

**SOCIETY OF BIBLICAL LITERATURE**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2008 AND 2007**  
**with**  
**INDEPENDENT AUDITORS' REPORT**

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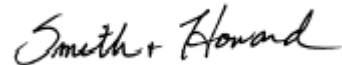
## INDEPENDENT AUDITORS' REPORT

### **Audit/Finance/Investment Committee Society of Biblical Literature**

We have audited the accompanying statement of financial position of the Society of Biblical Literature (the "Society") as of June 30, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Society as of and for the year ended June 30, 2007 were audited by other auditors whose report dated October 5, 2007 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Society of Biblical Literature as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



August 21, 2008

**SOCIETY OF BIBLICAL LITERATURE  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2008 AND 2007**

**ASSETS**

	<u><b>2008</b></u>	<u><b>2007</b></u>
Cash and cash equivalents	\$ 1,052,820	\$ 828,142
Marketable securities	949,724	1,071,139
Accounts receivable	58,716	69,083
Pledges receivable, net	8,175	8,874
Prepaid expenses and other assets	41,752	76,532
Book inventories, net of valuation reserve	48,955	39,483
Books in production	-	13,143
Furniture and equipment, net of accumulated depreciation	14,099	21,328
Net share of Luce Center assets	<u>2,078,951</u>	<u>2,172,456</u>
 Total Assets	 <u><u>\$ 4,253,192</u></u>	 <u><u>\$ 4,300,180</u></u>

**LIABILITIES AND NET ASSETS**

<b>Liabilities</b>		
Accounts payable	\$ 200,728	\$ 172,255
Deferred revenue		
Memberships and subscriptions	404,338	403,015
Annual Meetings	622,181	450,315
International meeting	56,208	83,334
Other	<u>-</u>	<u>1,406</u>
 Total Liabilities	 1,283,455	 1,110,325
 <b>Net Assets</b>		
Unrestricted net assets	2,529,803	2,726,459
Temporarily restricted net assets	189,934	213,396
Permanently restricted net assets	<u>250,000</u>	<u>250,000</u>
 Total Net Assets	 <u><u>2,969,737</u></u>	 <u><u>3,189,855</u></u>
 Total Liabilities and Net Assets	 <u><u>\$ 4,253,192</u></u>	 <u><u>\$ 4,300,180</u></u>

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

**SOCIETY OF BIBLICAL LITERATURE  
STATEMENT OF ACTIVITIES  
YEARS ENDED JUNE 30, 2008 AND 2007**

	<b>2008</b>			<b>Total</b>
	<b><u>Unrestricted</u></b>	<b><u>Temporarily Restricted</u></b>	<b><u>Permanently Restricted</u></b>	
Changes in Unrestricted Net Assets				
Revenues and gains				
Congresses	\$ 990,500	\$ -	\$ -	\$ 990,500
Membership and fee income	456,532	-	-	456,532
Book sales	384,754	-	-	384,754
Subscriptions	385,342	-	-	385,342
Investment income and change in market value	60,914	(14,828)	-	46,086
Marketing	181,587	-	-	181,587
Royalties	73,449	-	-	73,449
Contributions	85,213	-	-	85,213
Other	4,575	-	-	4,575
Rental income, net	(2,200)	-	-	(2,200)
Openings	83,945	-	-	83,945
Net assets released from restriction	<u>8,634</u>	<u>(8,634)</u>	-	<u>-</u>
Total Revenues and Gains	2,713,245	(23,462)	-	2,689,783
Expenses				
Program Expenses				
Publications	889,420	-	-	889,420
Congresses	1,167,674	-	-	1,167,674
Membership	119,924	-	-	119,924
Professions	144,739	-	-	144,739
Regions	64,693	-	-	64,693
Research and technology	<u>208,877</u>	<u>-</u>	<u>-</u>	<u>208,877</u>
Total Program Expenses	2,595,327	-	-	2,595,327
Development and fundraising	153,151	-	-	153,151
General and administration	<u>161,423</u>	<u>-</u>	<u>-</u>	<u>161,423</u>
Total Expenses	<u>2,909,901</u>	<u>-</u>	<u>-</u>	<u>2,909,901</u>
Decrease in Net Assets	(196,656)	(23,462)	-	(220,118)
Net Assets at Beginning of the Year	<u>2,726,459</u>	<u>213,396</u>	<u>250,000</u>	<u>3,189,855</u>
Net Assets at End of the Year	<u>\$ 2,529,803</u>	<u>\$ 189,934</u>	<u>\$ 250,000</u>	<u>\$ 2,969,737</u>

