

The Society for Classical Studies

Financial Statements

Years ended June 30, 2019 and 2018



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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, 2019 and 2018, 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, 2019 and 2018, 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
February 10, 2020**

THE SOCIETY FOR CLASSICAL STUDIES

STATEMENTS OF FINANCIAL POSITION

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 145,450	\$ 142,586
Accounts receivable		
Grants and contributions	147,800	197,500
Other	10,277	6,875
Prepaid expenses and deposits	6,225	2,028
Investments	8,249,090	8,012,786
Equipment, net of accumulated depreciation of \$175,601 in 2019 and \$170,616 in 2018	<u>-</u>	<u>4,985</u>
Total assets	<u>\$ 8,558,842</u>	<u>\$ 8,366,760</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 35,266	\$ 46,564
Fellowships payable	74,400	74,400
Deferred revenue	<u>129,676</u>	<u>133,906</u>
Total liabilities	<u>239,342</u>	<u>254,870</u>
NET ASSETS		
Without donor restrictions		
Operating	2,423,890	2,403,235
Board-designated	<u>5,691</u>	<u>25,000</u>
	<u>2,429,581</u>	<u>2,428,235</u>
With donor restrictions		
Purpose restricted	2,064,562	1,909,513
Restricted indefinitely	<u>3,825,357</u>	<u>3,774,142</u>
	<u>5,889,919</u>	<u>5,683,655</u>
Total net assets	<u>8,319,500</u>	<u>8,111,890</u>
Total liabilities and net assets	<u>\$ 8,558,842</u>	<u>\$ 8,366,760</u>

See accompanying notes

THE SOCIETY FOR CLASSICAL STUDIES

STATEMENTS OF ACTIVITIES

Years ended June 30, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT						
Membership dues	\$ 270,993	\$ -	\$ 270,993	\$ 283,810	\$ -	\$ 283,810
Grants and contributions	114,879	201,215	316,094	127,002	154,875	281,877
Annual meeting revenue	397,925	-	397,925	452,970	-	452,970
Publication sales	4,932	-	4,932	5,845	-	5,845
Placement service fees	31,914	-	31,914	36,890	-	36,890
Royalties	56,808	-	56,808	63,177	-	63,177
Other income	23,636	-	23,636	23,348	-	23,348
Endowment spending policy distribution	73,824	-	73,824	97,824	-	97,824
Net assets released from restrictions	325,292	(325,292)	-	341,867	(341,867)	-
Total revenues and support	<u>1,300,203</u>	<u>(124,077)</u>	<u>1,176,126</u>	<u>1,432,733</u>	<u>(186,992)</u>	<u>1,245,741</u>
EXPENSES						
Program services						
Education	83,875	-	83,875	79,335	-	79,335
Outreach	65,585	-	65,585	58,621	-	58,621
Placement	62,355	-	62,355	71,028	-	71,028
Professional matters	83,238	-	83,238	82,278	-	82,278
Annual meeting	510,281	-	510,281	554,931	-	554,931
Publications and research	368,664	-	368,664	384,829	-	384,829
Special projects	70,625	-	70,625	44,928	-	44,928
	<u>1,244,623</u>	<u>-</u>	<u>1,244,623</u>	<u>1,275,950</u>	<u>-</u>	<u>1,275,950</u>
Supporting services						
Member services	58,911	-	58,911	62,667	-	62,667
General and administrative	32,858	-	32,858	33,141	-	33,141
Fundraising	52,210	-	52,210	49,337	-	49,337
	<u>143,979</u>	<u>-</u>	<u>143,979</u>	<u>145,145</u>	<u>-</u>	<u>145,145</u>
Total expenses	<u>1,388,602</u>	<u>-</u>	<u>1,388,602</u>	<u>1,421,095</u>	<u>-</u>	<u>1,421,095</u>
CHANGES IN NET ASSETS BEFORE OTHER CHANGES	(88,399)	(124,077)	(212,476)	11,638	(186,992)	(175,354)
OTHER CHANGES						
Investment income	89,745	330,341	420,086	118,304	432,234	550,538
CHANGE IN NET ASSETS	1,346	206,264	207,610	129,942	245,242	375,184
NET ASSETS						
Beginning of year	2,428,235	5,683,655	8,111,890	2,298,293	5,438,413	7,736,706
End of year	<u>\$ 2,429,581</u>	<u>\$ 5,889,919</u>	<u>\$ 8,319,500</u>	<u>\$ 2,428,235</u>	<u>\$ 5,683,655</u>	<u>\$ 8,111,890</u>

