



THE ETHICS & RELIGIOUS  
LIBERTY COMMISSION  
OF THE SOUTHERN BAPTIST CONVENTION

THE ETHICS AND RELIGIOUS LIBERTY  
COMMISSION OF THE SOUTHERN BAPTIST  
CONVENTION

Financial Statements  
With Independent Auditors' Report

September 30, 2021 and 2020

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
OF THE SOUTHERN BAPTIST CONVENTION**

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## INDEPENDENT AUDITORS' REPORT

The Executive Committee of  
The Ethics and Religious Liberty Commission  
of the Southern Baptist Convention  
Nashville, Tennessee

We have audited the accompanying financial statements of The Ethics and Religious Liberty Commission of the Southern Baptist Convention, which comprise the statements of financial position as of September 30, 2021 and 2020, 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.

### *Auditors' Responsibility*

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

The Executive Committee of  
The Ethics and Religious Liberty Commission  
of the Southern Baptist Convention  
Nashville, Tennessee

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Ethics and Religious Liberty Commission of the Southern Baptist Convention as of September 30, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Capin Crouse LLP*

Lawrenceville, Georgia  
November 12, 2021

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
OF THE SOUTHERN BAPTIST CONVENTION**

**Statements of Financial Position**

	September 30,	
	2021	2020
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 1,296,751	\$ 1,395,744
Accounts receivable	26,125	50,000
Investments	1,845,187	1,338,511
Prepaid expenses and other assets	13,250	17,507
Property and equipment—net	498,480	578,595
<b>Total Assets</b>	<b>\$ 3,679,793</b>	<b>\$ 3,380,357</b>
<b>LIABILITIES AND NET ASSETS:</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 107,550	\$ 75,595
Deferred revenue	45,000	45,000
Postretirement benefit obligation	402,760	407,931
<b>Total liabilities</b>	<b>555,310</b>	<b>528,526</b>
<b>Net assets:</b>		
Without donor restrictions	2,350,593	2,245,421
With donor restrictions	773,890	606,410
<b>Total net assets</b>	<b>3,124,483</b>	<b>2,851,831</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,679,793</b>	<b>\$ 3,380,357</b>

See accompanying notes to the financial statements

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
OF THE SOUTHERN BAPTIST CONVENTION**

**Statement of Activities**

Year Ended September 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING SUPPORT AND REVENUE:</b>			
Support:			
Southern Baptist Convention:			
Cooperative Program	\$ 3,169,179	\$ -	\$ 3,169,179
Other contributions	12,513	-	12,513
Direct contributions	51,337	331,394	382,731
Partnership grants	-	832,900	832,900
Revenue:			
Events fees	10,188	-	10,188
Other income	51,569	-	51,569
Interest and investment income	22,950	-	22,950
Total Operating Support and Revenue	3,317,736	1,164,294	4,482,030
<b>RECLASSIFICATIONS:</b>			
Satisfaction of purpose restrictions	996,814	(996,814)	-
<b>OPERATING EXPENSES:</b>			
Program services	3,702,874	-	3,702,874
Supporting activities:			
General and administrative	481,352	-	481,352
Total Operating Expenses	4,184,226	-	4,184,226
Change in Net Assets from Operations	130,324	167,480	297,804

(continued)

See accompanying notes to the financial statements

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
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**Statement of Activities**  
(continued)

Year Ended September 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
NON-OPERATING ACTIVITY:			
Other components of net periodic postretirement benefit cost	(14,133)	-	(14,133)
Postretirement related changes other than net periodic postretirement benefit cost	<u>(11,019)</u>	<u>-</u>	<u>(11,019)</u>
Total Non-Operating Change in Net Assets	<u>(25,152)</u>	<u>-</u>	<u>(25,152)</u>
Change in Net Assets	105,172	167,480	272,652
Net Assets, Beginning of Year	<u>2,245,421</u>	<u>606,410</u>	<u>2,851,831</u>
Net Assets, End of Year	<u>\$ 2,350,593</u>	<u>\$ 773,890</u>	<u>\$ 3,124,483</u>

See accompanying notes to the financial statements

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
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**Statement of Activities**