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

**SOCIETY OF BIBLICAL LITERATURE  
STATEMENT OF ACTIVITIES  
YEARS ENDED JUNE 30, 2008 AND 2007**

	<b>2007</b>			<b>Total</b>
	<b><u>Unrestricted</u></b>	<b><u>Temporarily Restricted</u></b>	<b><u>Permanently Restricted</u></b>	
Changes in Unrestricted Net Assets				
Revenues and gains				
Congresses	\$ 972,480	\$ -	\$ -	\$ 972,480
Membership and fee income	423,601	-	-	423,601
Book sales	425,022	-	-	425,022
Subscriptions	374,409	-	-	374,409
Investment income and change in market value	235,559	62,765	-	298,324
Marketing	198,213	-	-	198,213
Royalties	72,864	-	-	72,864
Contributions	48,221	-	-	48,221
Other	-	-	-	-
Rental income, net	23,435	-	-	23,435
Openings	77,649	-	-	77,649
Net assets released from restriction	<u>22,723</u>	<u>(22,723)</u>	-	-
Total Revenues and Gains	2,874,176	40,042	-	2,914,218
Expenses				
Program Expenses				
Publications	906,500	-	-	906,500
Congresses	1,257,443	-	-	1,257,443
Membership	106,472	-	-	106,472
Professions	111,739	-	-	111,739
Regions	58,387	-	-	58,387
Research and technology	<u>216,392</u>	-	-	<u>216,392</u>
Total Program Expenses	2,656,933	-	-	2,656,933
Development and fundraising	115,292	-	-	115,292
General and administration	<u>159,668</u>	-	-	<u>159,668</u>
Total Expenses	<u>2,931,893</u>	-	-	<u>2,931,893</u>
Decrease in Net Assets	(57,717)	40,042	-	(17,675)
Net Assets at Beginning of the Year	<u>2,784,176</u>	<u>173,354</u>	<u>250,000</u>	<u>3,207,530</u>
Net Assets at End of the Year	<u>\$ 2,726,459</u>	<u>\$ 213,396</u>	<u>\$ 250,000</u>	<u>\$ 3,189,855</u>

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

**SOCIETY OF BIBLICAL LITERATURE  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2008**

	Publications	Congresses	Membership	Professions	Regions	Research and Technology	Total Programs	Development and Fundraising	General and Admin	Total
Salaries and wages	\$ 261,416	\$ 186,827	\$ 52,023	\$ 79,797	\$ 23,396	\$ 114,161	\$ 717,620	\$ 84,034	\$ 54,566	\$ 856,220
Employee benefits	48,149	32,874	11,261	10,523	4,774	11,146	118,727	14,921	10,769	144,417
Payroll taxes	19,069	13,317	5,062	4,521	2,453	8,132	52,554	6,010	4,064	62,628
	328,634	233,018	68,346	94,841	30,623	133,439	888,901	104,965	69,399	1,063,265
Cost of publications sold	45,723	-	-	-	-	-	45,723	-	-	45,723
Professional fees	77,760	302,952	16,697	14,047	8,911	41,570	461,937	15,786	13,185	490,908
Communication	11,153	42,332	6,560	3,208	1,955	7,156	72,364	4,559	4,369	81,292
Advertising	18,364	58,371	-	-	-	-	76,735	-	-	76,735
Equipment and supplies	19,322	176,239	7,054	4,390	1,636	7,029	215,670	5,842	5,794	227,306
Travel and hospitality	28,562	250,314	5,936	17,089	4,244	10,036	316,181	10,488	8,035	334,704
Occupancy	6,214	3,747	2,512	1,649	1,073	4,515	19,710	2,481	2,288	24,479
Donations and discounts	50,314	648	435	767	16,605	1,144	69,913	823	384	71,120
Depreciation - furniture and equipn	3,464	1,964	1,319	507	320	2,710	10,284	1,297	1,164	12,745
Royalties	28,182	-	-	-	-	-	28,182	-	-	28,182
Provision for inventory valuation	19,914	-	-	-	-	-	19,914	-	-	19,914
Distribution costs	93,568	-	-	-	-	-	93,568	-	-	93,568
Printing	152,793	44,470	28	68	1	6	197,366	28	3	197,397
Building depreciation	-	-	-	-	-	-	-	-	55,374	55,374
Grants	-	6,984	-	7,087	-	-	14,071	-	-	14,071
Other	5,453	46,635	11,037	1,086	(675)	1,272	64,808	6,882	1,428	73,118
<b>Total Expenses</b>	<b>\$ 889,420</b>	<b>\$ 1,167,674</b>	<b>\$ 119,924</b>	<b>\$ 144,739</b>	<b>\$ 64,693</b>	<b>\$ 208,877</b>	<b>\$ 2,595,327</b>	<b>\$ 153,151</b>	<b>\$ 161,423</b>	<b>\$ 2,909,901</b>