THE SOCIETY FOR CLASSICAL STUDIES

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2019 with comparative totals for 2018

	<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>2019</u>	<u>2018</u>
Salaries and benefits	\$ 23,240	\$ 34,960	\$ 41,714	\$ 31,053	\$ 111,889	\$ 234,758	\$ -	\$ 18,275	\$ 29,238	\$ 31,385	\$ 556,512	\$ 544,261
Grants, awards, fellowships and honoraria	36,638	8,448	-	13,500	22,950	59,900	23,559	-	-	-	164,995	169,864
Bank service fees	111	114	1,210	48	12,116	343	15	551	34	1,319	15,861	15,914
Cosponsor share of joint revenue	-	-	-	-	134,348	-	-	-	-	-	134,348	149,856
Depreciation	-	-	-	-	1,071	3,914	-	-	-	-	4,985	33,679
Equipment rental and maintenance	299	299	299	299	75,543	299	4,182	-	-	-	81,220	77,535
Insurance	3,424	3,570	3,715	3,511	6,266	3,657	-	146	175	145	24,609	24,568
Occupancy	1,182	2,365	3,547	1,892	7,803	3,074	-	1,182	1,337	1,182	23,564	16,617
Postage and shipping	24	63	54	33	3,974	3,908	89	2,055	18	2,325	12,543	16,055
Printing and publications	8	1,989	25	14	11,346	11,304	595	2,339	10	8,738	36,368	33,297
Professional and management fees	1,954	3,249	4,545	19,624	56,412	15,406	19,716	33,625	1,555	1,295	157,381	143,034
Supplies	22	44	65	35	826	57	-	22	26	5,433	6,530	6,227
Telephone	53	106	159	85	444	138	-	53	63	53	1,154	990
Travel, meals and lodging	13,789	8,399	5,001	11,576	48,008	25,912	19,478	340	15	12	132,530	146,781
Other	3,131	1,979	2,021	1,568	17,285	5,994	2,991	323	387	323	36,002	42,417
End of year	\$ 83,875	\$ 65,585	\$ 62,355	\$ 83,238	\$ 510,281	\$ 368,664	\$ 70,625	\$ 58,911	\$ 32,858	\$ 52,210	\$ 1,388,602	\$ 1,421,095

THE SOCIETY FOR CLASSICAL STUDIES

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2018

	<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	\$ 22,583	\$ 34,106	\$ 40,845	\$ 30,265	\$ 109,864	\$ 229,995	\$ -	\$ 17,800	\$ 28,448	\$ 30,355	\$ 544,261
Grants, awards, fellowships and honoraria	36,456	3,158	-	13,500	26,250	63,800	26,700	-	-	-	169,864
Bank service fees	107	34	1,367	29	12,124	424	-	531	20	1,278	15,914
Cosponsor share of joint revenue	-	-	-	-	149,856	-	-	-	-	-	149,856
Depreciation	-	-	9,797	-	4,122	19,760	-	-	-	-	33,679
Equipment rental and maintenance	449	449	449	449	75,290	449	-	-	-	-	77,535
Insurance	3,351	3,497	3,642	3,438	6,592	3,584	-	145	174	145	24,568
Occupancy	831	1,662	2,492	1,330	5,483	2,160	-	831	997	831	16,617
Postage and shipping	25	45	65	37	3,981	4,689	-	4,832	24	2,357	16,055
Printing and publications	-	-	-	-	11,420	13,595	-	670	-	7,612	33,297
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
Supplies	39	108	119	63	775	103	-	39	102	4,879	6,227
Telephone	45	89	134	82	331	166	-	45	54	44	990
Travel, meals and lodging	10,207	9,498	5,233	13,864	76,220	22,550	8,721	392	52	44	146,781
Other	3,319	2,806	2,470	1,916	14,948	5,360	9,032	395	1,775	396	42,417
End of year	<u>\$ 79,335</u>	<u>\$ 58,621</u>	<u>\$ 71,028</u>	<u>\$ 82,278</u>	<u>\$ 554,931</u>	<u>\$ 384,829</u>	<u>\$ 44,928</u>	<u>\$ 62,667</u>	<u>\$ 33,141</u>	<u>\$ 49,337</u>	<u>\$ 1,421,095</u>

