

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

Financial Statements and Supplemental Data

September 30, 2018 and 2017

(With Independent Auditors' Report Thereon)



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

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INDEPENDENT AUDITORS' REPORT

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

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, 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.

Auditors' 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 audits to obtain reasonable assurance about whether the financial statements are free of 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.

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, 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.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Support, Revenue and Expenses - Compared to Budget and Contribution Receipts by State schedules, which are the responsibility of management, are presented for purposes of additional analysis and are 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. The 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, the 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.

LBMC, PC

Brentwood, Tennessee
November 12, 2018

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

Statements of Financial Position

September 30, 2018 and 2017

Assets

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 647,194	\$ 308,225
Accounts receivable	100,982	49,061
Investments	1,016,113	1,021,364
Postretirement benefit asset on deposit in trust with GuideStone Financial Resources of the Southern Baptist Convention	-	706
Prepaid expenses and other assets	173,076	55,939
Property and equipment, net	<u>712,496</u>	<u>704,453</u>
	<u>\$ 2,649,861</u>	<u>\$ 2,139,748</u>

Liabilities and Net Assets

Accounts payable and accrued expenses	\$ 297,799	\$ 138,187
Deferred revenue	160,875	14,797
Postretirement benefit obligation	<u>456,342</u>	<u>474,838</u>
Total liabilities	<u>915,016</u>	<u>627,822</u>
Net assets:		
Without donor restrictions:		
Designated - postretirement benefits	-	706
Undesignated	<u>1,622,193</u>	<u>1,396,303</u>
Total without donor restrictions	1,622,193	1,397,009
With donor restrictions	<u>112,652</u>	<u>114,917</u>
Total net assets	<u>1,734,845</u>	<u>1,511,926</u>
	<u>\$ 2,649,861</u>	<u>\$ 2,139,748</u>

See accompanying notes to the financial statements.

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

Statements of Activities

Years ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Changes in net assets without donor restrictions:		
Support and revenue:		
Southern Baptist Convention:		
Cooperative Program	\$ 3,247,115	\$ 3,232,294
Designated	17,123	18,476
Gifts, designated receipts and other	1,030,511	673,825
Interest and investment income	2,541	1,418
Net assets released from restrictions	<u>70,969</u>	<u>43,223</u>
Total support and revenue	<u>4,368,259</u>	<u>3,969,236</u>
Expenses		
Program services expense	3,711,731	3,669,034
Supporting services expense - Management and general	<u>431,344</u>	<u>402,904</u>
Total expenses	<u>4,143,075</u>	<u>4,071,938</u>
Change in net assets without donor restrictions	<u>225,184</u>	<u>(102,702)</u>
Changes in net assets with donor restrictions:		
Gifts, designated receipts and other	68,704	47,717
Net assets released from restrictions	<u>(70,969)</u>	<u>(43,223)</u>
Change in net assets with donor restrictions	<u>(2,265)</u>	<u>4,494</u>
Change in net assets	222,919	(98,208)
Net assets at beginning of year	<u>1,511,926</u>	<u>1,610,134</u>
Net assets at end of year	<u>\$ 1,734,845</u>	<u>\$ 1,511,926</u>

See accompanying notes to the financial statements.

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

Statements of Functional Expenses

Years ended September 30, 2018 and 2017

	2018		
	Program Services	Management and General	Total
Salaries and benefits	\$ 2,282,127	\$ 225,557	\$ 2,507,684
Travel	322,778	4,668	327,446
Executive office	72,051	32,020	104,071
Business and finance	-	169,099	169,099
Events and strategic initiatives	621,883	-	621,883
Communications	166,883	-	166,883
Public policy and research	15,746	-	15,746
Designated expenses	152,744	-	152,744
Change in postretirement benefit, net	(18,496)	-	(18,496)
Depreciation	94,289	-	94,289
Loss on disposal of asset	<u>1,726</u>	<u>-</u>	<u>1,726</u>
Total	<u>\$ 3,711,731</u>	<u>\$ 431,344</u>	<u>\$ 4,143,075</u>