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

**SOCIETY OF BIBLICAL LITERATURE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2007**

	Publications	Congresses	Membership	Professions	Regions	Research and Technology	Total Programs	Development and Fundraising	General and Admin	Total
Salaries and wages	\$ 260,214	\$ 182,054	\$ 46,442	\$ 61,945	\$ 20,979	\$ 100,250	\$ 671,884	\$ 65,760	\$ 50,563	\$ 788,207
Employee benefits	44,675	28,452	8,542	11,010	3,860	20,649	117,188	12,739	12,550	142,477
Payroll taxes	18,769	13,553	3,390	4,065	1,537	7,515	48,829	4,863	3,660	57,352
	<u>323,658</u>	<u>224,059</u>	<u>58,374</u>	<u>77,020</u>	<u>26,376</u>	<u>128,414</u>	<u>837,901</u>	<u>83,362</u>	<u>66,773</u>	<u>988,036</u>
Cost of publications aid	61,041	-	-	-	-	-	61,041	-	-	61,041
Professional fees	89,332	337,105	13,821	9,639	4,221	39,751	493,869	12,173	10,641	516,683
Communication	22,903	57,788	8,623	3,442	2,081	18,322	113,159	8,621	8,476	130,256
Advertising	30,408	50,921	2,437	2,251	1	5	86,023	2,252	2	88,277
Equipment and supplies	16,270	151,444	4,134	1,086	691	7,571	181,196	2,948	5,581	189,725
Travel and hospitality	24,668	329,805	4,720	14,106	7,043	10,736	391,078	5,366	5,292	401,736
Occupancy	6,654	3,772	2,534	974	614	5,204	19,752	2,492	2,235	24,479
Donations and discounts	27,555	1,151	773	1,192	16,687	1,838	49,196	1,319	682	51,197
Depreciation - furniture and equipr	3,128	1,824	1,208	479	299	2,543	9,481	1,219	1,062	11,762
Royalties	33,440	-	-	544	-	-	33,984	-	-	33,984
Provision for inventory valuation	22,654	-	-	-	-	-	22,654	-	-	22,654
Distribution Costs	86,324	-	-	-	-	-	86,324	-	-	86,324
Printing	143,505	56,867	-	-	-	-	200,372	-	-	200,372
Building depreciation	-	-	-	-	-	-	-	-	55,374	55,374
Grants to individuals	-	4,337	-	-	-	-	4,337	-	-	4,337
Other	14,960	38,370	9,848	1,006	374	2,008	66,566	(4,460)	3,550	65,656
<b>Total Expenses</b>	<u>\$ 906,500</u>	<u>\$ 1,257,443</u>	<u>\$ 106,472</u>	<u>\$ 111,739</u>	<u>\$ 58,387</u>	<u>\$ 216,392</u>	<u>\$ 2,656,933</u>	<u>\$ 115,292</u>	<u>\$ 159,668</u>	<u>\$ 2,931,893</u>