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THE SOCIETY FOR CLASSICAL STUDIES

STATEMENTS OF CASH FLOWS

Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Changes in net assets</i>	\$ 207,610	\$ 375,184
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Net realized and unrealized gains on investments	(305,725)	(136,276)
Depreciation	4,985	33,679
Grants and contributions restricted for long-term purposes	(51,215)	(1,000)
(Increase) decrease in		
Accounts receivable	46,298	(53,445)
Prepaid expenses and deposits	(4,197)	2,427
Increase (decrease) in		
Accounts payable and accrued expenses	(11,298)	43,163
Deferred revenue	(4,230)	7,397
Net cash provided by (used for) operating activities	<u>(117,772)</u>	<u>271,129</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net sale (purchase) of investments	69,421	(199,724)
Purchase of equipment	-	(1,050)
Net cash provided by (used for) investing activities	<u>69,421</u>	<u>(200,774)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from grants and contributions received for long-term purposes	<u>51,215</u>	<u>1,000</u>
Net change in cash	2,864	71,355
CASH		
Beginning of year	<u>142,586</u>	<u>71,231</u>
End of year	<u>\$ 145,450</u>	<u>\$ 142,586</u>

See accompanying notes

THE SOCIETY FOR CLASSICAL STUDIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

(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 the following classes of net assets:

Without donor restrictions

Net assets that are not subject to donor-imposed restrictions.

With donor restrictions

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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as "**net assets released from restrictions**". Contributions and investment income that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

This category also includes 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.

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.

THE SOCIETY FOR CLASSICAL STUDIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

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 8 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 without donor restrictions.

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.

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, 2019 are expected to be paid in 2020. The fellowships payable at June 30, 2018 were paid in 2019.

THE SOCIETY FOR CLASSICAL STUDIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 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 net assets without or with donor restrictions depending on the absence or existence and nature of any donor restrictions. Donor-restricted contributions whose restrictions are satisfied in the same period are reported as net assets without donor restrictions.

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 program and supporting services have been presented on a functional basis in the statements of activities and functional expenses. Expenses directly attributable to a specific functional area are reported as expenses of that functional area. Expenses not directly attributable to a specific functional area are allocated based primarily on estimates of time and effort.

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.

Accounting Pronouncement Adopted

In August 2016, the Financial Accounting Standards Board ("**FASB**") issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The Society has adjusted the presentation of its financial statements accordingly, applying the changes retroactively to the comparative period presented. The new standard changes the following aspects of the Society's financial statements:

THE SOCIETY FOR CLASSICAL STUDIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (**Note 9**).

New Accounting Pronouncement

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The guidance is effective for annual periods beginning on or after December 15, 2018. The Society is currently evaluating the new guidance and has not determined the impact this standard may have on the financial statements.

(3) GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable at June 30, 2019 and 2018 were due from the National Endowment for the Humanities and are expected to be collected as follows:

In less than one year	\$ 50,400	\$ 89,700
In one to five years	<u>104,800</u>	<u>117,900</u>
	155,200	207,600
Less discount to present value (at 3% in 2019 and 2018)	<u>(7,400)</u>	<u>(10,100)</u>
	<u>\$147,800</u>	<u>\$197,500</u>

(4) INVESTMENTS

Investments at June 30 consisted of the following:

	<u>2019</u>	<u>2018</u>
Mutual funds		
Equity	\$4,912,829	\$4,788,447
Fixed income	<u>3,336,261</u>	<u>3,224,339</u>
	<u>\$8,249,090</u>	<u>\$8,012,786</u>

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

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 207,240	\$ 524,518
Net realized and unrealized gain	305,725	136,276
Investment fees	<u>(19,055)</u>	<u>(12,432)</u>
	<u>\$ 493,910</u>	<u>\$ 648,362</u>

(5) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30 consisted of grants and contributions and investment income restricted for the following purposes:

THE SOCIETY FOR CLASSICAL STUDIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