Year Ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING SUPPORT AND REVENUE:</b>			
Support:			
Southern Baptist Convention:			
Cooperative Program	\$ 3,182,864	\$ -	\$ 3,182,864
Other contributions	9,080	-	9,080
Direct contributions	63,485	72,111	135,596
Partnership grants	-	636,094	636,094
Noncash contribution (forgiveness of Paycheck Protection Program (PPP) loan, see Note 10)	-	395,652	395,652
Revenue:			
Events fees	282,978	-	282,978
Other income	67,206	-	67,206
Interest and investment income	37,371	-	37,371
Total Operating Support and Revenue	3,642,984	1,103,857	4,746,841
<b>RECLASSIFICATIONS:</b>			
Satisfaction of purpose restrictions	696,808	(696,808)	-
<b>OPERATING EXPENSES:</b>			
Program services	3,416,172	-	3,416,172
Supporting activities:			
General and administrative	375,274	-	375,274
Total Operating Expenses	3,791,446	-	3,791,446
Change in Net Assets from Operations	548,346	407,049	955,395

(continued)

See accompanying notes to the financial statements



**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
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**Statement of Activities**

(continued)

Year Ended September 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
NON-OPERATING ACTIVITY:			
Other components of net periodic postretirement benefit cost	(14,418)	-	(14,418)
Postretirement related changes other than net periodic postretirement benefit cost	6,821	-	6,821
Total Non-Operating Change in Net Assets	<u>(7,597)</u>	<u>-</u>	<u>(7,597)</u>
Change in Net Assets	540,749	407,049	947,798
Net Assets, Beginning of Year	<u>1,704,672</u>	<u>199,361</u>	<u>1,904,033</u>
Net Assets, End of Year	<u>\$ 2,245,421</u>	<u>\$ 606,410</u>	<u>\$ 2,851,831</u>

See accompanying notes to the financial statements

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
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**Statement of Functional Expenses**

Year Ended September 30, 2021

	Program Services	<u>Supporting Activities</u> General and Administrative	Total Expenses
Salary and benefits	\$ 2,191,684	\$ 232,023	\$ 2,423,707
Travel (hotel, transportation, and supplies)	136,858	6,390	143,248
Executive office (trustee & research meetings and marketing)	53,693	85,140	138,833
Business and finance office (utilities, insurance, technology, and supplies)	-	157,799	157,799
Events and strategic initiatives (conferences, honorariums, and travel)	87,370	-	87,370
Communications (print resources, web design, freelance creative)	127,839	-	127,839
Public policy and research (research, consultants, convening, and international)	32,788	-	32,788
Designated expenses (ultrasound machines, program specific personnel, technology, and other costs)	995,684	-	995,684
Depreciation	76,958	-	76,958
	<u>3,702,874</u>	<u>481,352</u>	<u>4,184,226</u>
Other components of net periodic postretirement benefit cost	<u>14,133</u>	<u>-</u>	<u>14,133</u>
Total Expenses	<u>\$ 3,717,007</u>	<u>\$ 481,352</u>	<u>\$ 4,198,359</u>

See accompanying notes to the financial statements

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
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**Statement of Functional Expenses**

Year Ended September 30, 2020

	Program Services	<u>Supporting Activities</u> General and Administrative	Total Expenses
Salary and benefits	\$ 2,236,237	\$ 230,417	\$ 2,466,654
Travel (hotel, transportation, and supplies)	145,613	2,320	147,933
Executive office (trustee & research meetings and marketing)	129,526	3,590	133,116
Business and finance office (utilities, insurance, technology, and supplies)	-	138,947	138,947
Events and strategic initiatives (conferences, honorariums, and travel)	327,131	-	327,131
Communications (print resources, web design, freelance creative)	164,625	-	164,625
Public policy and research (research, consultants, convening, and international)	8,771	-	8,771
Designated expenses (ultrasound machines, program specific personnel, technology, and other costs)	319,094	-	319,094
Depreciation	85,175	-	85,175
	<u>3,416,172</u>	<u>375,274</u>	<u>3,791,446</u>
Other components of net periodic postretirement benefit cost	<u>14,418</u>	<u>-</u>	<u>14,418</u>
Total Expenses	<u>\$ 3,430,590</u>	<u>\$ 375,274</u>	<u>\$ 3,805,864</u>

See accompanying notes to the financial statements

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
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**Statements of Cash Flows**