	2017		
	Program Services	Management and General	Total
Salaries and benefits	\$ 2,289,438	\$ 221,222	\$ 2,510,660
Travel	237,555	4,898	242,453
Executive office	209,527	45,210	254,737
Business and finance	-	131,574	131,574
Events and strategic initiatives	586,581	-	586,581
Communications	142,283	-	142,283
Public policy and research	2,884	-	2,884
Designated expenses	109,001	-	109,001
Change in postretirement benefit, net	(17,431)	-	(17,431)
Depreciation	<u>109,196</u>	<u>-</u>	<u>109,196</u>
Total	<u>\$ 3,669,034</u>	<u>\$ 402,904</u>	<u>\$ 4,071,938</u>

See accompanying notes to the financial statements.

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

Statements of Cash Flows

Years ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Cooperative Program payments received	\$ 3,247,115	\$ 3,232,294
Southern Baptist Convention Designated receipts	17,123	18,476
Gifts, designated receipts and other	1,193,372	684,345
Interest and investment income	42,776	44,714
Payments to vendors	(1,870,096)	(1,681,756)
Payments to employees	<u>(2,154,005)</u>	<u>(2,264,593)</u>
Net cash provided by operating activities	<u>476,285</u>	<u>33,480</u>
Cash flows from investing activities:		
(Purchases) sales of investments, net	(34,984)	14,793
Purchases of property and equipment	<u>(102,332)</u>	<u>(10,069)</u>
Net cash provided (used) by investing activities	<u>(137,316)</u>	<u>4,724</u>
Increase in cash and cash equivalents	338,969	38,204
Cash and cash equivalents at beginning of year	<u>308,225</u>	<u>270,021</u>
Cash and cash equivalents at end of year	<u>\$ 647,194</u>	<u>\$ 308,225</u>

See accompanying notes to the financial statements.

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

Notes to the Financial Statements

September 30, 2018 and 2017

(1) Nature of activities

The Ethics and Religious Liberty Commission of the Southern Baptist Convention (the "Commission") operates under the auspices of the Southern Baptist Convention ("SBC"). The Commission aims to assist Southern Baptists in applying Christian principles in their lives and to coordinate the impact of Southern Baptists concerning private and public moral concerns.

(2) Summary of significant accounting policies

(a) Financial statement presentation

The financial statements of the Commission have been prepared on the accrual basis.

(b) Cash and cash equivalents

Cash and cash equivalents consist primarily of cash on deposit and short-term marketable securities that are readily convertible into cash and purchased with original maturities of three months or less.

(c) Accounts receivable

Accounts receivable consist of expense refunds from events and sponsorship commitments for services performed. Late or interest charges on delinquent accounts are not recorded until collected. The carrying amount of accounts receivable is reduced by a valuation allowance, if necessary, which reflects management's best estimate of the amounts that will not be collected. The Commission's management has determined an allowance is unnecessary as of September 30, 2018 or 2017.

(d) Investments

Investments in marketable securities are valued at their fair values (as more fully discussed in Note 6) in the statements of financial position. Investment income shown in the statements of activities includes interest and realized and unrealized gains and losses. Investment income that is restricted by the donor is reported as increases in net assets without donor restrictions if the restrictions are met or expire in the year in which the investment income is recognized.

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Notes to the Financial Statements

September 30, 2018 and 2017

(e) Property and equipment

Property and equipment are reported at cost or, if contributed, at fair value on the date of receipt. It is the Commission's policy to capitalize expenditures for these items in excess of \$3,000. Depreciation is provided using the straight-line method, based on estimated service lives of 3 to 10 years for furniture and fixtures and 20 to 40 years for buildings and improvements. Leasehold improvements are amortized over the shorter of their estimated lives or the respective lease term. Expenditures for maintenance and repairs are charged to operations as incurred. Annual depreciation is charged to expense without donor restrictions.

(f) Deferred revenue

Deferred revenue represents deposits received from participants for conferences scheduled to occur subsequent to year end.

