AMERICAN ACADEMY OF RELIGION, INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

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AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022

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Mauldin & Jenkins
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
American Academy of Religion, Inc. and Subsidiaries
Atlanta, Georgia

Opinion

We have audited the accompanying consolidated financial statements of **American Academy of Religion, Inc. and Subsidiaries** (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Academy of Religion, Inc. and Subsidiaries as of June 30, 2022 and 2021, and the changes in their net assets and their 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Academy of Religion, Inc. and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about American Academy of Religion, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards 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 financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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 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 American Academy of Religion, Inc. and Subsidiaries' 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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about American Academy of Religion, Inc. and Subsidiaries' 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 6, 2023

AMERICAN ACADEMY OF RELIGION, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
Cash in banks	**$ 804,371**	$ 596,136
Accounts receivable, net of allowance for doubtful accounts	**73,891**	61,331
Grant receivable	**-**	200,000
Prepaid expenses and other assets	**105,432**	111,012
Furniture and software, net of accumulated depreciation	**56,464**	129,075
Share of Luce Center assets, net of accumulated depreciation	**1,973,675**	2,201,679
Marketable securities, at fair value	**7,651,404**	9,533,625
Total assets	**$ 10,665,237**	$ 12,832,858
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	**$ 104,962**	$ 30,105
Related party payables	**661,395**	268,497
Deferred revenue - membership	**249,645**	290,683
Deferred revenue - annual meeting	**480,643**	499,287
PPP note payable	**215,723**	433,898
Total liabilities	**1,712,368**	1,522,470
Net assets		
Without donor restrictions	**5,659,033**	7,029,884
With donor restrictions	**3,293,836**	4,280,504
Total net assets	**8,952,869**	11,310,388
Total Liabilities and Net Assets	**$ 10,665,237**	$ 12,832,858

See Notes to Consolidated Financial Statements.

AMERICAN ACADEMY OF RELIGION, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support			
Membership dues	$ 593,805	$ -	$ 593,805
Grant revenue	5,000	-	5,000
PPP loan forgiveness	218,175	-	218,175
Regional and annual meeting registration and exhibits	1,134,316	-	1,134,316
Employment information services	78,277	-	78,277
Label sales	11,559	-	11,559
Publications and royalties	28,139	-	28,139
Contributions	78,420	-	78,420
Luce Center rental income	136,574	-	136,574
Interest and dividends, net of investment expenses	66,947	38,204	105,151
Miscellaneous	5,750	-	5,750
Net assets released from restrictions	561,728	(561,728)	-
Total revenues and other support	2,918,690	(523,524)	2,395,166
Expenses			
Program services			
Member services	172,700	-	172,700
Scholarly engagement	566,490	-	566,490
Public engagement	775,110	-	775,110
Regional and annual meeting	835,910	-	835,910
Total program expenses	2,350,210	-	2,350,210
Supporting services			
Luce Center expenses	94,083	-	94,083
General and administrative	803,427	-	803,427
Fundraising	12,600	-	12,600
Total expenses	3,260,320	-	3,260,320
(Decrease) in net assets before depreciation and investment gains	(341,630)	(523,524)	(865,154)
Depreciation	(160,251)	-	(160,251)
Investment losses (realized and unrealized)	(868,970)	(463,144)	(1,332,114)
(Decrease) in net assets	(1,370,851)	(986,668)	(2,357,519)
Net assets at beginning of year	7,029,884	4,280,504	11,310,388
Net assets at end of year	$ 5,659,033	$ 3,293,836	$ 8,952,869

See Notes to Consolidated Financial Statements.

