

# The Society for Classical Studies

Financial Statements

Years ended June 30, 2018 and 2017



1835 Market Street, 3rd Floor  
Philadelphia, PA 19103

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# THE SOCIETY FOR CLASSICAL STUDIES

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## INDEPENDENT AUDITOR'S REPORT

**Board of Directors  
The Society for Classical Studies  
New York, New York**

We have audited the accompanying financial statements of The Society for Classical Studies (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Society for Classical Studies as of June 30, 2018 and 2017, 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.

*BBD, LLP*

**Philadelphia, Pennsylvania  
January 14, 2019**

# THE SOCIETY FOR CLASSICAL STUDIES

## STATEMENTS OF FINANCIAL POSITION

June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash	\$ 142,586	\$ 71,231
Accounts receivable		
Grants and contributions	197,500	135,800
Other	6,875	15,130
Prepaid expenses and deposits	2,028	4,455
Investments	8,012,786	7,676,786
Equipment, net of accumulated depreciation of \$170,616 in 2018 and \$136,937 in 2017	<u>4,985</u>	<u>37,614</u>
<b>Total assets</b>	<b><u>\$ 8,366,760</u></b>	<b><u>\$ 7,941,016</u></b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 46,564	\$ 3,401
Fellowships payable	74,400	74,400
Deferred revenue	<u>133,906</u>	<u>126,509</u>
<b>Total liabilities</b>	<b><u>254,870</u></b>	<b><u>204,310</u></b>
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	2,403,235	2,298,293
Board-designated	<u>25,000</u>	<u>-</u>
	2,428,235	2,298,293
Temporarily restricted	1,909,513	1,665,271
Permanently restricted	<u>3,774,142</u>	<u>3,773,142</u>
<b>Total net assets</b>	<b><u>8,111,890</u></b>	<b><u>7,736,706</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 8,366,760</u></b>	<b><u>\$ 7,941,016</u></b>

See accompanying notes

# THE SOCIETY FOR CLASSICAL STUDIES

## STATEMENTS OF ACTIVITIES

Years ended June 30, 2018 and 2017

	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES AND SUPPORT</b>								
Membership dues	\$ 283,810	\$ -	\$ -	\$ 283,810	\$ 270,070	\$ -	\$ -	\$ 270,070
Grants and contributions	127,002	153,875	1,000	281,877	88,405	5,175	1,000	94,580
Annual meeting revenue	452,970	-	-	452,970	365,054	-	-	365,054
Publication sales	5,845	-	-	5,845	6,562	-	-	6,562
Placement service fees	36,890	-	-	36,890	32,010	-	-	32,010
Royalties	63,177	-	-	63,177	78,370	-	-	78,370
Other income	23,348	-	-	23,348	28,119	-	-	28,119
Net assets released from restrictions	341,867	(341,867)	-	-	363,843	(363,843)	-	-
<b>Total revenues and support</b>	<u>1,334,909</u>	<u>(187,992)</u>	<u>1,000</u>	<u>1,147,917</u>	<u>1,232,433</u>	<u>(358,668)</u>	<u>1,000</u>	<u>874,765</u>
<b>EXPENSES</b>								
Program services								
Education	79,335	-	-	79,335	86,073	-	-	86,073
Outreach	58,621	-	-	58,621	55,777	-	-	55,777
Placement	71,028	-	-	71,028	72,555	-	-	72,555
Professional matters	82,278	-	-	82,278	47,564	-	-	47,564
Annual meeting	554,931	-	-	554,931	446,339	-	-	446,339
Publications and research	384,829	-	-	384,829	369,544	-	-	369,544
Special projects	44,928	-	-	44,928	39,990	-	-	39,990
	<u>1,275,950</u>	<u>-</u>	<u>-</u>	<u>1,275,950</u>	<u>1,117,842</u>	<u>-</u>	<u>-</u>	<u>1,117,842</u>
Supporting services								
Member services	62,667	-	-	62,667	61,633	-	-	61,633
General and administrative	33,141	-	-	33,141	33,079	-	-	33,079
Fundraising	49,337	-	-	49,337	52,324	-	-	52,324
	<u>145,145</u>	<u>-</u>	<u>-</u>	<u>145,145</u>	<u>147,036</u>	<u>-</u>	<u>-</u>	<u>147,036</u>
<b>Total expenses</b>	<u>1,421,095</u>	<u>-</u>	<u>-</u>	<u>1,421,095</u>	<u>1,264,878</u>	<u>-</u>	<u>-</u>	<u>1,264,878</u>
<b>CHANGES IN NET ASSETS BEFORE OTHER CHANGES</b>	(86,186)	(187,992)	1,000	(273,178)	(32,445)	(358,668)	1,000	(390,113)
<b>OTHER CHANGES</b>								
Investment income	216,128	432,234	-	648,362	267,878	578,826	-	846,704
<b>CHANGE IN NET ASSETS</b>	129,942	244,242	1,000	375,184	235,433	220,158	1,000	456,591
<b>NET ASSETS</b>								
Beginning of year	2,298,293	1,665,271	3,773,142	7,736,706	2,062,860	1,445,113	3,772,142	7,280,115
<b>End of year</b>	<u>\$ 2,428,235</u>	<u>\$ 1,909,513</u>	<u>\$ 3,774,142</u>	<u>\$ 8,111,890</u>	<u>\$ 2,298,293</u>	<u>\$ 1,665,271</u>	<u>\$ 3,773,142</u>	<u>\$ 7,736,706</u>

