



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, 2022 and 2021

**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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of The Ethics and Religious Liberty Commission of the Southern Baptist Convention and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Ethics and Religious Liberty Commission of the Southern Baptist Convention's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Ethics and Religious Liberty Commission of the Southern Baptist Convention's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Ethics and Religious Liberty Commission of the Southern Baptist Convention's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Capin Crouse LLP

Lawrenceville, Georgia
November 17, 2022

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

Statements of Financial Position

	September 30,	
	2022	2021
ASSETS:		
Cash and cash equivalents	\$ 2,840,343	\$ 1,296,751
Accounts receivable	-	26,125
Investments	2,049,696	1,845,187
Prepaid expenses and other assets	13,115	13,250
Property and equipment—net	440,255	498,480
	\$ 5,343,409	\$ 3,679,793
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 113,382	\$ 107,550
Deferred revenue	-	45,000
Postretirement benefit obligation	385,854	402,760
Total liabilities	499,236	555,310
Net assets:		
Without donor restrictions	3,022,526	2,350,593
With donor restrictions	1,821,647	773,890
Total net assets	4,844,173	3,124,483
Total Liabilities and Net Assets	\$ 5,343,409	\$ 3,679,793

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, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
OPERATING SUPPORT AND REVENUE:			
Support:			
Southern Baptist Convention:			
Cooperative Program	\$ 3,286,921	\$ -	\$ 3,286,921
Other contributions	14,948	-	14,948
Direct contributions	19,021	957,662	976,683
Partnership grants	-	4,051,650	4,051,650
Revenue:			
Other income	12,694	-	12,694
Interest and investment income	44,121	-	44,121
Total Operating Support and Revenue	<u>3,377,705</u>	<u>5,009,312</u>	<u>8,387,017</u>
RECLASSIFICATIONS:			
Satisfaction of purpose restrictions	<u>3,961,555</u>	<u>(3,961,555)</u>	<u>-</u>
OPERATING EXPENSES:			
Program services	6,149,460	-	6,149,460
Supporting activities:			
General and administrative	504,304	-	504,304
Total Operating Expenses	<u>6,653,764</u>	<u>-</u>	<u>6,653,764</u>
Change in Net Assets from Operations	<u>685,496</u>	<u>1,047,757</u>	<u>1,733,253</u>
NON-OPERATING ACTIVITY:			
Other components of			
net periodic postretirement benefit cost	<u>(13,563)</u>	-	<u>(13,563)</u>
Total Non-Operating Change in Net Assets	<u>(13,563)</u>	<u>-</u>	<u>(13,563)</u>
Change in Net Assets	671,933	1,047,757	1,719,690
Net Assets, Beginning of Year	<u>2,350,593</u>	<u>773,890</u>	<u>3,124,483</u>
Net Assets, End of Year	<u>\$ 3,022,526</u>	<u>\$ 1,821,647</u>	<u>\$ 4,844,173</u>

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
OPERATING SUPPORT AND REVENUE:			
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	<u>3,317,736</u>	<u>1,164,294</u>	<u>4,482,030</u>
RECLASSIFICATIONS:			
Satisfaction of purpose restrictions	<u>996,814</u>	<u>(996,814)</u>	<u>-</u>
OPERATING EXPENSES:			
Program services	3,702,874	-	3,702,874
Supporting activities:			
General and administrative	481,352	-	481,352
Total Operating Expenses	<u>4,184,226</u>	<u>-</u>	<u>4,184,226</u>
Change in Net Assets from Operations	<u>130,324</u>	<u>167,480</u>	<u>297,804</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	(11,019)	-	(11,019)
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 Functional Expenses

Year Ended September 30, 2022

	Program Services	<u>Supporting Activities</u> General and Administrative	Total Expenses
Salary and benefits	\$ 1,599,597	\$ 239,629	\$ 1,839,226
Travel (hotel, transportation, and supplies)	143,844	8,198	152,042
Executive office (trustee & research meetings and marketing)	57,009	55,357	112,366
Business and finance office (utilities, insurance, technology, and supplies)	-	201,120	201,120
Events and strategic initiatives (conferences, honorariums, and travel)	133,175	-	133,175
Communications (print resources, web design, freelance creative)	143,029	-	143,029
Public policy and research (research, consultants, convening, and international)	25,280	-	25,280
Designated expenses (ultrasound machines, program specific personnel, technology, and other costs)	3,989,302	-	3,989,302
Depreciation	58,224	-	58,224
	<u>6,149,460</u>	<u>504,304</u>	<u>6,653,764</u>
Other components of net periodic postretirement benefit cost	13,563	-	13,563
Total Expenses	<u>\$ 6,163,023</u>	<u>\$ 504,304</u>	<u>\$ 6,667,327</u>