AMERICAN ACADEMY OF RELIGION, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support			
Membership dues	$ 489,497	$ -	$ 489,497
Regional and annual meeting registration and exhibits	519,750	-	519,750
Employment information services	42,890	-	42,890
Label sales	7,943	-	7,943
Publications and royalties	75,250	-	75,250
Contributions	55,388		55,388
Luce Center rental income	135,680	-	135,680
Interest and dividends, net of investment expenses	86,111	46,083	132,194
Miscellaneous	3,250	-	3,250
Net assets released from restrictions	351,017	(351,017)	-
Total revenues and other support	1,766,776	(304,934)	1,461,842
Expenses			
Program services			
Research and publications	-	-	-
Member services	138,090	-	138,090
Scholarly engagement	395,339	-	395,339
Public engagement	631,730	-	631,730
Regional and annual meeting	391,623	-	391,623
Total program expenses	1,556,782	-	1,556,782
Supporting services			
Luce Center expenses	76,171	-	76,171
General and administrative	799,374	-	799,374
Fundraising	18,881	-	18,881
Total expenses	2,451,208	-	2,451,208
Increase (decrease) in net assets before depreciation and investment gains	(684,432)	(304,934)	(989,366)
Depreciation	(170,847)	-	(170,847)
Investment gains (realized and unrealized)	1,452,136	774,201	2,226,337
Increase (decrease) in net assets	596,857	469,267	1,066,124
Net assets at beginning of year	6,433,027	3,811,237	10,244,264
Net assets at end of year	$ 7,029,884	$ 4,280,504	$ 11,310,388

See Notes to Consolidated Financial Statements.

AMERICAN ACADEMY OF RELIGION, INC.
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CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services					Supporting Services			
	Member Services	Scholarly Engagement	Public Engagement	Regional and Annual Meetings	Total Programs	Luce Center Expenses	General and Administrative	Fundraising	Total
Salaries and wages	$ 101,750	$ 249,906	$ 525,157	$ 215,360	$ 1,092,173	$ 7,230	$ 299,741	$ -	$ 1,399,144
Payroll taxes and benefits	27,472	62,151	143,881	58,822	292,326	2,144	89,068	-	383,538
Staff development	1,488	7,053	3,098	3,328	14,967	-	37,160	-	52,127
Temporary help	-	-	-	25,861	25,861	-	1,579	-	27,440
	130,710	319,110	672,136	303,371	1,425,327	9,374	427,548	-	1,862,249
Advertising and promotion	196	10,910	1,300	-	12,406	-	290	-	12,696
Conferences and meetings	450	51,890	-	17,003	69,343	-	(25,205)	-	44,138
Dues and subscriptions	6,804	699	664	300	8,467	-	26,589	-	35,056
Equipment rental and maintenance	-	411	-	844	1,255	-	7,755	-	9,010
Network and computer operations	-	(4,320)	56,038	82,053	133,771	5,504	135,769	-	275,044
Grants and subventions	-	146,668	2,350	10,000	159,018	-	-	-	159,018
Insurance	-	-	-	-	-	7,273	15,823	-	23,096
Occupancy	-	-	-	2,756	2,756	67,528	58,102	-	128,386
Postage and shipping	257	1,734	3,176	3,128	8,295	1	2,230	-	10,526
Printing and publications	10	112	-	7,814	7,936	-	392	-	8,328
Professional fees	-	16,124	5,809	302,382	324,315	363	23,960	12,600	361,238
Service charges and fees	22,411	13,249	30,803	36,957	103,420	1,313	58,793	-	163,526
Supplies	8,462	1,214	517	933	11,126	1,150	1,726	-	14,002
Telephone	-	465	-	-	465	1,386	5,702	-	7,553
Travel and meeting expense	3,400	1,287	2,117	35,135	41,939	-	2,427	-	44,366
Other	-	6,937	200	33,234	40,371	191	61,526	-	102,088
Total expenses	$ 172,700	$ 566,490	$ 775,110	$ 835,910	$ 2,350,210	$ 94,083	$ 803,427	$ 12,600	$ 3,260,320

See Notes to Consolidated Financial Statements.