See accompanying notes

# THE SOCIETY FOR CLASSICAL STUDIES

## STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2018 with comparative totals for 2017

	<u>Education</u>	<u>Outreach</u>	<u>Placement</u>	<u>Professional Matters</u>	<u>Annual Meeting</u>	<u>Publications and Research</u>	<u>Special Projects</u>	<u>Member Services</u>	<u>General and Administrative</u>	<u>Fund-Raising</u>	<u>Totals</u>	
											<u>2018</u>	<u>2017</u>
Salaries and benefits	\$ 22,583	\$ 34,106	\$ 40,845	\$ 30,265	\$ 109,864	\$ 229,995	\$ -	\$ 17,800	\$ 28,448	\$ 30,355	\$ 544,261	\$ 518,965
Grants, awards, fellowships and honoraria	36,456	3,158	-	13,500	26,250	63,800	26,700	-	-	-	169,864	163,712
Bank service fees	107	34	1,367	29	12,124	424	-	531	20	1,278	15,914	14,981
Cosponsor share of joint revenue	-	-	-	-	149,856	-	-	-	-	-	149,856	118,855
Depreciation	-	-	9,797	-	4,122	19,760	-	-	-	-	33,679	32,957
Equipment rental and maintenance	449	449	449	449	75,290	449	-	-	-	-	77,535	43,125
Insurance	3,351	3,497	3,642	3,438	6,592	3,584	-	145	174	145	24,568	23,400
Occupancy	831	1,662	2,492	1,330	5,483	2,160	-	831	997	831	16,617	19,421
Postage and shipping	25	45	65	37	3,981	4,689	-	4,832	24	2,357	16,055	16,618
Printing and publications	-	-	-	-	11,420	13,595	-	670	-	7,612	33,297	32,672
Professional and management fees	1,923	3,169	4,415	17,305	57,675	18,194	475	36,987	1,495	1,396	143,034	138,435
Supplies	39	108	119	63	775	103	-	39	102	4,879	6,227	5,544
Telephone	45	89	134	82	331	166	-	45	54	44	990	2,018
Travel, meals and lodging	10,207	9,498	5,233	13,864	76,220	22,550	8,721	392	52	44	146,781	109,275
Other	3,319	2,806	2,470	1,916	14,948	5,360	9,032	395	1,775	396	42,417	24,900
<b>End of year</b>	<b>\$ 79,335</b>	<b>\$ 58,621</b>	<b>\$ 71,028</b>	<b>\$ 82,278</b>	<b>\$ 554,931</b>	<b>\$ 384,829</b>	<b>\$ 44,928</b>	<b>\$ 62,667</b>	<b>\$ 33,141</b>	<b>\$ 49,337</b>	<b>\$ 1,421,095</b>	<b>\$ 1,264,878</b>