See accompanying notes to the financial statements

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

Statement of Functional Expenses

Year Ended September 30, 2021

	Program Services	Supporting Activities 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	14,133	-	14,133
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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Statements of Cash Flows

	Year Ended September 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Southern Baptist Convention:		
Cooperative Program contributions received	\$ 3,286,921	\$ 3,169,179
Other contributions received	14,948	12,513
Direct contributions received	1,002,808	356,606
Partnership grants received	4,006,650	882,900
Event fees received	-	10,188
Other revenue received	12,694	51,569
Interest income received	38,162	17,725
Payments to employees	(1,857,085)	(2,461,454)
Payments to vendors and others	(4,761,506)	(1,638,219)
Net Cash Provided by Operating Activities	1,743,592	401,007
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Transfer to Southern Baptist Foundation (SBF) investment account (see Notes 2 and 5)	(200,000)	(500,000)
Net Cash Used by Investing Activities	(200,000)	(500,000)
 Net Change in Cash and Cash Equivalents	1,543,592	(98,993)
 Cash and Cash Equivalents, Beginning of Year	1,296,751	1,395,744
 Cash and Cash Equivalents, End of Year	\$ 2,840,343	\$ 1,296,751

See accompanying notes to the financial statements

THE ETHICS AND RELIGIOUS LIBERTY COMMISSION OF THE SOUTHERN BAPTIST CONVENTION

Notes to Financial Statements

September 30, 2022 and 2021

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 Commission'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, 2022 and 2021, the Commission's cash balances exceeded federally insured limits by \$2,613,090 and \$1,010,939, respectively.

THE ETHICS AND RELIGIOUS LIBERTY COMMISSION OF THE SOUTHERN BAPTIST CONVENTION

Notes to Financial Statements

September 30, 2022 and 2021

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, an allowance for doubtful accounts receivable has not been recorded as management has determined that substantially all accounts receivable are fully collectible.

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 3 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, 2022 and 2021

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, 2022 and 2021

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Commission's financial assets as of September 30, 2022 and 2021, 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,	
	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 2,840,343	\$ 1,296,751
Accounts receivable	-	26,125
Investments	2,049,696	1,845,187
	4,890,039	3,168,063
Less those unavailable for general expenditures within one year due to:		
Board designations	(581,709)	(600,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,308,330	\$ 2,568,063

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 \$1,821,647 in net assets with donor restrictions for various project support. These funds are considered available to meet needs of those restricted purposes within one year.

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

Notes to Financial Statements

September 30, 2022 and 2021

4. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net, consist of:

	September 30,	
	2022	2021
Leasehold improvements	\$ 337,687	\$ 337,687
Building and improvements	955,730	955,730
Furniture and equipment	1,139,601	1,139,601
	2,433,018	2,433,018
Less accumulated depreciation	(1,992,763)	(1,934,538)
Property and equipment–net	\$ 440,255	\$ 498,480

5. FAIR VALUE MEASUREMENTS:

The *Fair Value* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (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, 2022 and 2021:

	Fair Value Measurements at September 30, 2022			
	Total	(Level 1)	(Level 2)	(Level 3)
Investments, at fair value:				
Interest in common funds of the SBF	\$ 2,049,696	\$ -	\$ 2,049,696	\$ -
	\$ 2,049,696	\$ -	\$ 2,049,696	\$ -

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

September 30, 2022 and 2021

5. FAIR VALUE MEASUREMENTS, continued:

	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	\$ -

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, 2022 and 2021. 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, 2022 and 2021, were \$85,837 and \$143,758, 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, 2022 and 2021, are as follows:

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

September 30, 2022 and 2021

6. EMPLOYEE BENEFIT OBLIGATIONS, continued:

DEFINED BENEFIT PLAN, continued

A summary of the postretirement benefit obligation is as follows:

	September 30,	
	2022	2021
Retired participants	\$ 385,854	\$ 402,760
Active fully eligible participants	-	-
Active other participants	-	-
	<u>\$ 385,854</u>	<u>\$ 402,760</u>

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

	September 30,	
	2022	2021
Postretirement benefit obligation at beginning of year:	\$ 402,760	\$ 407,931
Net periodic postretirement benefit costs	13,563	14,133
Postretirement benefit related changes other than net periodic postretirement benefit cost	-	11,019
Benefits paid	(30,469)	(30,323)
	<u>\$ 385,854</u>	<u>\$ 402,760</u>
Postretirement benefit obligation at end of year	<u>\$ 385,854</u>	<u>\$ 402,760</u>
Net periodic postretirement benefit cost, included in functional expenses:		
Service cost	\$ -	\$ -
Interest cost	13,563	14,133
Net periodic postretirement benefit cost other than service cost	<u>13,563</u>	<u>14,133</u>
Net periodic postretirement benefit costs	<u>\$ 13,563</u>	<u>\$ 14,133</u>

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

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

September 30, 2022 and 2021

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,	
	2022	2021
Actuarial gain (loss)	\$ -	\$ (11,019)
Postretirement benefit related changes other than net periodic postretirement benefit cost	\$ -	\$ (11,019)

Assumptions:

Weighted average discount rate	3.50%	3.50%
Average future lifetime of retired participants	11.65	12.65

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,	
2023	\$ 30,506
2024	30,429
2025	30,235
2026	29,924
2027	28,165
Thereafter	236,595
	\$ 385,854

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

September 30, 2022 and 2021

7. NET ASSETS:

Net assets consist of:

	September 30,	
	2022	2021
Without donor restrictions:		
Undesignated	\$ 2,440,817	\$ 1,750,593
Board-designated for:		
Stand for Life Event	250,000	250,000
Sexual Abuse Study Project	250,000	250,000
Transitional Expenses	81,709	100,000
	3,022,526	2,350,593
With donor restrictions:		
Life Collective/Stand for Life	1,216,307	369,032
Psalm 139 Project	468,402	136,865
Civility Project	107,633	120,954
Artificial Intelligence	29,305	37,354
State Level Criminal Justice	-	59,685
Democracy Fund	-	50,000
	1,821,647	773,890
	\$ 4,844,173	\$ 3,124,483

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 \$3,286,921 and \$3,169,179 for the years ending September 30, 2022 and 2021, respectively. Total other contributions from the SBC were \$14,948 and \$12,513 for the years ending September 30, 2022 and 2021, 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).

9. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through November 17, 2022, 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, 2022 and 2021, and our report thereon dated November 17, 2022, 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 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. 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 17, 2022

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

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

Year Ended September 30, 2022

	Budget (Unaudited)	Actual	Favorable (Unfavorable)
SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS:			
Support:			
Southern Baptist Convention:			
Cooperative Program	\$ 3,150,000	\$ 3,286,921	\$ 136,921
Other contributions	14,000	14,948	948
Direct contributions	60,000	19,021	(40,979)
Revenue:			
Events fees	248,000	-	(248,000)
Other income	71,200	12,694	(58,506)
Interest and investment income	9,000	44,121	35,121
Total Support and Revenue Without Donor Restrictions	3,552,200	3,377,705	(174,495)
EXPENSES:			
Salary and benefits	2,679,115	1,839,226	839,889
Travel (hotel, transportation and supplies)	279,655	152,042	127,613
Executive office (trustee & research meetings and marketing)	87,750	72,231	15,519
Business and finance office (utilities, insurance, technology and supplies)	185,902	198,781	(12,879)
Events and strategic initiatives (conferences, honorariums, and travel)	354,487	133,175	221,312
Communications (print resources, web design, freelance creative)	259,371	185,503	73,868
Public policy and research (research, consultants, convening, and international)	65,920	25,280	40,640
Total Expenses Without Donor Restrictions	3,912,200	2,606,238	1,305,962
Net Support Without Donor Restrictions and Revenue	(360,000)	771,467	1,131,467

(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, 2022
(continued)