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



**SOCIETY OF BIBLICAL LITERATURE  
STATEMENT OF CASH FLOWS  
YEARS ENDED JUNE 30, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Cash Flows from Operating Activities		
Decrease in net assets	\$ (220,118)	\$ (17,675)
Adjustments to reconcile decrease in net assets to net cash required by operating activities		
Depreciation	68,119	67,136
Realized gain on marketable securities	(78,078)	(207,781)
Unrealized (gain) loss on marketable securities, net	109,864	(2,464)
Change in operating assets and liabilities		
Accounts receivable, net	10,367	(8,045)
Pledges receivable, net	699	22,724
Prepaid expenses and other assets	34,780	42,953
Book inventories and books in production	3,671	(644)
Accounts payable	28,473	18,805
Deferred revenue	<u>144,657</u>	<u>(14,595)</u>
Net Cash Provided (Required) By Operating Activities	102,434	(99,586)
Cash Flows from Investing Activities		
Acquisition of equipment	(5,516)	(11,811)
Purchases of marketable securities	(422,190)	(810,897)
Proceeds from sales of marketable securities	<u>549,950</u>	<u>838,500</u>
Net Cash Provided by Investing Activities	<u>122,244</u>	<u>15,792</u>
Net Increase (Decrease) in Cash and Cash Equivalents	224,678	(83,794)
Cash and Cash Equivalents at the Beginning of the Year	<u>828,142</u>	<u>911,936</u>
Cash and Cash Equivalents at the End of the Year	<u>\$ 1,052,820</u>	<u>\$ 828,142</u>

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

**SOCIETY OF BIBLICAL LITERATURE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations:

The Society of Biblical Literature (the "Society" or "SBL") is a not-for-profit organization established to foster biblical scholarship. Membership in the Society is composed of scholars, teachers, and non-specialists throughout the world, with numerous universities and libraries subscribing to the journals and monographic series of the Society.

Method of Reporting:

The Society's accounts are maintained, and these financial statements are presented, on the accrual basis of accounting to present the results of activities and financial position in conformity with accounting principles generally accepted in the United States of America.

Financial Statement Presentation:

The financial statements of the Society have been prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS 117, the Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, or permanently restricted net assets based on stipulations made by the donor.

Cash Equivalents:

The Society considers all highly liquid investments available on demand at various financial institutions to be cash equivalents. Balances may at times exceed federally insured limits. Based on the financial strength of the financial institutions where such funds are invested, management believes that there is minimal risk of loss related to such investments.

Marketable Securities:

The Society recognizes its investment transactions in accordance with SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." In accordance with SFAS 124, all investments in equity securities with a readily determinable market value and all investments in debt securities are reported at fair market value with gains and losses included in the statement of activities.

**SOCIETY OF BIBLICAL LITERATURE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Accounts Receivable:

Accounts receivable consist of trade accounts receivable and are stated at cost less an allowance for doubtful accounts. Credit is extended to customers after an evaluation of the customer's financial condition and, generally, collateral is not required. Management's determination of the allowance for doubtful accounts is based on an evaluation of the accounts receivable, past experience, current economic conditions and other risks inherent in the accounts receivable portfolio. In the opinion of management of the Society, all of the accounts receivable at June 30, 2008 and 2007 are deemed to be fully collectible.

Inventories:

At June 30, 2008 and 2007, book inventories are stated at cost using the first-in, first out (FIFO) method, less a valuation reserve of \$121,130 and \$139,920, respectively. The valuation reserve reflects the estimated decline in value of certain books since their original publication.

Furniture and Equipment:

At June 30, 2008 and 2007, furniture and equipment is stated at cost, less accumulated depreciation of \$71,526 and \$74,809, respectively.

Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, ranging from three to thirty-nine years.

Long-lived assets, held and used by the Society, are reviewed for impairment whenever changes in circumstances indicate the carrying value of an asset may not be recoverable. The Society's policy is to capitalize its capital assets over \$500. Depreciation expense on SBL furniture and equipment for fiscal years 2008 and 2007 was \$12,745 and \$11,762, respectively. Depreciation expense on Luce Center building and equipment for fiscal years 2008 and 2007 was \$55,374 each year.

Contributions:

The Society recognizes its contributions in accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS 116, unconditional promises to give and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or the nature of donor restrictions.

**SOCIETY OF BIBLICAL LITERATURE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Contributions (Continued):

Assets and marketable securities acquired by gift are recorded at their fair market value on the date of receipt. No amounts have been reflected in the financial statements for donated services; however, a substantial number of volunteers have donated significant amounts of their time to the Society's programs and supporting services. If the donated services received either created or enhanced non-financial assets or required specialized skills which would need to be purchased if not donated, the value of those donated services would be recorded in accordance with SFAS 116.