# THE SOCIETY FOR CLASSICAL STUDIES

## STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2017

	<u>Education</u>	<u>Outreach</u>	<u>Placement</u>	<u>Professional Matters</u>	<u>Annual Meeting</u>	<u>Publications and Research</u>	<u>Special Projects</u>	<u>Member Services</u>	<u>General and Administrative</u>	<u>Fund-Raising</u>	<u>Total</u>
Salaries and benefits	\$ 22,537	\$ 33,454	\$ 39,799	\$ 29,815	\$ 95,914	\$ 219,111	\$ -	\$ 17,964	\$ 28,313	\$ 32,058	\$ 518,965
Grants, awards, fellowships and honoraria	44,612	1,100	-	-	19,700	65,300	33,000	-	-	-	163,712
Bank service fees	155	101	1,300	86	10,996	441	65	492	60	1,285	14,981
Cosponsor share of joint revenue	-	-	-	-	118,855	-	-	-	-	-	118,855
Depreciation	-	-	9,797	-	3,774	19,386	-	-	-	-	32,957
Equipment rental and maintenance	89	111	132	102	42,499	124	-	21	26	21	43,125
Insurance	3,283	3,374	3,465	3,338	6,220	3,429	-	91	109	91	23,400
Occupancy	971	1,942	2,913	1,554	6,409	2,525	-	971	1,165	971	19,421
Postage and shipping	40	80	120	64	4,725	3,908	61	4,560	48	3,012	16,618
Printing and publications	63	63	63	63	11,153	10,525	-	2,506	-	8,236	32,672
Professional and management fees	2,295	4,055	6,796	3,316	63,711	19,975	-	34,345	2,041	1,901	138,435
Supplies	71	143	214	114	471	432	-	71	86	3,942	5,544
Telephone	97	194	292	156	715	253	-	97	117	97	2,018
Travel, meals and lodging	7,899	7,739	5,164	7,127	54,647	19,304	6,672	36	455	232	109,275
Other	3,961	3,421	2,500	1,829	6,550	4,831	192	479	659	478	24,900
<b>End of year</b>	<b>\$ 86,073</b>	<b>\$ 55,777</b>	<b>\$ 72,555</b>	<b>\$ 47,564</b>	<b>\$ 446,339</b>	<b>\$ 369,544</b>	<b>\$ 39,990</b>	<b>\$ 61,633</b>	<b>\$ 33,079</b>	<b>\$ 52,324</b>	<b>\$ 1,264,878</b>

See accompanying notes

# THE SOCIETY FOR CLASSICAL STUDIES

## STATEMENTS OF CASH FLOWS

Years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Changes in net assets</i>	\$ 375,184	\$ 456,591
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Net realized and unrealized gains on investments	(136,276)	(570,242)
Depreciation	33,679	32,957
Grants and contributions restricted for long-term purposes	(1,000)	(1,000)
(Increase) decrease in		
Accounts receivable	(53,445)	41,507
Prepaid expenses and deposits	2,427	(4,455)
Increase (decrease) in		
Accounts payable and accrued expenses	43,163	(60,431)
Fellowships payable	-	(400)
Deferred revenue	7,397	(1,332)
<b>Net cash provided by (used for) operating activities</b>	<u>271,129</u>	<u>(106,805)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net sale (purchase) of investments	(199,724)	38,410
Purchase of equipment	(1,050)	(9,803)
<b>Net cash provided by (used for) investing activities</b>	<u>(200,774)</u>	<u>28,607</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from grants and contributions received for long-term purposes	1,000	1,000
<b>Net change in cash</b>	71,355	(77,198)
<b>CASH</b>		
Beginning of year	<u>71,231</u>	<u>148,429</u>
<b>End of year</b>	<u>\$ 142,586</u>	<u>\$ 71,231</u>

See accompanying notes



# THE SOCIETY FOR CLASSICAL STUDIES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

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### (1) NATURE OF OPERATIONS

The Society for Classical Studies (the "**Society**") is a nonprofit organization founded as the American Philological Association in 1869 by "professors, friends and patrons of linguistic science." It is now the principal learned society in North America for the study of ancient Greek and Roman languages, literatures and civilizations. The current mission of the Society is to advance knowledge, understanding and appreciation of the Greek and Roman world and its enduring value. While the majority of its members are university and college classics teachers and students and libraries, members also include scholars in other disciplines, primary and secondary school teachers and interested lay people. For over a century, this community has relied on the Society to produce several series of scholarly books and texts; the journal, *TAPA*; and an annual meeting in conjunction with the Archaeological Institute of America, another nonprofit organization. In addition, the Society fosters programs to reassert the importance of primary and secondary school teaching and provide more support for improved pedagogy at all levels of teaching; improves working conditions and scholarly opportunities for university and college teachers; increases communication with audiences beyond its membership; makes sure the Society's research program is appropriate for the needs of the profession; and coordinates and systematizes data collection in order to provide an accessible and reliable information base to support the Society's goals.