	Year Ended September 30,	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Southern Baptist Convention:		
Cooperative Program contributions received	\$ 3,169,179	\$ 3,182,864
Other contributions received	12,513	9,080
Direct contributions received	356,606	135,596
Partnership grants received	882,900	647,677
Event fees received	10,188	259,328
Other revenue received	51,569	67,206
Interest income received	17,725	19,368
Payments to employees	(2,461,454)	(2,515,066)
Payments to vendors and others	(1,638,219)	(1,204,975)
Net Cash Provided by Operating Activities	401,007	601,078
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Transfer to Southern Baptist Foundation (SBF) investment account (see Notes 2 and 5)	(500,000)	(250,000)
Net Cash Used by Investing Activities	(500,000)	(250,000)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from refundable advance	-	395,652
Net Cash Provided by Financing Activities	-	395,652
 Net Change in Cash and Cash Equivalents	(98,993)	746,730
 Cash and Cash Equivalents, Beginning of Year	1,395,744	649,014
 Cash and Cash Equivalents, End of Year	\$ 1,296,751	\$ 1,395,744

See accompanying notes to the financial statements

# THE ETHICS AND RELIGIOUS LIBERTY COMMISSION OF THE SOUTHERN BAPTIST CONVENTION

## Notes to Financial Statements

September 30, 2021 and 2020

1. NATURE OF ORGANIZATION:

The Ethics and Religious Liberty Commission of the Southern Baptist Convention (the Commission) was incorporated in 1947 as a Tennessee not-for-profit corporation and is exempt from federal income tax on related activities under Section 501(c)(3) of the Internal Revenue Code (the Code) and comparable State law. The Commission operates under the auspices of the Southern Baptist Convention (SBC). The Commission is classified as a publicly supported organization, which is not a private foundation under Section 509(a)(1) of the Code, and contributions to it are tax deductible within the limitations prescribed by the Code.

The Commission exists to assist churches by helping them understand the moral demands of the gospel, apply Christian principles to moral and social problems and questions of public policy, and to promote religious liberty in cooperation with the churches and other Southern Baptist entities. The Organization's primary revenue source is contributions from the SBC Cooperative Program and other donors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

### USE OF ESTIMATES

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

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash held in checking, savings, money market accounts, and all other highly liquid accounts with original maturities of less than 90 days. The Commission maintains its cash and cash equivalents with high credit, quality financial institutions, which, at times, may exceed federally insured limits. The Commission has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents. At September 30, 2021 and 2020, the Commission's cash balances exceeded federally insured limits by \$1,010,939 and \$1,076,314, respectively.

# THE ETHICS AND RELIGIOUS LIBERTY COMMISSION OF THE SOUTHERN BAPTIST CONVENTION

## Notes to Financial Statements

September 30, 2021 and 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### ACCOUNTS RECEIVABLE

Accounts receivable consists primarily of amounts due the Commission for expense refunds and sponsorship commitments for services performed. Accounts receivable become past due when they exceed their contractual due dates, usually 30 to 90 days. The Commission does not assess finance charges against accounts receivable that are past due. As of September 30, 2021 and 2020, an allowance for doubtful accounts receivable has not been recorded as management has determined that substantially all accounts receivable are fully collectible. Subsequent to the date of these financial statements, all accounts receivable recorded in the statements of financial position have been paid in full.

#### INVESTMENTS

Investments consist entirely of an invested interest in the Southern Baptist Foundation (SBF) common funds, which are carried at the fair market value of the underlying investments. Income on these investments is included in the change in net assets.

#### PROPERTY AND EQUIPMENT—NET

Items capitalized as property and equipment are stated at cost or, if donated, at market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from three to 40 years. Repairs and maintenance and small equipment purchases are expensed as incurred. Expenditures that significantly increase asset value or extend useful lives are capitalized. Acquisitions of property and equipment in excess of \$3,000 that meet the capitalization requirements are capitalized. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and gains or losses are included on the statements of activities.

#### CLASSES OF NET ASSETS

The financial statements report amounts separately by class of net assets:

*Net assets without donor restrictions* are currently available at the discretion of the trustees of the Commission for use in operations, designated by the trustees of the Commission for other specific projects determined by the board, or invested in property and equipment net of accumulated depreciation.

*Net assets with donor restrictions* are stipulated by donors for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

All contributions are considered available for use without restriction unless specifically restricted by the donor or subject to other legal restrictions.

# THE ETHICS AND RELIGIOUS LIBERTY COMMISSION OF THE SOUTHERN BAPTIST CONVENTION

## Notes to Financial Statements

September 30, 2021 and 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

Contributions are recognized when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met.

The Commission recognizes revenue from events during the year in which the related events are held. The performance obligation of delivering events is simultaneously received and consumed by the attendees. All amounts received prior to the commencement of the event are deferred to the applicable period. All other exchange revenue is recognized when earned.

The Commission reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as reclassifications.