Revenue Recognition:

The Society recognizes revenue from the sales of books when they are shipped, net of estimated allowances for product returns.

Deferred Revenue:

Deferred revenue represents prepaid rental income, membership fees, and subscriptions paid in advance by the Society's members, as well as the Society's share of registration fees, related to future annual meetings, collected as of the statement of financial position date.

Income Taxes:

Under the Internal Revenue Code Section 501(c)(3), the Society is exempt from income taxes. Accordingly, no provision for federal and state income taxes is required.

Advertising Costs:

Advertising costs are expensed as incurred. These costs totaled \$76,735 and \$88,277 in 2008 and 2007, respectively.

Shipping and Handling Costs:

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

**SOCIETY OF BIBLICAL LITERATURE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Concentrations of Credit Risk:

Financial instruments that potentially expose the Society to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. Credit risk is generally diversified due to the large number of entities comprising the customer base.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of any contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses:

The costs of providing the various programs and other activities are summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the various programs and supporting services benefited as required by SFAS 117.

Reclassification:

Certain reclassifications have been made to the 2007 financial statements to conform to the current year presentation.

**SOCIETY OF BIBLICAL LITERATURE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007**

**NOTE 2 - MARKETABLE SECURITIES**

The aggregate cost and fair values, as well as unrealized appreciation (depreciation), of marketable securities as of June 30 were:

	2008		
	<u>Cost</u>	<u>Unrealized (Depreciation)/ Appreciation</u>	<u>Fair Value</u>
Corporate stocks	\$ 211,934	\$ 236,776	\$ 448,710
U.S. Treasury securities	499,464	1,550	501,014
Total	<u>\$ 711,398</u>	<u>\$ 238,326</u>	<u>\$ 949,724</u>
Equity securities – Luce Center endowment fund	<u>\$ 488,230</u>	<u>\$ (53,228)</u>	<u>\$ 435,002</u>

	2007		
	<u>Cost</u>	<u>Unrealized (Depreciation)/ Appreciation</u>	<u>Fair Value</u>
Corporate Stocks	\$ 278,784	\$ 293,996	\$ 572,780
U.S. Treasury securities	499,382	(1,023)	498,359
Total	<u>\$ 778,166</u>	<u>\$ 292,973</u>	<u>\$ 1,071,139</u>
Equity securities – Luce Center endowment fund	<u>\$ 471,950</u>	<u>\$ 1,362</u>	<u>\$ 473,312</u>

Investment income consists of the following at June 30:

	<u>2008</u>	<u>2007</u>
Interest and dividends	\$ 77,872	\$ 88,079
Realized (loss) gain	78,078	207,781
Unrealized (loss) gain	(109,864)	2,464
	<u>\$ 46,086</u>	<u>\$ 298,324</u>

**SOCIETY OF BIBLICAL LITERATURE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007**

**NOTE 3 - LUCE CENTER ASSETS**

As of June 30, 2001, the Society and the American Academy of Religion (the "Academy"), a related party organization, entered into a joint tenancy in common agreement, which establishes the ownership interests of certain assets and liabilities of the Luce Center. The agreement stipulated that the net book value of the Luce Center building and the Luce Center building endowment fund, including accumulated earnings, be shared equally between the two owners. All net revenues or expenses are also to be shared equally by the two owners. The building is subject to a ground lease with Emory University. This ground lease has a thirty-year term, expiring in March 2027, and there are two ten-year extension options available.

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

	<u>2008</u>	<u>2007</u>
Luce Center building	\$ 2,017,693	\$ 2,017,693
Luce Center furniture	<u>17,268</u>	<u>17,268</u>
	2,034,961	2,034,961
Less accumulated depreciation	<u>(395,705)</u>	<u>(340,330)</u>
	1,639,256	1,694,631
Luce Center endowment fund		
Corpus – permanently restricted	250,000	250,000
Accumulated earnings – unrestricted	-	23,303
Accumulated earnings – temporarily restricted	<u>189,695</u>	<u>204,522</u>
	<u>439,695</u>	<u>477,825</u>
 Total Net Share of Luce Center	 <u>\$ 2,078,951</u>	 <u>\$ 2,172,456</u>

**SOCIETY OF BIBLICAL LITERATURE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007**

**NOTE 4 - COMMITMENTS AND CONTINGENCIES**

Operating Leases

The Society leases office space and equipment under operating leases that expire in 2012.