AMERICAN ACADEMY OF RELIGION, INC.
AND SUBSIDIARIES

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services						Supporting Services			
	Research and Publications	Member Services	Scholarly Engagement	Public Engagement	Regional and Annual Meetings	Total Programs	Luce Center Expenses	General and Administrative	Fundraising	Total
Salaries and wages	$ -	$ 86,280	$ 209,747	$ 395,144	$ 166,112	$ 857,283	$ 5,287	$ 316,351	$ 14,304	$ 1,193,225
Payroll taxes and benefits	-	23,295	56,632	106,713	44,851	231,491	1,427	88,347	3,862	325,127
Staff development	-	-	-	-	-	-	-	8,267	-	8,267
Temporary help	-	-	-	-	-	-	-	6,090	-	6,090
	-	109,575	266,379	501,857	210,963	1,088,774	6,714	419,055	18,166	1,532,709
Advertising and promotion	-	1,629	-	-	-	1,629	-	-	-	1,629
Conferences and meetings	-	-	-	-	21,187	21,187	-	945	-	22,132
Dues and subscriptions	-	8,479	1,217	2,393	-	12,089	-	22,034	-	34,123
Equipment rental and maintenance	-	-	-	-	-	-	-	1,193	-	1,193
Network and computer operations	-	-	3,844	20,328	32,545	56,717	-	129,281	-	185,998
Grants and subventions	-	-	88,780	14,233	3,000	106,013	-	25,320	-	131,333
Insurance	-	-	-	-	4,498	4,498	6,847	15,805	-	27,150
Occupancy	-	-	-	-	-	-	60,414	68,424	-	128,838
Postage and shipping	-	-	4,274	-	4,711	8,985	-	2,411	-	11,396
Printing and publications	-	-	157	-	4,319	4,476	-	1,224	-	5,700
Professional fees	-	-	15,556	72,958	82,051	170,565	-	58,341	-	228,906
Service charges and fees	-	18,407	12,068	19,961	27,435	77,871	264	39,566	715	118,416
Supplies	-	-	486	-	-	486	328	3,035	-	3,849
Telephone	-	-	-	-	-	-	1,386	5,127	-	6,513
Travel and meeting expense	-	-	-	-	914	914	-	-	-	914
Other	-	-	2,578	-	-	2,578	218	7,613	-	10,409
Total expenses	$ -	$ 138,090	$ 395,339	$ 631,730	$ 391,623	$ 1,556,782	$ 76,171	$ 799,374	$ 18,881	$ 2,451,208

See Notes to Consolidated Financial Statements.

AMERICAN ACADEMY OF RELIGION, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
OPERATING ACTIVITIES		
(Decrease) increase in net assets	**$ (2,357,519)**	$ 1,066,124
Adjustments to reconcile (decrease) increase in net assets to net cash (used in) operating activities:		
Depreciation	**160,251**	170,847
Investment losses (gains)	**1,332,114**	(2,226,337)
PPP loan forgiveness	**(218,175)**	-
Changes in assets and liabilities:		
(increase) decrease in accounts receivable	**(12,560)**	23,964
Decrease in related party receivable	**-**	3,764
Decrease in grant receivable	**200,000**	300,000
Decrease in prepaid expenses	**5,580**	5,538
Increase (decrease) in accounts payable and accrued expenses	**74,857**	(23,875)
Increase (decrease) in related party payable	**392,898**	(365,092)
(Decrease) increase in deferred revenue	**(59,682)**	222,777
Net cash (used in) operating activities	**(482,236)**	(822,290)
INVESTING ACTIVITIES		
Acquisition of property and equipment	**(12,633)**	(22,798)
Proceeds from sale of marketable securities	**3,768,594**	1,976,301
Purchase of marketable securities	**(3,065,490)**	(1,712,906)
Net cash provided by investing activities	**690,471**	240,597
FINANCING ACTIVITIES		
Proceeds from PPP note payable	**-**	215,723
Net cash provided by financing activities	**-**	215,723
Net increase (decrease) in cash in banks	**208,235**	(365,970)
Cash in banks, beginning of year	**596,136**	962,106
Cash in banks, end of year	**$ 804,371**	$ 596,136
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	**$ 951**	$ 1,267

See Notes to Consolidated Financial Statements.