The Commission reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Commission reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated goods (including securities) are recorded at fair value at the date of the gift.

Expenses are reported when costs are incurred in accordance with the accrual basis of accounting. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Commission. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses include salaries and benefits. Salaries and benefits have been allocated based on the programmatic purpose of the employee incurring the expense.

#### CONCENTRATIONS

The Commission receives a substantial amount of support from the SBC. A significant reduction in the level of this support, if this were to occur, may have a significant affect on the Commission. The organizational implications of these concentrations are recognized by the Commission.

# THE ETHICS AND RELIGIOUS LIBERTY COMMISSION OF THE SOUTHERN BAPTIST CONVENTION

## Notes to Financial Statements

September 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

During 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-13, *Fair Value Measurement (Topic 820): Changes to the Disclosure Requirements for Fair Value Measurement*. The Commission adopted the provisions of this new standard during the year ended September 30, 2021. The new standard is designed to simplify the disclosures related to fair value measurements. Adoption of this standard had no effect on change in net assets or net assets in total.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Commission's financial assets as of September 30, 2021 and 2020, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Commission considers general expenditures to be all expenditures related to its ongoing activities to achieve its vision as well as the conduct of services undertaken to support those activities to be general expenditures.

	September 30,	
	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 1,296,751	\$ 1,395,744
Accounts receivable	26,125	50,000
Investments	1,845,187	1,338,511
	3,168,063	2,784,255
Less those unavailable for general expenditures within one year due to:		
Board designations	(600,000)	-
	\$ 2,568,063	\$ 2,784,255

As part of the Commission's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Board designated reserves can be released upon resolution of the board and used for general expenditures. The Commission has \$773,890 in net assets with donor restrictions for various project support. These funds are considered available to meet needs for general expenditures within one year.



**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
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**Notes to Financial Statements**

September 30, 2021 and 2020

4. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net, consist of:

	September 30,	
	2021	2020
Leasehold improvements	\$ 337,687	\$ 337,687
Building and improvements	955,730	955,730
Furniture and equipment	1,139,601	1,145,326
	2,433,018	2,438,743
Less accumulated depreciation	(1,934,538)	(1,860,148)
Property and equipment—net	\$ 498,480	\$ 578,595

5. FAIR VALUE MEASUREMENTS:

The *Fair Value* topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Commission uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Commission measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 and Level 2 inputs were not available.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy at September 30, 2021 and 2020:

	Fair Value Measurements at September 30, 2021			
	Total	(Level 1)	(Level 2)	(Level 3)
Investments, at fair value:				
Interest in common funds of the SBF	\$ 1,845,187	\$ -	\$ 1,845,187	\$ -
	\$ 1,845,187	\$ -	\$ 1,845,187	\$ -

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
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**Notes to Financial Statements**

September 30, 2021 and 2020

5. FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements at September 30, 2020			
	Total	(Level 1)	(Level 2)	(Level 3)
Investments, at fair value:				
Interest in common funds of the SBF	\$ 1,338,511	\$ -	\$ 1,338,511	\$ -
	\$ 1,338,511	\$ -	\$ 1,338,511	\$ -

Valuation techniques used by the Commission in estimating fair value are as follows:

*Interest in common funds of the SBF*—The common funds of the SBF consisted of an equity fund, income fund, flexible income fund, and short-term money market fund as of September 30, 2021 and 2020. The equity fund is made up of various publicly traded equity securities. The income fund and flexible income fund are both made up of U.S. Treasury obligations and high quality corporate bonds. The short-term money market fund consists of certificates of deposit, corporate bonds, and money market funds meant to provide liquidity. The value of investments in common funds are based on the value of the Commission’s per share interest in the pooled fund as reported by the SBF. The Commission is able to redeem its investment in the pool at the reporting date.

*Changes in valuation techniques*—None.

6. EMPLOYEE BENEFIT OBLIGATIONS:

**DEFINED CONTRIBUTION PLAN**

The Commission participates in the retirement program of GuideStone Financial Resources of the SBC. The plan is a 403(b)(9) defined contribution plan, not subject to the Employee Retirement Income Security Act of 1974 (ERISA), providing a contribution-matching contribution to its employees. Employer contribution to the plan for the years ended September 30, 2021 and 2020, were \$143,758 and \$146,864, respectively.