(g) Net assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for postretirement benefits.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

(h) Realization of Long-lived assets

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

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

September 30, 2018 and 2017

(i) Contributions

The majority of the Commission's support is received from allocations from the SBC Cooperative Program. Funds are received on a weekly basis and are recognized as revenue when received from the Executive Committee of the SBC who allocates funds received from the state conventions and individual churches as part of the Cooperative Program.

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 assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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.

(j) Functional expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated primarily relate to salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, insurance, and other expenses, which are allocated on the basis of estimates of time and effort.

(k) Income taxes

The Commission is exempt from federal, state and local income taxes under Internal Revenue Code section 501(c)(3) as a religious corporation and accordingly, no provision for income or excise tax has been recorded in the accompanying financial statements. The Commission is not classified as a private foundation. The Commission is not required to file Federal information returns.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Commission has no uncertain tax positions that qualify for recognition or other disclosure in the financial statements.

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Notes to the Financial Statements

September 30, 2018 and 2017

(l) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

(m) Events occurring after reporting date

Management of the Commission has evaluated events and transactions that occurred between September 30, 2018 and November 12, 2018, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

(3) Liquidity and availability

Financial assets available for general expenditures within one year of the statement of financial position date are as follows:

Cash and cash equivalents	\$ 534,542	\$ 193,308
Accounts receivable	100,982	49,061
Operating investments	<u>1,016,113</u>	<u>1,021,364</u>
	\$ <u>1,651,637</u>	\$ <u>1,263,733</u>

None of the financial assets are subject to donor or other restrictions limiting their use. 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.

(4) Concentration of risks

The Commission receives a substantial amount of its 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's programs and activities.

The Commission maintains its cash and cash equivalents and investments in financial institutions and the Southern Baptist Foundation ("SBF") at balances which, at times, may be uninsured or may exceed federally insured limits. The Commission has not experienced any losses in such accounts. Credit risk also extends to uncollateralized receivables.

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Notes to the Financial Statements

September 30, 2018 and 2017

(5) Funds held with the Southern Baptist Foundation

The Commission maintains money market and investment accounts with the SBF. A summary of funds held by the SBF as of September 30, 2018 and 2017 are as follows:

	2018		
	<u>Market</u>	<u>Cost</u>	<u>Yield</u>
Operating Savings Fund	\$ 36,568	\$ 36,568	1.73 %
Contingency Reserve Fund	<u>1,016,113</u>	<u>1,131,838</u>	3.60 %
	<u>\$ 1,052,681</u>	<u>\$ 1,168,406</u>	
	2017		
	<u>Market</u>	<u>Cost</u>	<u>Yield</u>
Operating Savings Fund	\$ 36,130	\$ 36,130	0.70 %
Contingency Reserve Fund	<u>1,021,364</u>	<u>1,096,854</u>	3.40 %
	<u>\$ 1,057,494</u>	<u>\$ 1,132,984</u>	

Operating Savings Fund amounts represent money market accounts that are considered highly-liquid, short-term investments; accordingly, they are included in cash and cash equivalents in the accompanying statements of financial position.

(6) Fair value measurements and investments

Financial Accounting Standards Board Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Commission has the ability to access.

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Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for asset and liability measurement at fair value. There have been no changes in the methodologies used at September 30, 2018 and 2017.

- (i) *Mutual funds:* Valued at the net asset value of shares held by the Commission at year end based on a quoted price in an active market.
- (ii) *Pooled funds held by SBF:* valued at the net asset value of shares held by the Commission as determined monthly by the SBF based on the quoted market prices of the underlying investments. The shares have no redemption restrictions. Such pooled funds consist primarily of flexible corporate and governmental bond holdings.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Commission's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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Notes to the Financial Statements

September 30, 2018 and 2017

The following tables set forth, by level within the fair value hierarchy, the Commission's financial instruments at fair value as of September 30, 2018 and 2017:

Fair Value Measurements as of September 30, 2018 using the following inputs				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Pooled funds held by SBF	\$ <u>1,016,113</u>	\$ _____ -	\$ _____ -	\$ <u>1,016,113</u>
Total investments	\$ <u>1,016,113</u>	\$ _____ -	\$ _____ -	\$ <u>1,016,113</u>