In 2013, the Society completed a capital campaign that raised an Endowment for Classics Research and Teaching that is enabling it to provide support for bibliography in the field of classics; develop the next generation of inspired, diverse teachers of classics and classical languages; and support wider public understanding and appreciation of classical civilization through web-based resources.

### (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

#### **Financial Statement Presentation**

The Society reports information regarding its financial position and activities according to three classes of net assets as follows:

##### ***Unrestricted net assets***

Net assets that are not subject to donor-imposed restrictions. The Board has designated \$25,000 of its unrestricted net assets for public events in the Sesquicentennial year.

##### ***Temporarily restricted net assets***

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the Society and/or the passage of time. When a restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "***net assets released from restrictions.***"

##### ***Permanently restricted net assets***

Net assets that are subject to donor-imposed restrictions that neither expire by passage of time, nor can be satisfied by actions of the Society.

# THE SOCIETY FOR CLASSICAL STUDIES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

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### Accounting Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America ("**GAAP**"), management makes 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, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Fair Value Measurements of Assets and Liabilities

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Society. Unobservable inputs reflect the Society's assumptions about the inputs market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

**Level 1** – Valuations based on quoted prices in active markets for identical assets or liabilities that the Society has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not require a significant degree of judgment.

**Level 2** – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

**Level 3** – Valuations based on inputs that are unobservable, that is, inputs that reflect the Society's own assumptions.

See Note 9 for application of these principles to the Society's assets and liabilities.

### Concentration of Credit Risk

Financial instruments which potentially subject the Society to concentration of credit risk are cash and accounts receivable. The Society maintains its cash at various high-quality financial institutions. At times, these deposits may exceed federally insured limits. The composition of grants and contributions is disclosed in Note 3. Other accounts receivable consist primarily of membership dues, royalties and other fees.

### Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the statement of activities. Dividend and interest income is recorded as earned. Restricted investment income whose restrictions are satisfied in the same period are reported as unrestricted.

The Society invests in a professionally managed portfolio that includes various types of securities (**See Note 4**). Such investments are exposed to market and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in the near term would materially affect investment balances and the amounts reported in the financial statements.

# THE SOCIETY FOR CLASSICAL STUDIES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

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### Equipment

The Society capitalizes expenditures for equipment in excess of \$1,000. Equipment is reported at cost if purchased, or at fair value on the date of donation if donated. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets.

### Fellowships Payable

Unconditional fellowships authorized but unpaid at year-end are reported as liabilities. The fellowships payable at June 30, 2018 are expected to be paid in 2019. The fellowships payable at June 30, 2017 were paid in 2018.

### Membership Dues

Membership dues are recognized as revenue in the year to which they relate. Accordingly, membership dues received in advance of the applicable year are included in deferred revenue in the accompanying statements of financial position.

### Grants and Contributions

Grants and contributions received are recorded as unrestricted, temporarily restricted or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions. Donor-restricted grants and contributions whose restrictions are satisfied in the same period are reported as unrestricted.

Unconditional grants and contributions are recognized as revenue when the related promise to give is received. Conditional grants and contributions are recognized as refundable advances when received and reclassified to revenue when the conditions are satisfied.

The Society receives a significant amount of donated time from a substantial number of volunteers without compensation for its various program and supporting services. The financial statements do not reflect the value of these contributed services since they do not meet the criteria for recognition.

### Annual Meeting

The Society holds its annual meeting with another learned society, the Archaeological Institute of America ("**AIA**"). Registrants pay a single registration fee and may attend sessions organized by either society. The Society administers registration and the overall meeting schedule; AIA administers the exhibit show and certain joint events. Revenue from registration fees and the exhibit show and certain expenses are shared equally by the two societies. However, each society is individually responsible for the costs of putting on its own sessions and also retains all revenue for its own publications or special events. These financial statements include the joint activities that are shared by the two societies and the Society's separate activities that occur during the annual meeting. AIA's share of the joint activities is reported as "**cosponsor share of joint revenue**" in the accompanying statements of functional expenses.

### Special Projects

All costs attributable to non-recurring projects are categorized as "**Special Projects**" expense in the statements of activities and functional expenses.

### Functional Allocation of Expenses

The costs of providing the various program and supporting services have been presented on a functional basis in the statements of activities and functional expenses. Accordingly, certain expenses have been allocated based upon the program and supporting services benefited.

# THE SOCIETY FOR CLASSICAL STUDIES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

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### Income Taxes

The Society is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and no provision or liability for income taxes is included in the accompanying financial statements.