NOTE 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The American Academy of Religion, Inc. ("AAR") is a nonprofit organization established to promote the study of religion and to provide a forum for the interchange of scholarly works for the benefit of its members. Membership in AAR is composed of scholars and students who share an interest in this field and who support to work of AAR on behalf of the scholarly study and teaching of religion.

The accompanying consolidated financial statements include ten regions ("Regions") of AAR that were acquired by AAR as of July 1, 2011 (collectively the "Academy"). The Regions are nonprofit organizations which support the work of AAR at a regional level.

Principles of Consolidation

The consolidated financial statements include AAR and the Regions as of and for the years ended June 30, 2022 and 2021. All significant intercompany balances and transactions have been eliminated in the presentation of these consolidated financial statements.

Basis of Accounting

The consolidated financial statements of the Academy have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Academy is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. These two classifications are defined as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Academy and/or the passage of time or that require the donated assets be maintained permanently by the Academy. Generally, the donors of permanent net assets permit the Academy to use all or part of the income earned on related investments for general or specific purposes.

Use of Estimates

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash in Banks

The Academy maintains cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC). At times, cash balances may exceed FDIC insured limits. The Academy believes it is not exposed to any significant credit risk on cash.

Marketable Securities

Investments are reported at fair value. The fair value of mutual funds and equity securities are based on quoted market prices for the identical asset in an active market that the Academy has the ability to access. Purchase and sales of securities are recorded on a trade-date basis. See Note 2 for a discussion of fair value measurements.

Receivables

Receivables are primarily for advertising and rental of exhibit booths for the annual meeting and are recorded at the amount of cash estimated as realizable. The Academy provides reserves for uncollectible accounts when accounts are deemed uncollectible. At June 30, 2022 and 2021, accounts receivable are net of an allowance for doubtful accounts of $5,500.

Furniture and Software

Furniture and software are recorded at cost. Depreciation is recorded using the straight-line method over estimated useful lives ranging from three to seven years. The Academy's policy is to capitalize furniture and software additions exceeding $1,000.

Software Development Costs

The Academy capitalizes its internal use software in accordance with FASB ASC Topic 350 *Intangibles-Goodwill and Other*, which requires that the Academy capitalize certain internally developed software costs incurred in connection with developing or obtaining software for internal use. The Academy will capitalize labor costs of employees or contractors working directly on the development or modification of internal use software and software and hardware purchased specifically for the internal use software. There is no substantive plan being developed to market the software externally. Once the software is placed into service, it is classified as software within furniture and software. The costs are amortized to expense over their estimated useful lives when the software is placed in service. No provision for depreciation is made on work in progress until such time as the project is completed and put into use for internal purposes.

Luce Center

As of June 2001, the Academy and the Society of Biblical Literature ("SBL") entered into a tenancy in common agreement in order to accept certain contributed assets from Scholars Press known as the Luce Center. As stated in the agreement, the Academy and SBL each own 50% of the Luce Center, and accordingly, the Academy has recorded their respective share balances in accordance with this agreement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Contributions without donor-imposed restrictions are recognized as support to the Academy in the period in which the pledge is made, which is generally when received. Contributions with donor-imposed restrictions are classified as with donor restrictions according to the donor stipulations.

Unconditional promises to give that are expected to be collected in more than one year are recorded as revenues at net realizable value.

Contributions with donor-imposed restrictions that have been spent in the same year have been recorded as without donor restrictions. Membership dues and annual meeting registration are recorded in the period earned.

The Academy earns revenue for advertising employment opportunities for credentialed scholars in religion at various institutions. Revenue is recognized when received, which is not materially different than when earned.

The Academy receives contributed goods and services from other organizations, the fair value of which is recorded in the financial statements as revenue and expense in the period received.

Deferred Revenue

Membership fees and subscriptions received from the Academy's members for future years' dues and subscriptions and monies received in advance for annual meetings are deferred and recognized as revenue in the period to which they relate.

Shipping and Handling Costs

The Academy reports shipping and handling fees charged to members as part of membership dues and the associated expense as part of functional expenses.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that are allocated include salaries and wages and payroll taxes and benefits which are allocated on the basis of estimates of time and effort.