	Actual
SUPPORT WITH DONOR RESTRICTIONS:	
Support:	
Direct contributions	957,662
Partnership grants	4,051,650
Total Support With Donor Restrictions	5,009,312
Expenses:	
Designated expenses (ultrasound machine, program specific personnel, technology, and other costs)	3,989,302
Total Expenses With Donor Restrictions	3,989,302
Net Support With Donor Restrictions	1,020,010
Non-Cash Activity:	
Change in postretirement benefits, net	13,563
Depreciation	58,224
Net Non-Cash Activity	71,787
Change in Net Assets	\$ 1,719,690

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

	Budget (Unaudited)	Actual	Favorable (Unfavorable)
SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS:			
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
Total Support and Revenue Without Donor Restrictions	3,623,590	3,317,736	(305,854)
EXPENSES:			
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
Total Expenses Without Donor Restrictions	3,983,590	3,111,584	872,006
Net Support Without Donor Restrictions and Revenue	(360,000)	206,152	566,152

(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
SUPPORT WITH DONOR RESTRICTIONS:	
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 Contributions Receipts Without Donor Restrictions by State

Year Ended September 30, 2022

	Southern Baptist Convention		Received Directly by the Commission	Total
	Cooperative Program	Other Contributions		
Alabama	\$ 318,437	\$ -	\$ -	\$ 318,437
Alaska	2,052	-	-	2,052
Arizona	23,837	396	-	24,233
Arkansas	155,282	86	-	155,368
California	35,501	-	350	35,851
Colorado	9,837	12	883	10,732
Connecticut	-	-	172	-
Dakota	1,774	-	-	1,774
District of Columbia	-	-	-	-
Florida	243,834	1,184	-	245,018
Georgia	251,196	1,124	686	253,006
Hawaii	3,659	-	-	3,659
Illinois	38,960	-	-	38,960
Indiana	12,201	-	-	12,201
Iowa	13,226	-	-	13,226
Kansas-Nebraska	13,675	-	-	13,675
Kentucky	164,807	4,690	600	170,097
Louisiana	109,129	-	-	109,129
Maryland-Delaware	26,521	-	1,826	28,347
Michigan	6,956	-	-	6,956
Minnesota-Wisconsin	4,461	-	-	4,461
Mississippi	220,835	-	-	220,835
Missouri	92,524	3,360	-	95,884
Montana	2,964	-	-	2,964
Nevada	7,005	-	-	7,005
New England	2,789	-	-	2,789
New Mexico	15,467	-	-	15,467
New York	3,759	-	-	3,759
North Carolina	202,241	3,023	640	205,904
Northwest	8,792	-	-	8,792
Ohio	45,115	478	-	45,593

(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, 2022
(continued)

	Southern Baptist Convention		Received Directly by the Commission	Total
	Cooperative Program	Other Contributions		
Oklahoma	175,501	13	538	176,052
Pennsylvania-South Jersey	5,311	-	250	5,561
Puerto Rico-U.S. Virgin Island	298	-	-	298
Rhode Island	-	-	-	-
South Carolina	178,015	32	1,259	179,306
Tennessee	300,448	-	-	300,448
Texas	-	-	11	11
Texas-BGCT	162,896	550	-	163,446
Texas-SBTC	249,786	-	-	249,786
Utah-Idaho	3,819	-	-	3,819
Virginia	-	-	25	25
Virginia-BGAV	13,478	-	2,277	15,755
Virginia-SBCV	77,500	-	-	77,500
Washington	-	-	-	-
West Virginia	7,795	-	-	7,795
Wyoming	603	-	-	603
	3,212,286	14,948	9,517	3,236,751
Church and individuals	74,635	-	-	74,635
Online contributions (no address)	-	-	9,504	9,504
Total contributions	\$ 3,286,921	\$ 14,948	\$ 19,021	\$ 3,320,890

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		Total
	Cooperative Program	Other Contributions	Directly by the Commission		
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
Connecticut	1,729	-	-	-	1,729
Dakota	-	-	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
	<u>3,095,082</u>	<u>12,513</u>	<u>35,279</u>	<u>3,142,874</u>
Church and individuals	74,097	-	-	74,097
Online contributions (no address)	-	-	16,058	16,058
Total contributions	<u>\$ 3,169,179</u>	<u>\$ 12,513</u>	<u>\$ 51,337</u>	<u>\$ 3,233,029</u>

See accompanying notes to the financial statements