**DEFINED BENEFIT PLAN**

Under a separate program, the Commission also provides certain retirement gift and Christmas bonus benefits for all retired employees that meet certain eligibility requirements which qualifies as a defined benefit plan (the Plan). In 2017, the executive committee of the Commission froze the plan to any additional participants. The defined benefit plan’s current and future benefits are funded by net assets without donor restrictions. The status of the benefit obligations of the program at September 30, 2021 and 2020, are as follows:

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**Notes to Financial Statements**

September 30, 2021 and 2020

6. EMPLOYEE BENEFIT OBLIGATIONS, continued:

DEFINED BENEFIT PLAN, continued

A summary of the postretirement benefit obligation is as follows:

	September 30,	
	2021	2020
Retired participants	\$ 402,760	\$ 407,931
Active fully eligible participants	-	-
Active other participants	-	-
	\$ 402,760	\$ 407,931

The following tables provide a reconciliation of the changes in the postretirement benefit obligation and the assumptions used in the actuarial calculations.

	September 30,	
	2021	2020
Postretirement benefit obligation at beginning of year:	\$ 407,931	\$ 436,865
Net periodic postretirement benefit costs	14,133	14,418
Postretirement benefit related changes other than net periodic postretirement benefit cost	11,019	(6,821)
Benefits paid	(30,323)	(36,531)
Postretirement benefit obligation at end of year	\$ 402,760	\$ 407,931
Net periodic postretirement benefit cost, included in functional expenses:		
Service cost	\$ -	\$ -
Interest cost	14,133	14,418
Net periodic postretirement benefit cost other than service cost	14,133	14,418
Net periodic postretirement benefit costs	\$ 14,133	\$ 14,418

Net periodic postretirement cost other than service cost is reported as other components of net periodic postretirement cost on the statement of activities.

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**Notes to Financial Statements**

September 30, 2021 and 2020

6. EMPLOYEE BENEFIT OBLIGATIONS, continued:

DEFINED BENEFIT PLAN, continued

Postretirement benefit related changes other than net periodic postretirement cost, included in nonoperating activities, are as follows:

	September 30,	
	2021	2020
Actuarial gain (loss)	\$ (11,019)	\$ 6,821
Postretirement benefit related changes other than net periodic postretirement benefit cost	\$ (11,019)	\$ 6,821
Assumptions:		
Weighted average discount rate	3.50%	3.50%
Average future lifetime of retired participants	12.65	12.73

The mortality basis is based upon RPH-2014 separate employee, retiree and contingent annuitant tables, projected forward with the MP-2019 improvement scale.

Future benefits are expected to be paid as follows:

	Year Ended September 30,	
2022	\$	30,506
2023		30,429
2024		30,235
2025		29,924
2026		28,165
Thereafter		253,501
	\$	402,760

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
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**Notes to Financial Statements**

September 30, 2021 and 2020

7. NET ASSETS:

Net assets consist of:

	September 30,	
	2021	2020
Without donor restrictions:		
Undesignated	\$ 1,750,593	\$ 2,245,421
Board designated for:		
Roe 50	250,000	-
Sexual Abuse Study Project	250,000	-
Transitional Expenses	100,000	-
	2,350,593	2,245,421
With donor restrictions:		
Life Collective	357,816	91,140
Psalm 139 Project	136,865	83,871
Civility Project	120,954	120,954
State Level Criminal Justice	59,685	90,000
Democracy Fund	50,000	50,000
Artificial Intelligence	37,354	49,254
Roe 50	11,216	111,382
Stand for Life	-	9,389
International Efforts	-	420
	773,890	606,410
	\$ 3,124,483	\$ 2,851,831

8. RELATED PARTIES:

Substantial assistance is received from the SBC. The Commission is an independent organization, but acts under the auspices of the SBC. Total Cooperative Program contributions from the SBC were \$3,169,179 and \$3,182,864 for the years ending September 30, 2021 and 2020, respectively. Total other contributions from the SBC were \$12,513 and \$9,080 for the years ending September 30, 2021 and 2020, respectively.

The Commission occupies office facilities on the 5th floor of the SBC Building at 901 Commerce Street in Nashville, TN for which no rent is charged to the Commission. Title is held by the Executive Committee of the SBC as “trustee for the beneficial use of the Ethics and Religious Liberty Commission of the Southern Baptist Convention” and for the other entities occupying the premises. The Commission has capitalized improvements to the facilities and recorded these as leasehold improvements (see Note 4).