Fair Value Measurements as of September 30, 2017 using the following inputs				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Mutual funds	\$ 706	\$ -	\$ -	\$ 706
Pooled funds held by SBF	<u>1,021,364</u>	_____ -	_____ -	<u>1,021,364</u>
Total investments	\$ <u>1,022,070</u>	\$ _____ -	\$ _____ -	\$ <u>1,022,070</u>

The following schedule summarizes the interest and investment income included in the statements of activities and changes in net assets for 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Interest and dividend income	\$ 42,776	\$ 44,714
Net gain (loss) on investments	<u>(40,235)</u>	<u>(43,296)</u>
	<u>\$ 2,541</u>	<u>\$ 1,418</u>

(7) Office facilities

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 (Note 8).

The Commission also owns a building for its Washington, D.C. office (Note 8).

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Notes to the Financial Statements

September 30, 2018 and 2017

(8) Property and equipment

A summary of property and equipment as of September 30, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Leasehold improvements	\$ 337,687	\$ 337,687
Buildings and improvements	955,730	929,339
Furniture and fixtures	<u>1,121,851</u>	<u>1,104,497</u>
	2,415,268	2,371,523
Less accumulated depreciation	<u>(1,702,772)</u>	<u>(1,667,070)</u>
	<u>\$ 712,496</u>	<u>\$ 704,453</u>

(9) Retirement plans

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 program to its employees. Contributions to the plan for the years ended September 30, 2018 and 2017 were \$140,411 and \$140,440, respectively.

Under a separate program, the Commission also provides certain retirement gift and Christmas bonus benefits for all retired employees that meet certain eligibility requirements. The actuarial assumptions listed below relate to the liability associated with the program.

The status of the benefit obligations of the program at September 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Changes in benefit obligation:		
Benefit obligation at beginning of year	\$ 474,838	\$ 492,269
Interest cost	18,259	18,963
Actual benefit disbursements to retirees	<u>(36,755)</u>	<u>(36,394)</u>
Benefit obligation at end of year	<u>\$ 456,342</u>	<u>\$ 474,838</u>
Changes in plan assets:		
Fair value of plan assets at beginning of year	\$ -	\$ -
Actual contributions from the Commission	36,755	36,394
Actual benefit disbursements to retirees	<u>(36,755)</u>	<u>(36,394)</u>
Fair value of plan assets at end of year	<u>\$ -</u>	<u>\$ -</u>

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

September 30, 2018 and 2017

Funded Status:

Benefit obligation	\$ <u>456,342</u>	\$ <u>474,838</u>
Unfunded postretirement benefit obligation recognized in statements of financial position	\$ <u>456,342</u>	\$ <u>474,838</u>

Benefit payments, which include expected future service, as appropriate, are estimated at September 30, 2018 to be paid for the next ten years as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 37,000
2020	37,000
2021	37,000
2022	37,000
2023	37,000
2024 - 2028	177,000

The net periodic postretirement benefit costs recognized were determined using the weighted-average of assumed annual increases, for both 2018 and 2017, as follows:

	<u>2018</u>	<u>2017</u>
Healthcare costs	5.00%	5.50%
Future compensation levels	N/A	N/A
Discount rate	4.00%	4.00%

For measurement purposes, an annual rate of increase in the per capita cost of benefits (health care cost trend) of 5.00% at September 30, 2018 was assumed to decrease 0.50% per year until reaching an ultimate level of 4.50%. Future benefits under this program are expected to range between approximately \$81,000 and \$88,000 per year during the next three years.

At September 30, 2017, Commission assets with a fair value totaling \$706 have been designated to fund the obligation. There were no Commission assets designated to fund the obligation at September 30, 2018. For fiscal 2018 and 2017, actual benefit disbursements were funded from operations of the Commission.

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

September 30, 2018 and 2017

(10) Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes as of September 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Subject to expenditure for a specific purpose:		
Psalm 139	\$ 112,332	\$ 114,917
International Efforts	<u>320</u>	<u>-</u>
	<u>\$ 112,652</u>	<u>\$ 114,917</u>

The Psalm 139 funds are for the purpose of helping provide sonogram machines to local pregnancy centers.