Income Taxes

The Academy is classified as a Section 501(c)(3) publicly supported charity under the Internal Revenue Code. The Academy is generally exempt from income taxes on activities related to its exempt purpose. Accordingly, no provision for federal and state income taxes is required.

Management of the Academy considers the likelihood of changes by taxing authorities in its income tax returns and would recognize a liability for or disclosure potential significant changes that management believes are more likely than not to occur, including changes to the Academy's status as a not-for-profit entity. Management believes the Academy met the requirements to maintain it tax-exempt status and has no income subject to unrelated business income tax, therefore, no provision for income taxes has been provided in these financial statements.

NOTE 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events have been evaluated through December 6, 2023, the date which the financial statements were available to be issued. Subsequent to year end, on July 11, 2022, the Academy received full forgiveness of the PPP note payable described in Note 11.

NOTE 2. MARKETABLE SECURITIES

The Financial Accounting Standards Board established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities, and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described as follows:

Level 1 - unadjusted quoted prices for identical assets or liabilities in active markets that the Academy has the ability to access

Level 2 - other observable data, including quoted prices for similar assets in inactive markets

Level 3 - unobservable inputs

Observable inputs are those based on market data obtained from sources independent of the Academy, and unobservable inputs reflect the Academy's own assumptions based on the best information available. The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

Fair value of all of the Academy's investments is based on quoted prices available for identical securities in active markets that the Academy has the ability to access (Level 1). Investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the level of risk associated with certain investment securities and the volatility related to changes in the value of investment securities, it is at least reasonably possible that changes in market values in the near term would affect the amounts reported in the accompanying financial statements.

In fiscal year 2014, the Board began to utilize SunTrust Bank investment guidelines for growth with income. These guidelines allocate investments to equities from 50%-80%, to fixed income 20%-40%, cash 0%-10%, and non-traditional at 0%-30%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. MARKETABLE SECURITIES (Continued)

The Academy held investments at June 30, 2022 and 2021 as follows:

	2022	2021
Mutual funds:		
Money market	**$ 591,841**	$ 360,537
Fixed income/bond funds	**1,392,263**	1,838,749
Emerging markets	**152,580**	376,140
Foreign funds	**382,032**	936,246
Mid-cap	**455,987**	-
Total mutual funds	**2,974,703**	3,511,672
Equities:		
Energy	**226,774**	188,685
Materials	**256,878**	414,343
Industrials	**402,446**	563,609
Consumer discretionary	**455,071**	596,242
Consumer staples	**298,515**	395,695
Health care	**834,336**	896,815
Financials	**988,647**	1,186,048
Information technology	**836,392**	1,310,815
Telecommunication services	**238,542**	358,849
Utilities	**139,100**	110,852
Total equities	**4,676,701**	6,021,953
Total marketable securities	**$ 7,651,404**	$ 9,533,625

Total investment return was allocated to the following categories of net assets:

	2022		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Interest and dividends, net of investment expenses	**$ 66,947**	**$ 38,204**	**$ 105,151**
Realized gains	**386,811**	**129,780**	**516,591**
Unrealized losses	**(1,255,781)**	**(592,924)**	**(1,848,705)**
	$ (802,023)	**$ (424,940)**	**$ (1,226,963)**

NOTE 2. MARKETABLE SECURITIES (Continued)

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends, net of investment expenses	$ 86,111	$ 46,083	$ 132,194
Realized gains	178,145	59,730	237,875
Unrealized gains (losses)	1,273,991	714,471	1,988,462
	$ 1,538,247	$ 820,284	$ 2,358,531

NOTE 3. SHARE OF LUCE CENTER

Summarized financial information for the years ended June 30, 2022 and 2021 for the Luce Center assets is as follows:

	2022	
	Luce Center	**American Academy of Religion's Share**
Building	**$ 4,874,662**	**$ 2,437,331**
Furniture	**56,510**	**28,255**
Leasehold interest in land	**186,500**	**93,250**
Accumulated depreciation	**(3,062,300)**	**(1,531,152)**
Restricted investments, at fair value	**1,891,982**	**945,991**
Share of Luce Center	**$ 3,947,354**	**$ 1,973,675**