Minimum future rentals under the operating leases for years ending June 30 are as follows:

2009	\$ 30,482
2010	26,554
2011	25,168
2012	24,480
2013	24,480
Total	<u>\$ 131,164</u>

Total lease expense for 2008 and 2007 was \$37,262 and \$31,803, respectively.

**NOTE 5 - EMPLOYEE BENEFIT PLAN**

All of the employees of the Society are eligible to participate in a tax-deferred annuity plan. Under the plan, the Society makes a contribution equal to 10% of annual salary to the Teacher's Insurance and Annuity Association and/or College Retirement Equities Fund (TIAA-CREF) defined contribution plan. Employee contributions are voluntary. Total pension expense for fiscal years 2008 and 2007 was \$75,676 and \$72,430, respectively.

**NOTE 6 - ANNUAL MEETINGS**

The Society and the Academy have to date held their annual meetings together and have had joint bank accounts related to those meetings. A firm unrelated to either the Society or the Academy has handled the financials related to the annual meeting accounts.

During 2008 and 2007, as in the past, revenues and expenses, which are directly attributable to an individual sponsor, are allocated directly to the sponsor's annual meeting account. The amounts allocated to the Society are included in the accompanying financial statements along with direct revenues earned and expenses incurred by the Society in conjunction with said annual meeting.

The November 2007 meeting was the last annual meeting that will be held together "jointly." In the future the Society and Academy may meet at the same time in the same city but revenues and expenses will no longer be entwined. Management of the Society will handle all of its accounting for expense and revenue.



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**NOTES 6 – ANNUAL MEETINGS (Continued)**

Summarized financial information for Society’s share of the annual meeting as of and for the years ended June 30 are as follows:

	<u>2008</u>	<u>2007</u>
Assets		
Cash	\$ 493,761	\$ 246,364
Prepaid Expenses	<u>28,878</u>	<u>66,139</u>
Total Assets	<u>\$ 522,639</u>	<u>\$ 312,503</u>
Liabilities and Net Assets		
Accounts payable	\$ 5,808	\$ -
Deferred revenue	622,181	450,315
Annual meetings net assets (deficit)	<u>(105,350)</u>	<u>(137,812)</u>
Total Liabilities and Net Assets	<u>\$ 522,639</u>	<u>\$ 312,503</u>
Revenues	\$ 1,055,934	\$ 1,044,634
Expenses	<u>813,972</u>	<u>822,940</u>
Excess Revenues	241,962	221,694
Distribution of Investment	(209,500)	(210,000)
Net Deficit at Beginning of the Year	<u>(137,812)</u>	<u>(149,506)</u>
Net Deficit at End of the Year	<u>\$ (105,350)</u>	<u>\$ (137,812)</u>

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**NOTE 7 – TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS**

Temporarily and permanently restricted net assets at June 30, 2008 and 2007 make up a part of the transfer of the Society's share of the Luce Center assets. At June 30, 2008 and 2007, temporarily restricted net assets of \$189,934 and \$204,522, respectively, represent the Society's share of the accumulated earnings of the Luce Center Building endowment fund. These funds are restricted for the building renovation, repair and maintenance. The permanently restricted net assets of \$250,000 represent the Society's share of the corpus of the Luce Building endowment fund and must remain invested in perpetuity.

Pledges receivable, related to the 125th Anniversary Campaign, in the amount of \$300 and \$11,093, net of reserve for doubtful pledges of \$60 and \$2,219, respectively, are recorded as temporarily restricted net assets in the statements of financial position as of June 30, 2008 and 2007, respectively. All pledges receivable outstanding at June 30, 2008 are due in less than one year.

Net assets released from donor restrictions represent amounts incurred satisfying the restricted purposes specified by the donor. Net assets released from restrictions consisted of net pledges received of \$8,634 and \$22,723 for the years ending June 30, 2008 and 2007, respectively.