund	Total
Balance , June 30, 2024	\$ 10,576,280	\$ 16,309,365	\$ 4,306,505	\$ 31,192,150
Proceeds of new split-interest agreements	40,609	197,425	-	238,034
Change in value of split-interest agreements	(3,311,053)	1,115,528	(102,022)	(2,297,547)
Payments to third-party beneficiaries under split-interest agreements	(941,156)	(1,839,395)	(272,877)	(3,053,428)
Investment income on split-interest agreements held for others	2,293,138	-	281,962	2,575,100
Balance , June 30, 2025	\$ 8,657,818	\$ 15,782,923	\$ 4,213,568	\$ 28,654,309

American Bible Society

Notes to Consolidated Financial Statements

	Charitable Reminder Trust	Annuity Agreements	Life Income Fund	Total
Balance, June 30, 2023	\$ 8,808,933	\$ 17,091,238	\$ 4,391,776	\$ 30,291,947
Proceeds of new split-interest agreements	1,522,977	164,431	-	1,687,408
Change in value of split-interest agreements	(312,828)	976,548	(103,460)	560,260
Payments to third-party beneficiaries under split-interest agreements	(1,165,577)	(1,922,852)	(254,794)	(3,343,223)
Investment income on split-interest agreements held for others	1,722,775	-	272,983	1,995,758
Balance, June 30, 2024	\$ 10,576,280	\$ 16,309,365	\$ 4,306,505	\$ 31,192,150

15. 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 \$1,329,000 and \$1,228,000 in 2025 and 2024, 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 (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.

<i>June 30,</i>	2025	2024
Postretirement Benefit Obligation, end of year	\$ 14,101,492	\$ 15,769,544
Fair Value of Plan Assets, end of year	-	-
Funded Status, end of year	\$ 14,101,492	\$ 15,769,544
Current liability	\$ 1,286,060	\$ 1,389,861
Non-current liability	12,815,432	14,379,683
Total	\$ 14,101,492	\$ 15,769,544

American Bible Society

Notes to Consolidated Financial Statements

	2025	2024
Postretirement Benefit Obligation, beginning of year		
Actives not fully eligible to retire	\$ 340,276	\$ 509,679
Actives fully eligible to retire	769,946	1,717,980
Retirees	14,659,322	16,380,175
Total	\$ 15,769,544	\$ 18,607,834
Postretirement Benefit Obligation, end of year		
Actives not fully eligible to retire	\$ 264,360	\$ 340,276
Actives fully eligible to retire	674,801	769,946
Retirees	13,162,331	14,659,322
Total	\$ 14,101,492	\$ 15,769,544

The change in plan assets is as follows:

<i>Years ended June 30,</i>	2025	2024
Fair Value of Plan Assets, beginning of year	\$ -	\$ -
Employer contribution	1,389,861	1,525,123
Benefits paid	(1,389,861)	(1,525,123)
Fair Value of Plan Assets, end of year	\$ -	\$ -

Components of net periodic benefit cost included in the accompanying consolidated statements of activities and change in net assets are as follows:

<i>Years ended June 30,</i>	2025	2024
Service cost	\$ 14,895	\$ 23,692
Interest cost	794,432	870,849
Amortization of actuarial losses	(985,062)	(813,761)
Net Periodic Postretirement Benefit Cost	\$ (175,735)	\$ 80,780

Other changes in benefit obligations recognized in net assets without donor restrictions are as follows:

<i>Years ended June 30,</i>	2025	2024
Net actuarial gain	\$ (1,087,519)	\$ (2,207,707)
Amortization of unrecognized amounts	985,062	813,761
Total Changes Recognized in Net Assets Without Donor Restrictions	\$ (102,457)	\$ (1,393,946)

American Bible Society
Notes to Consolidated Financial Statements

Assumptions

	2025	2024
Assumptions used to determine benefits at June 30:		
Discount rate	5.26%	5.27%
Assumptions used to determine net periodic benefit cost for the years ended June 30:		
Discount rate	5.27%	4.88%
Assumed health care cost trend rates at June 30:		
Health care cost trend rate assumed for next year	6.50%	7.00%
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	2029	2029
Dental trend rate	4.50%	4.50%
Effect of a 1% increase in health care cost trend rate on:		
Interest and service cost	\$ 39,705	\$ 49,688
Accumulated postretirement benefit obligation	1,000,625	1,178,975
Effect of a 1% decrease in health care cost trend rate on:		
Interest and service cost	(34,085)	(42,259)
Accumulated postretirement benefit obligation	(865,244)	(1,015,334)

Contributions

The Society expects to contribute \$1,286,060 to its postretirement benefit plan during the year ending June 30, 2026.

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:

2026	\$ 1,286,060
2027	1,209,392
2028	1,139,435
2029	1,113,424
2030	1,098,325
2031-2035	5,130,344

16. Allocation of Joint Costs

For many years, the Society has relied on direct mail, email, telephone, face-to-face, and other means of solicitation to recruit, expand, and maintain its donor base. Direct marketing and other donor channels allow the Society to share specific details about recent accomplishments and to provide information about current campaigns and priorities to its supporters. The Society also uses postal mail and other channels to educate and call to action the public to advance its mission.

American Bible Society

Notes to Consolidated Financial Statements

The Society complies with FASB ASC 958-205, *Not-for-Profit Entities - Presentation of Consolidated Financial Statements*, and FASB ASC 958-720, *Not-for-Profit Entities - Other Expenses*, requirements by allocating a portion of its direct mail, email, phone, and other communication costs to program services and to fundraising. Since only those activities that include both programmatic and fundraising components are included in this allocation, the amounts below do not include all of the expenses presented in the consolidated statements of functional expenses. This allocation is based upon the percentage of material in each mailing related to program services as determined by content analysis of a sample of mailings.

Total costs for mailing pieces and direct media advertising spots that requested financial support and served other program or management functions were allocated as follows:

<i>Years ended June 30,</i>	2025	2024
Programs	\$ 4,647,713	\$ 6,450,131
Fundraising	3,518,093	5,094,889
Total Joint Costs	\$ 8,165,806	\$ 11,545,020

17. Subsequent Events

The Society evaluated subsequent events through February 17, 2026, which is the date the consolidated financial statements were available to be issued. The Society is not aware of any subsequent events that would require recognition or disclosure in the consolidated financial statements, other than as described in Note 1, relating to the dissolution of FLDC.