	2021	
	Luce Center	American Academy of Religion's Share
Building	$ 4,874,662	$ 2,437,331
Furniture	56,510	28,255
Leasehold interest in land	186,500	93,250
Accumulated depreciation	(2,916,384)	(1,458,192)
Restricted investments, at fair value	2,202,070	1,101,035
Share of Luce Center	$ 4,403,358	$ 2,201,679

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3. SHARE OF LUCE CENTER (Continued)

The Academy's share of restricted investments at June 30, 2022 and 2021 consists of the following:

	2022	2021
TIAA-CREF Bond Plus Fund	$ 93,632	$ 106,096
TIAA-CREF Social Choice Equity Fund	383,100	448,857
TIAA-CREF Equity Index Fund	469,259	546,082
Total	$ 945,991	$ 1,101,035

NOTE 4. FURNITURE AND SOFTWARE

The Academy's furniture and software at June 30, 2022 and 2021 consists of the following:

	2022	2021
Furniture	$ 132,993	$ 120,360
Software	1,243,634	1,243,634
	1,376,627	1,363,994
Accumulated depreciation	(1,320,163)	(1,234,919)
	$ 56,464	$ 129,075

Depreciation expense was $160,251 and $170,847 for the years ended June 30, 2022 and 2021, respectively, of which $70,925 and $69,884, respectively, relates to the Luce Center fixed assets.

NOTE 5. LINE OF CREDIT

The Academy entered into a revolving line of credit with a financial institution in the amount of $250,000. Outstanding borrowings under the line of credit carry interest at the London Interbank Offered Rate (LIBOR) plus 2.25% with a floor of 3.00%. The interest rate was 3.00% at June 30, 2022 and 2021. Payments of monthly interest only are required until terminated. Certain investment accounts of the Academy are pledged as collateral. For the years ended June 30, 2022 and 2021, there were no borrowings on the line of credit.

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

Activity for net assets with donor restrictions, including those released from restrictions, for the years ended June 30, 2022 and 2021, is as follows:

	Balance at June 30, 2020	Net Investment Return	Net Assets Released From Restrictions	Balance at June 30, 2021	Net Investment Loss	Net Assets Released From Restrictions	Balance at June 30, 2022
Endowments:							
Subject to appropriation and expenditure when a specific event occurs:							
Research grants	$ 385,453	$ 204,432	$ (38,601)	$ 551,284	$ (106,647)	$ (81,060)	$ 363,577
Publications	275,638	163,189	(30,834)	407,993	(85,247)	(64,744)	258,002
Annual meeting speakers	100,014	52,148	(9,857)	142,305	(27,236)	(20,697)	94,372
Share of Luce Center endowment earnings	546,175	304,860	-	851,035	(155,045)	-	695,990
Raj endowment earnings	52,575	41,713	(5,000)	89,288	(22,564)	(10,000)	56,724
Subject to nonprofit endowment spending policy and appropriation:							
Grants	500,000	-	-	500,000	-	-	500,000
Publications	350,000	-	-	350,000	-	-	350,000
Annual meeting speakers	100,000	-	-	100,000	-	-	100,000
Luce Center endowment corpus	250,000	-	-	250,000	-	-	250,000
Total endowments	2,559,855	766,342	(84,292)	3,241,905	(396,739)	(176,501)	2,668,665
Other net assets with donor restrictions:							
Time and purpose restricted							
Luce Fellowship in Religion and International Affairs Grant	1,742	-	-	1,742	-	-	1,742
Purpose restricted							
Luce Advancing Public Scholarship Grant	944,374	-	(228,739)	715,635	-	(307,005)	408,630
Luce COVID-19 AAR member aid fund	25,000	-	(25,000)	-	-	-	-
Lilly Strengthening College and University Religion and Theology	9,613	-	-	9,613	-	-	9,613
Guide Star for Undergraduate Religions Literacy	59,832	-	(2,970)	56,862	-	(56,862)	-
American Lecture in History of Religions	206,401	53,942	(10,016)	250,327	(28,201)	(21,360)	200,766
Teagle Foundation	2,076	-	-	2,076	-	-	2,076
Religion and Ecology	400	-	-	400	-	-	400
Religion and the Arts	1,044	-	-	1,044	-	-	1,044
Hinduism Unit	900	-	-	900	-	-	900
Total	$ 3,811,237	$ 820,284	$ (351,017)	$ 4,280,504	$ (424,940)	$ (561,728)	$ 3,293,836