# THE ETHICS AND RELIGIOUS LIBERTY COMMISSION OF THE SOUTHERN BAPTIST CONVENTION

## Notes to Financial Statements

September 30, 2021 and 2020

9. COMMITMENTS:

As of September 30, 2021, the Commission has entered into a commitment for a servicing agreement, which has a minimum remaining committed cost of approximately \$380,000 payable in varying monthly amounts through March 2023.

10. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Commission for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

As part of the response to the impact of COVID-19, the Commission applied for a PPP Loan, administered by the Small Business Administration (SBA), under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law in March 2020. The Commission was approved for a loan in the amount of \$395,652. For the year ended September 30, 2020, in accordance with FASB ASC 958-605, the Commission has simultaneously recognized a noncash contribution with donor restrictions and a release for same amount in the accompanying statement of activities and recognized the proceeds as a refundable advance in the accompanying statement of cash flows. Based on the provisions included in the CARES Act, the loan agreement provides for loan forgiveness up to the full amount of the loan provided the Commission overcomes (meets) certain loan stipulations. Effective November 2, 2020, the Commission was notified that they had received full forgiveness of the PPP loan by the SBA.

11. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through November 12, 2021, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

## **SUPPLEMENTARY INFORMATION**

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION**

The Executive Committee of  
The Ethics and Religious Liberty Commission  
of the Southern Baptist Convention  
Nashville, Tennessee

We have audited the financial statements of The Ethics and Religious Liberty Commission of the Southern Baptist Convention as of and for the years ended September 30, 2021 and 2020, and our report thereon dated November 12, 2021, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of support, revenue, and expenses—compared to budget and the schedule of contributions without donor restrictions receipts by state (the information), which is the responsibility of management, are presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for that portion marked “unaudited,” was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked “unaudited” has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Capin Crouse LLP*

Lawrenceville, Georgia  
November 12, 2021



**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
OF THE SOUTHERN BAPTIST CONVENTION**

**Schedule of Support, Revenue, and Expenses—Compared to Budget**

Year Ended September 30, 2021

	Budget (Unaudited)	Actual	Favorable (Unfavorable)
<b>SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS:</b>			
Support:			
Southern Baptist Convention:			
Cooperative Program	\$ 3,050,000	\$ 3,169,179	\$ 119,179
Other contributions	12,600	12,513	(87)
Direct contributions	80,000	51,337	(28,663)
Revenue:			
Events fees	378,540	10,188	(368,352)
Other income	96,200	51,569	(44,631)
Interest and investment income	6,250	22,950	16,700
<b>Total Support and Revenue Without Donor Restrictions</b>	<b>3,623,590</b>	<b>3,317,736</b>	<b>(305,854)</b>
<b>EXPENSES:</b>			
Salary and benefits	2,648,649	2,423,707	224,942
Travel (hotel, transportation and supplies)	278,660	143,248	135,412
Executive office (trustee & research meetings and marketing)	172,815	138,833	33,982
Business and finance office (utilities, insurance, technology and supplies)	177,176	157,799	19,377
Events and strategic initiatives (conferences, honorariums, and travel)	460,669	87,370	373,299
Communications (print resources, web design, freelance creative)	187,046	127,839	59,207
Public policy and research (research, consultants, convening, and international)	58,575	32,788	25,787
<b>Total Expenses Without Donor Restrictions</b>	<b>3,983,590</b>	<b>3,111,584</b>	<b>872,006</b>
<b>Net Support Without Donor Restrictions and Revenue</b>	<b>(360,000)</b>	<b>206,152</b>	<b>566,152</b>

(continued)

See accompanying notes to the financial statements

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
OF THE SOUTHERN BAPTIST CONVENTION**

**Schedule of Support, Revenue, and Expenses—Compared to Budget**

Year Ended September 30, 2021  
(continued)

	Actual
<b>SUPPORT WITH DONOR RESTRICTIONS:</b>	
Support:	
Direct contributions	331,394
Partnership grants	832,900
Total Support With Donor Restrictions	1,164,294
Expenses:	
Designated expenses (ultrasound machine, program specific personnel, technology, and other costs)	995,684
Total Expenses With Donor Restrictions	995,684
Net Support With Donor Restrictions	168,610
Non-Cash Activity:	
Change in postretirement benefits, net	25,152
Depreciation	76,958
Net Non-Cash Activity	102,110
Change in Net Assets	\$ 272,652

See accompanying notes to the financial statements

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
OF THE SOUTHERN BAPTIST CONVENTION**