GAAP requires entities to evaluate, measure, recognize and disclose any uncertain income tax positions taken on their tax returns. GAAP prescribes a minimum threshold that a tax position is required to meet in order to be recognized in the financial statements. The Society believes that it has no uncertain tax positions as defined in GAAP.

### (3) GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable at June 30 consisted of the following:

	<u>2018</u>	<u>2017</u>
Grants receivable from the National Endowment for the Humanities	\$197,500	\$ 98,300
Grants receivable from foundations	<u>-</u>	<u>37,500</u>
	<u>\$197,500</u>	<u>\$135,800</u>

The grants and contributions receivable are expected to be collected as follows:

In less than one year	\$ 89,700	\$ 88,900
In one to five years	<u>117,900</u>	<u>51,400</u>
	207,600	140,300
Less discount to present value (at 3% in 2018 and 2017)	<u>(10,100)</u>	<u>(4,500)</u>
	<u>\$197,500</u>	<u>\$135,800</u>

### (4) INVESTMENTS

Investments at June 30 consisted of the following:

	<u>2018</u>	<u>2017</u>
Money market funds	\$ -	\$ 38,304
Mutual funds		
Equity	4,788,447	5,187,244
Fixed income	<u>3,224,339</u>	<u>2,451,238</u>
	<u>\$8,012,786</u>	<u>\$7,676,786</u>

Investment income for the year ended June 30 consisted of the following:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 524,518	\$ 286,470
Net realized and unrealized gain	136,276	570,242
Investment fees	<u>(12,432)</u>	<u>(10,008)</u>
	<u>\$ 648,362</u>	<u>\$ 846,704</u>

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# THE SOCIETY FOR CLASSICAL STUDIES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

### (5) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30 consisted of grants and contributions and investment income restricted for the following purposes:

	<b>2018</b>				
	<b>Balance July 1, 2017</b>	<b>Grants and Contributions</b>	<b>Investment Income</b>	<b>Released from Restriction</b>	<b>Balance June 30, 2018</b>
Professional matters	\$ 14,537	\$ -	\$ 7,083	\$ (5,334)	\$ 16,286
Publications	557,331	-	58,289	(50,692)	564,928
Fellowships	411,730	153,875	58,563	(77,729)	546,439
Research and teaching	621,837	-	308,299	(157,912)	772,224
Seminars	42,136	-	-	(37,500)	4,636
Other	17,700	-	-	(12,700)	5,000
	<u>\$1,665,271</u>	<u>\$153,875</u>	<u>\$432,234</u>	<u>\$(341,867)</u>	<u>\$1,909,513</u>

  

	<b>2017</b>				
	<b>Balance July 1, 2016</b>	<b>Grants and Contributions</b>	<b>Investment Income</b>	<b>Released from Restriction</b>	<b>Balance June 30, 2017</b>
Professional matters	\$ 9,821	\$ -	\$ 7,716	\$ (3,000)	\$ 14,537
Publications	553,044	-	79,287	(75,000)	557,331
Fellowships	398,711	5,175	70,638	(62,794)	411,730
Research and teaching	366,062	-	421,185	(165,410)	621,837
Seminars	87,475	-	-	(45,339)	42,136
Other	30,000	-	-	(12,300)	17,700
	<u>\$1,445,113</u>	<u>\$5,175</u>	<u>\$578,826</u>	<u>\$(363,843)</u>	<u>\$1,665,271</u>

### (6) PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets at June 30 consisted of the following endowments:

	<b>2018</b>	<b>2017</b>
Pearson bequest – income is restricted for fellowships	\$ 204,150	\$ 204,150
Goodwin bequest – income is unrestricted	60,728	60,728
Coffin Fellowship – income is restricted for fellowships	61,979	61,979
Endowment for Classics Research and Teaching – income is restricted for purposes described in Note 1	3,197,147	3,196,147
The American Philological Association Campaign – income is:		
Restricted for publications	112,563	112,563
Restricted for professional matters	55,030	55,030
Unrestricted	82,545	82,545
	<u>\$3,774,142</u>	<u>\$3,773,142</u>

The Society's permanently restricted net assets include contributions, the principal of which must be maintained intact as required by the donors.

# THE SOCIETY FOR CLASSICAL STUDIES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

The Society has adopted investment and spending policies for its endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of these endowment assets over the long-term. The investment policy establishes an achievable return objective through diversification of asset classes within prudent risk parameters.