The Academy has certain endowments that have been donated over the years to provide income for the operations of the Academy, meetings, and other purposes. The principal amounts of the initial gifts are endowed and are included in net assets with donor restrictions in the accompanying statements of financial position. The cumulative amount of the net appreciation on the valuation of the investments since the initial gift dates has been included in either net assets without donor restrictions or with donor restrictions in the accompanying statements of financial position according to whether any donor-imposed restrictions were specified at the time of donation. The net assets associated with the endowment funds are classified and reported based on the existence or absence of donor restrictions.

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The Academy has interpreted the "Uniform Prudent Management of Institutional Funds Act" (UPMIFA), as adopted by the State of Georgia, as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Academy retains in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Academy considers the following factors in making a determination to appropriate or accumulate endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Academy and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and appreciation of investments
6. Other resources of the Academy
7. The investment policies of the Academy

When the Academy designates funds to function as endowments, they are classified as net assets without donor restrictions.

Relationship of Spending Policy to Investment Objectives

The Board of Directors has determined that no more than 5% of a three-year average of the market value of the endowment portion of marketable securities may be transferred to net assets with donor restriction funds in any given year. The market value is determined as of the last day of June. Any remaining gains and losses, after the transfer, are considered additions or reductions in the principal amount of the endowment fund and are reported as increases or decreases in net assets with donor restrictions. For the years ended June 30, 2022 and 2021, the total amount of income and gains transferred was $176,501 and $84,292, respectively.

Return Objectives and Risk Parameters

The Academy has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets.

NOTE 7. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Academy's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions.

	2022	2021
Cash	**$ 804,371**	$ 596,136
Accounts receivable	**73,891**	61,331
Grant receivable	**-**	200,000
Marketable securities	**7,651,404**	9,533,625
Total financial assets	**8,529,666**	10,391,092
Less contractual or donor-imposed restrictions:		
Endowment funds and donor restrictions	**3,293,836**	4,280,504
Financial assets available to meet cash needs for general expenditures within one year	**$ 5,235,830**	$ 6,110,588

NOTE 7. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

The Academy has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Academy invests cash in excess of daily requirements in various short-term investments. The Academy also has a revolving line of credit of $250,000 available which could be drawn upon in the event of an unanticipated liquidity event.

NOTE 8. RELATED PARTY TRANSACTIONS

The Academy was a sponsor of Scholars Press, a nonprofit organization that provided publishing, membership and subscription processing, and accounting services to the Academy and other sponsoring nonprofit organizations. Scholars Press distributed books and periodicals on behalf of sponsors primarily through mail order sales to sponsors' members, as well as to libraries and universities. The Academy also published a quarterly journal, the *Journal of the American Academy of Religion* with the assistance of Scholars Press.

During the fiscal year ended June 30, 2001, Scholars Press terminated its operations and began liquidating its assets and settling all of its liabilities. Accordingly, the Academy began either performing these services internally or outsourcing these services to unrelated third parties.

As of June 30, 2001, the Academy and SBL entered into a joint tenancy in common agreement in order to accept certain contributed assets and liabilities from Scholars Press. The agreement stipulated that the net book value of the building at that time of $4,028,296, net of accumulated depreciation of $342,569, the related building endowment fund, including accumulated earnings of $593,085 and the related building debt of $441,666 be shared equally between the two owners. A building account was opened, and all revenues and expenses related to the building are recorded in this account. The two owners initially paid sixty cents per square foot per month. All net revenues or expenses are shared equally by the two owners. On June 30, 2016, the agreement was updated to eighty-three cents per square foot per month. On June 30, 2019, the agreement was extended through June 30, 2020 with the same terms.