**Schedule of Support, Revenue, and Expenses—Compared to Budget**

Year Ended September 30, 2020

	Budget (Unaudited)	Actual	Favorable (Unfavorable)
<b>SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS:</b>			
Support:			
Southern Baptist Convention:			
Cooperative Program	\$ 3,318,875	\$ 3,182,864	\$ (136,011)
Other contributions	14,000	9,080	(4,920)
Direct contributions	225,000	63,485	(161,515)
Revenue:			
Events fees	414,716	282,978	(131,738)
Other income	312,400	67,206	(245,194)
Interest and investment income	16,000	37,371	21,371
<b>Total Support and Revenue Without Donor Restrictions</b>	<b>4,300,991</b>	<b>3,642,984</b>	<b>(658,007)</b>
<b>EXPENSES:</b>			
Salary and benefits	2,775,550	2,466,654	308,896
Travel (hotel, transportation and supplies)	360,955	147,933	213,022
Executive office (trustee & research meetings and marketing)	246,695	133,116	113,579
Business and finance office (utilities, insurance, technology and supplies)	181,618	138,947	42,671
Events and strategic initiatives (conferences, honorariums, and travel)	504,333	327,131	177,202
Communications (print resources, web design, freelance creative)	179,965	164,625	15,340
Public policy and research (research, consultants, convening, and international)	51,875	8,771	43,104
<b>Total Expenses Without Donor Restrictions</b>	<b>4,300,991</b>	<b>3,387,177</b>	<b>913,814</b>
<b>Net Support Without Donor Restrictions and Revenue</b>	<b>-</b>	<b>255,807</b>	<b>255,807</b>

(continued)

See accompanying notes to the financial statements

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
OF THE SOUTHERN BAPTIST CONVENTION**

**Schedule of Support, Revenue, and Expenses—Compared to Budget**

Year Ended September 30, 2020  
(continued)

	Actual
<b>SUPPORT WITH DONOR RESTRICTIONS:</b>	
Support:	
Direct contributions	72,111
Partnership grants	636,094
Noncash contribution (forgiveness of Paycheck Protection Program (PPP) loan, see Note 9)	395,652
Total Support With Donor Restrictions	1,103,857
Expenses:	
Designated expenses (ultrasound machine, program specific personnel, technology, and other costs)	319,094
Total Expenses With Donor Restrictions	319,094
Net Support With Donor Restrictions	784,763
Non-Cash Activity:	
Change in postretirement benefits, net	7,597
Depreciation	85,175
Net Non-Cash Activity	92,772
Change in Net Assets	\$ 947,798

See accompanying notes to the financial statements

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
OF THE SOUTHERN BAPTIST CONVENTION**

**Schedule of Contributions Receipts Without Donor Restrictions by State**

Year Ended September 30, 2021

	Southern Baptist Convention		Received Directly by the Commission	Total
	Cooperative Program	Other Contributions		
Alabama	\$ 315,070	\$ -	\$ -	\$ 315,070
Alaska	2,043	-	-	2,043
Arizona	22,668	300	-	22,968
Arkansas	155,950	85	-	156,035
California	37,532	-	1,152	38,684
Colorado	11,994	-	2,580	14,574
Dakota	1,729	-	-	1,729
District of Columbia	-	-	2,500	2,500
Florida	250,279	1,069	-	251,348
Georgia	254,335	1,006	1,250	256,591
Hawaii	3,629	-	-	3,629
Illinois	33,360	1	-	33,361
Indiana	12,078	-	1,250	13,328
Iowa	9,491	-	-	9,491
Kansas-Nebraska	13,953	-	-	13,953
Kentucky	163,357	5,104	600	169,061
Louisiana	105,993	-	-	105,993
Maryland-Delaware	25,326	-	1,250	26,576
Michigan	5,792	-	-	5,792
Minnesota-Wisconsin	4,391	-	-	4,391
Mississippi	183,766	-	-	183,766
Missouri	96,864	-	30	96,894
Montana	3,135	-	-	3,135
Nevada	6,945	-	100	7,045
New England	3,428	-	-	3,428
New Mexico	15,856	-	-	15,856
New York	3,717	-	10,000	13,717
North Carolina	193,866	4,114	225	198,205
Northwest	9,253	-	-	9,253
Ohio	34,424	-	-	34,424
Oklahoma	170,115	-	241	170,356

(continued)

See accompanying notes to the financial statements

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
OF THE SOUTHERN BAPTIST CONVENTION**

**Schedule of Contributions Receipts Without Donor Restrictions by State**

Year Ended September 30, 2021  
(continued)