The spending policy calculates the amount of annual distributions from the permanently restricted endowment funds to support various programs. The current spending policy generally provides for a distribution in an amount equal to 0% to 4.5% of a moving three-year average of the fair value of the endowment funds. The actual percentage depends on current economic conditions and the scope of the Society's programs. The spending policy was 4.3% for both 2018 and 2017.

The changes in endowment assets for the years ended June 30 were as follows:

	2018			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance at July 1, 2017	\$2,345,109	\$1,558,535	\$3,773,142	\$7,676,786
Additions	4,000	-	1,000	5,000
Investment gain	213,651	432,234	-	645,885
Withdrawals	<u>(76,893)</u>	<u>(237,992)</u>	<u>-</u>	<u>(314,885)</u>
Balance at June 30, 2018	<u>\$2,485,867</u>	<u>\$1,752,777</u>	<u>\$3,774,142</u>	<u>\$8,012,786</u>

  

	2017			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance at July 1, 2016	\$2,098,151	\$1,274,661	\$3,772,142	\$7,144,954
Additions	-	-	1,000	1,000
Investment gain	266,958	578,826	-	845,784
Withdrawals	<u>(20,000)</u>	<u>(294,952)</u>	<u>-</u>	<u>(314,952)</u>
Balance at June 30, 2017	<u>\$2,345,109</u>	<u>\$1,558,535</u>	<u>\$3,773,142</u>	<u>\$7,676,786</u>

### (7) AGREEMENTS

In 2016, the Society executed an affiliation agreement with New York University ("**NYU**") for the period from September 1, 2016 to August 31, 2021. In accordance with the terms of the agreement, the Society pays NYU, on a monthly basis, funds to support the salaries of the Society's three staff in the central office, plus a fringe benefit percentage. The staff receive all standard NYU benefits, including a retirement contribution from NYU. Either party may terminate the affiliation agreement without cause, provided that the terminating party gives 180 days written notice.

The Society has a separate license agreement with NYU for rental of office space at 20 Cooper Square. The license agreement is subject to termination as and when the affiliation agreement is terminated. Rent expense for this space was \$16,617 for 2018 and \$16,130 for 2017.

The Society executes annually an agreement with Sponsored Programs at Duke University ("**Duke**") to support the American Office of L'Annee Philologique ("**AO**"). The Society pays funds to Duke on a quarterly basis to support the salaries of AO staff, plus a fringe benefit percentage. The staff receive standard Duke benefits.

During 2017, the Society leased an office facility from the University of Pennsylvania under a noncancelable lease that expired August 31, 2016. Rent expense for this facility was \$3,291 for 2017.

# THE SOCIETY FOR CLASSICAL STUDIES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

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### (8) COMMITMENTS

The Society and AIA have entered into agreements with hotels providing room accommodations for its annual meetings from 2019 through 2024. These agreements include a guarantee by the Society that a minimum number of rooms will be rented by meeting attendees. The Society and AIA intend to hold the annual meeting at the scheduled hotels.

### (9) ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The following table presents information about the Society's assets and liabilities that are measured at fair value and the valuation inputs used to value them:

<u>Description</u>	<u>Balance June 30, 2018</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Assets</b>				
Investments	\$8,012,786	\$8,012,786	\$ -	\$ -
Grants and contributions receivable	<u>197,500</u>	<u>-</u>	<u>197,500</u>	<u>-</u>
	<u>\$8,210,286</u>	<u>\$8,012,786</u>	<u>\$197,500</u>	<u>\$ -</u>
<b>Liabilities</b>				
Fellowships payable	<u>\$ 74,400</u>	<u>\$ -</u>	<u>\$ 74,400</u>	<u>\$ -</u>
<u>Description</u>	<u>Balance June 30, 2017</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Assets</b>				
Investments	\$7,676,786	\$7,676,786	\$ -	\$ -
Grants and contributions receivable	<u>135,800</u>	<u>-</u>	<u>135,800</u>	<u>-</u>
	<u>\$7,812,586</u>	<u>\$7,676,786</u>	<u>\$135,800</u>	<u>\$ -</u>
<b>Liabilities</b>				
Fellowships payable	<u>\$ 74,400</u>	<u>\$ -</u>	<u>\$ 74,400</u>	<u>\$ -</u>

### (10) SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 14, 2019, the date on which the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2018 that required recognition or disclosure in the financial statements.