Net assets released from donor restrictions by incurring cost and expenses satisfying the restricted purpose or occurrence of the passage of time or other events specified by donors are as follows for the years ended September 30, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Satisfaction of purpose restrictions:		
Psalm 139	\$ 70,969	\$ -
International Efforts	-	1,620
Marriage Initiative	<u>-</u>	<u>41,603</u>
	<u>\$ 70,969</u>	<u>\$ 43,223</u>

(11) Related party transactions

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 \$3,247,115 and \$3,232,294 in 2018 and 2017, respectively. Total Designation contributions from the SBC were \$17,123 and \$18,476 in 2018 and 2017, respectively.

**THE ETHICS AND RELIGIOUS LIBERTY COMMISSION
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Schedule of Support, Revenue and Expenses - Compared to Budget

Year ended September 30, 2018

	<u>Budget</u> <u>(Unaudited)</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Operating Budget			
Support and revenue:			
Cooperative program	\$ 3,281,185	\$ 3,247,115	\$ (34,070)
Designated receipts	183,000	183,451	451
Event related income	673,000	706,705	33,705
Other income	<u>97,700</u>	<u>121,568</u>	<u>23,868</u>
Total operating support and revenue	<u>4,234,885</u>	<u>4,258,839</u>	<u>23,954</u>
Expenses:			
Salaries and benefits	2,566,656	2,503,073	63,583
Travel	300,575	327,446	(26,871)
Executive office	226,660	104,071	122,589
Business and finance	172,388	169,099	3,289
Events & Strategic Initiatives	754,404	621,883	132,521
Communications	171,572	166,883	4,689
Public policy and research	<u>42,630</u>	<u>15,746</u>	<u>26,884</u>
Total operating expenses	<u>4,234,885</u>	<u>3,908,201</u>	<u>326,684</u>
Net operating support and revenue	<u>\$ -</u>	<u>350,638</u>	<u>\$ 350,638</u>
Designated and other non-operating activity			
Support and revenue:			
Other support		<u>107,155</u>	
Total support and revenue		<u>107,155</u>	
Expenses:			
Other		<u>152,744</u>	
Total expenses		<u>152,744</u>	
Net designated and other non-operating activity		<u>(45,589)</u>	
Non-cash activity:			
Change in postretirement benefit		18,496	
Depreciation		(94,289)	
Accrued vacation expense and Loss on disposal		<u>(6,337)</u>	
Net non-cash activity		<u>(82,130)</u>	
Change in net assets		<u>\$ 222,919</u>	

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

Schedule of Contribution Receipts by State

Year ended September 30, 2018

Alabama	\$	307,892
Alaska		3,762
Arizona		17,531
Arkansas		154,628
California		36,707
Colorado		10,681
Dakota		2,471
District of Columbia		215
Florida		246,402
Georgia		267,143
Hawaii Pacific		5,791
Illinois		38,648
Indiana		15,799
Iowa		6,612
Kansas-Nebraska		13,097
Kentucky		173,599
Louisiana		115,863
Maryland-Delaware		26,684
Michigan		4,730
Minnesota-Wisconsin		3,729
Mississippi		193,515
Missouri		99,352
Montana		3,101
Nevada		9,709
New England		3,017
New Mexico		13,837
New York		4,070
North Carolina		195,845
Northwest		12,683
Ohio		34,883
Oklahoma		164,703
Pennsylvania-South Jersey		4,925
Puerto Rico/U.S. Virgin Islands		40
South Carolina		183,480
Tennessee		259,315
Texas-BGCT		167,563
Texas-SBTC		250,107
Utah-Idaho		3,306
Virginia-BGAV		13,394
Virginia-SBCV		72,599
West Virginia		8,490
Wyoming		1,835
Subtotal		3,151,753
Churches & Individuals		95,362
Total Cooperative Program Allocation		3,247,115
Total Designations		17,123
Total Contributions	\$	3,264,238