As of April 1, 2014, the Academy and SBL entered into an agreement to lease several rooms in the Luce Center Building to Emory University. The initial term of the lease was from April 1, 2014 through March 31, 2018, at which time Emory University had the option to renew the lease for an additional year under the same terms and conditions. The initial rent was set at $8,448 per month and increased approximately 3% during years two and three, respectively. Rent proceeds are split evenly between the Academy and SBL. The Academy's share of rental income was $136,574 and $135,680 and direct expenses were $76,200 and $72,281 for the years ended June 30, 2022 and 2021, respectively.

The Academy reimburses Emory University for salaries and benefits paid to its employees, as well as expenses for ground maintenance of its leased property. The Academy had payables of $661,395 and $268,497 recorded at June 30, 2022 and 2021, respectively, related to these services included in related party payables on the consolidated statements of financial position.

The property is subject to a ground lease with Emory University. This ground lease has a thirty-year term, expiring in March 2027, with two ten-year extension options available. Scholars Press paid $30 in advance for the first thirty-year term of the lease. The value of this lease has been estimated by management to be approximately $3,300 per year for the entire property (see Note 3).

During fiscal year 2012, the Academy began development and implementation of a software product to replace the Academy's current software. An application of this software, the Employment Center, will be used by both SBL and AAR. As such, development costs related to this part of the project are being divided evenly between the Academy and SBL.

NOTE 9. RETIREMENT PLAN

The Academy participates in a defined contribution retirement plan administered through Emory University. Currently, the Academy contributes 6% of each eligible employee's annual regular salary to the plan. Additionally, if the employee chooses to make a contribution which is based on a percentage of annual regular salary, the Academy matches those contributions at the following rates:

Employee Contributes	Academy Matches With
1.0%	1.5%
2.0%	3.0%

The maximum contribution made by the Academy on behalf of an employee is 9%. Total retirement plan expense for the years ended June 30, 2022 and 2021, was approximately $62,000 and $48,000, respectively.

NOTE 10. HOTEL CONTRACTS

The Academy reserves hotel space for its annual meetings several years in advance. The contracts stipulate the number of rooms to be reserved and the time period for which they are to be reserved. As of June 30, 2022, contracts for hotel space had been entered into through 2031. While the rooms will ultimately be paid for by members of the Academy, the Academy has guaranteed the rooms in advance to ensure availability. In the event the annual meetings are cancelled, or minimum percentages of reserved rooms are not used by members or minimum food and beverage charges are not incurred, the Academy may be liable for a cancellation fee. However, due to the numerous variables involved, the Academy's ultimate liability under these contracts cannot be determined and the impact on the financial position, results of operations, and cash flows of the Academy cannot be determined.

NOTE 11. PAYCHECK PROTECTION PROGRAM NOTE PAYABLE

During the year ended June 30, 2021, the Academy received loan proceeds in the amount of $215,723 under the Paycheck Protection Program ("PPP"). Established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the PPP provides for loans to qualifying organizations in amounts up to 2.5 times the organization's average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period.

To the extent that the Academy is not granted forgiveness, it will be required to pay interest on the PPP loan at a rate of 1% per annum. If the application for forgiveness is not made within 10 months of the end of the covered period, payments of principal and interest will be required through the maturity date of March 23, 2026. The terms of the loan provide for customary events of default, including payment defaults, breach of representation of warranties, and insolvency events. The PPP loan may be accelerated upon the occurrence of a default event.

The Academy has recorded a note payable and will record forgiveness upon being legally released from the loan obligation.

During the year ended June 30, 2020, the Academy received PPP loan proceeds in the amount of $218,175. The Academy initially recorded a note payable and subsequently recorded forgiveness when the loan obligation was legally released. The Academy recognized $218,175 of loan forgiveness income for the year ended June 30, 2022.