	Southern Baptist Convention		Received Directly by the Commission	Total
	Cooperative Program	Other Contributions		
Pennsylvania-South Jersey	5,144	-	295	5,439
Puerto Rico-U.S. Virgin Island	160	-	-	160
Rhode Island	-	-	1,000	1,000
South Carolina	178,939	-	3,798	182,737
Tennessee	233,904	-	1,235	235,139
Texas	-	825	5,220	6,045
Texas-BGCT	162,790	-	-	162,790
Texas-SBTC	257,476	-	-	257,476
Utah-Idaho	3,981	-	-	3,981
Virginia	-	-	2,553	2,553
Virginia-BGAV	14,578	-	-	14,578
Virginia-SBCV	78,658	-	-	78,658
Washington	-	9	-	9
West Virginia	8,050	-	-	8,050
Wyoming	1,063	-	-	1,063
	3,095,082	12,513	35,279	3,142,874
Church and individuals	74,097	-	-	74,097
Online contributions (no address)	-	-	16,058	16,058
	3,095,082	12,513	35,279	3,142,874
Total contributions	\$ 3,169,179	\$ 12,513	\$ 51,337	\$ 3,233,029

See accompanying notes to the financial statements

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
OF THE SOUTHERN BAPTIST CONVENTION**

**Schedule of Contributions Receipts Without Donor Restrictions by State**

Year Ended September 30, 2020

	Southern Baptist Convention		Received Directly by the Commission	Total
	Cooperative Program	Other Contributions		
Alabama	\$ 306,841	\$ -	\$ 10	\$ 306,851
Alaska	1,984	-	-	1,984
Arizona	20,317	-	-	20,317
Arkansas	155,369	85	-	155,454
California	29,721	-	3,240	32,961
Colorado	11,269	-	2,580	13,849
Connecticut	-	-	99	99
Dakota	1,928	-	-	1,928
Florida	238,058	515	20	238,593
Georgia	263,724	1,275	11,600	276,599
Hawaii	4,287	-	-	4,287
Illinois	38,083	-	360	38,443
Indiana	13,140	-	-	13,140
Iowa	7,004	-	-	7,004
Kansas-Nebraska	13,315	-	50	13,365
Kentucky	159,665	1,100	600	161,365
Louisiana	107,129	-	2,000	109,129
Maryland-Delaware	26,524	-	1,125	27,649
Michigan	5,370	225	-	5,595
Minnesota-Wisconsin	3,986	-	-	3,986
Mississippi	198,341	-	100	198,441
Missouri	97,457	-	-	97,457
Montana	3,110	-	-	3,110
Nevada	7,609	-	100	7,709
New England	3,321	-	-	3,321
New Mexico	17,609	-	10	17,619
New York	4,095	-	-	4,095
North Carolina	190,560	3,343	1,810	195,713
Northwest	9,703	-	-	9,703
Ohio	40,355	-	3,000	43,355
Oklahoma	167,437	7	249	167,693

(continued)

See accompanying notes to the financial statements

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION  
OF THE SOUTHERN BAPTIST CONVENTION**

**Schedule of Contributions Receipts Without Donor Restrictions by State**

Year Ended September 30, 2020  
(continued)

	<u>Southern Baptist Convention</u>		Received	<u>Total</u>
	<u>Cooperative Program</u>	<u>Other Contributions</u>	Directly by the Commission	
Pennsylvania-South Jersey	5,119	-	430	5,549
Puerto Rico-U.S. Virgin Island	183	-	-	183
Rhode Island	-	-	500	500
South Carolina	178,362	-	7,001	185,363
Tennessee	261,597	-	517	262,114
Texas	-	-	11,190	11,190
Texas-BGCT	163,228	2,241	-	165,469
Texas-SBTC	239,321	-	-	239,321
Utah-Idaho	3,828	-	-	3,828
Virginia	-	-	2,523	2,523
Virginia-BGAV	14,117	253	-	14,370
Virginia-SBCV	75,830	-	-	75,830
Washington	-	36	-	36
West Virginia	8,128	-	-	8,128
Wyoming	1,786	-	-	1,786
	<u>3,098,810</u>	<u>9,080</u>	<u>49,114</u>	<u>3,157,004</u>
Church and individuals	84,054	-	-	84,054
Online contributions (no address)	-	-	14,371	14,371
Total contributions	<u>\$ 3,182,864</u>	<u>\$ 9,080</u>	<u>\$ 63,485</u>	<u>\$ 3,255,429</u>

See accompanying notes to the financial statements