	2019				
	Balance July 1, 2018	Grants and Contributions	Investment Income	Released from Restriction	Balance June 30, 2019
<u>Purpose restricted</u>					
Professional matters	\$ 16,286	\$ -	\$ 4,162	\$ (6,000)	\$ 14,448
Publications	564,928	-	41,105	(47,664)	558,369
Fellowships	546,439	-	41,546	(79,823)	508,162
Research and teaching	772,224	-	243,528	(154,185)	861,567
Increasing participation in classical studies	-	150,000	-	(31,296)	118,704
Seminars	4,636	-	-	(4,636)	-
Other	5,000	-	-	(1,688)	3,312
	<u>1,909,513</u>	<u>150,000</u>	<u>330,341</u>	<u>(325,292)</u>	<u>2,064,562</u>
<u>Restricted indefinitely</u>					
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	1,000	-	-	3,198,147
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
Digital Papyrology endowment	-	50,215	-	-	50,215
	<u>3,774,142</u>	<u>51,215</u>	<u>-</u>	<u>-</u>	<u>3,825,357</u>
	<u>\$5,683,655</u>	<u>\$201,215</u>	<u>\$330,341</u>	<u>\$(325,292)</u>	<u>\$5,889,919</u>
2018					
	Balance July 1, 2017	Grants and Contributions	Investment Income	Released from Restriction	Balance June 30, 2018
<u>Purpose restricted</u>					
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>

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Restricted indefinitely

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	3,196,147	1,000	-	-	3,197,147
The American Philological Association Campaign – income is:					
Restricted for publications	112,563	-	-	-	112,563
Restricted for professional matters	55,030	-	-	-	55,030
Unrestricted	<u>82,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,545</u>
	<u>3,773,142</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>3,774,142</u>
	<u>\$5,438,413</u>	<u>\$154,875</u>	<u>\$432,234</u>	<u>\$(341,867)</u>	<u>\$5,683,655</u>

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 2019 and 2018.

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

	<u>2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance at July 1, 2018	\$2,485,867	\$5,526,919	\$8,012,786
Additions	1,000	51,215	52,215
Investment gain	162,476	330,341	492,817
Withdrawals	<u>(94,756)</u>	<u>(213,972)</u>	<u>(308,728)</u>
Balance at June 30, 2019	<u>\$2,554,587</u>	<u>\$5,694,503</u>	<u>\$8,249,090</u>
	<u>2018</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance at July 1, 2017	\$2,345,109	\$5,331,677	\$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>(314,885)</u>
Balance at June 30, 2018	<u>\$2,485,867</u>	<u>\$5,526,919</u>	<u>\$8,012,786</u>

THE SOCIETY FOR CLASSICAL STUDIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

(6) 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 \$23,564 for 2019 and \$16,617 for 2018.

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.

(7) COMMITMENTS

The Society and AIA have entered into agreements with hotels providing room accommodations for its annual meetings from 2020 through 2025. 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.

(8) 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, 2019</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>
Assets				
Investments	\$8,249,090	\$8,249,090	\$ -	\$ -
Grants and contributions receivable	<u>147,800</u>	<u>-</u>	<u>147,800</u>	<u>-</u>
	<u>\$8,396,890</u>	<u>\$8,249,090</u>	<u>\$147,800</u>	<u>\$ -</u>
Liabilities				
Fellowships payable	<u>\$ 74,400</u>	<u>\$ -</u>	<u>\$ 74,400</u>	<u>\$ -</u>
<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>
Assets				
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>
Liabilities				
Fellowships payable	<u>\$ 74,400</u>	<u>\$ -</u>	<u>\$ 74,400</u>	<u>\$ -</u>

THE SOCIETY FOR CLASSICAL STUDIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

(9) LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table reflects the Society's financial assets as of June 30, 2019 and the amounts available within one year.

Cash	\$ 145,450
Accounts receivable	158,077
Investments	<u>8,249,090</u>
Total financial assets	8,552,617
Less financial assets not available within one year	
With donor restrictions	(5,889,919)
Board designated	(5,691)
Add endowment spending policy distribution for 2020	<u>312,251</u>
Financial assets available within one year	<u>\$ 2,969,258</u>

As part of the Society's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. The Society invests cash in excess of its requirements in a money market fund.

(10) SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 10, 2020, the date on which the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2019 that required recognition or disclosure in the financial statements.