

# Financial Statements

August 31, 2018 and 2017



## **The Association for Biblical Higher Education, Inc.** **(A Not-For-Profit Corporation)**

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses - 2018	5
Statements of Functional Expenses - 2017	6
Statements of Cash Flows	7
Notes to Financial Statements	8
Supplemental Schedules	14

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
*The Association for Biblical Higher Education, Inc.*

We have audited the accompanying financial statements of The Association for Biblical Higher Education, Inc. (a nonprofit corporation) (the Association), which comprise the statements of financial position as of August 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Association for Biblical Higher Education, Inc. as of August 31, 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 Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and 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.

*McDiarmid Davis & Company, LLC*

Orlando, Florida  
December 20, 2018

The Association for Biblical Higher Education, Inc.  
(A Not-For-Profit Corporation)  
Statements of Financial Position  
August 31, 2018 and 2017

	2018	2017
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 473,328	\$ 362,135
Accounts receivable, net	37,792	23,966
Inventory	-	2,302
Prepaid expenses	58,456	66,278
<b>Total current assets</b>	569,576	454,681
Property and Equipment, net	27,117	51,377
Other Assets	9,206	9,206
<b>Total assets</b>	<u>\$ 605,899</u>	<u>\$ 515,264</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 93,250	\$ 89,344
Deferred revenue	38,541	103,082
<b>Total current liabilities</b>	131,791	192,426
Deferred Rent Payable	16,873	5,473
<b>Total liabilities</b>	<u>148,664</u>	<u>197,899</u>
Net Assets:		
Unrestricted	414,873	287,370
Temporarily restricted	42,362	29,995
<b>Total net assets</b>	<u>457,235</u>	<u>317,365</u>
<b>Total liabilities and net assets</b>	<u>\$ 605,899</u>	<u>\$ 515,264</u>

The Association for Biblical Higher Education, Inc.  
(A Not-For-Profit Corporation)  
**Statement of Activities**  
Years Ended August 31, 2018 and 2017

	Year Ended August 31, 2018			Year Ended August 31, 2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Changes in Net Assets:						
Support and Revenue:						
Membership assessments	\$ 916,100	\$ -	\$ 916,100	874,011	\$ -	\$ 874,011
Evaluation and consultation fees	264,775	-	264,775	204,681	-	204,681
Annual meeting charges	250,009	-	250,009	219,041	-	219,041
Publications and literature sales	4,927	-	4,927	5,090	-	5,090
Contributions	99,025	97,595	196,620	86,511	73,000	159,511
Web/IT product, net of related expenses of \$9,640 and \$60,141 respectively	19,433	-	19,433	174,060	-	174,060
Other income, net	12,513	-	12,513	3,284	-	3,284
Net assets released from restrictions	85,228	(85,228)	-	112,655	(112,655)	-
<b>Total Support and Revenue</b>	<b>1,652,010</b>	<b>12,367</b>	<b>1,664,377</b>	<b>1,679,333</b>	<b>(39,655)</b>	<b>1,639,678</b>
Expenses:						
Program services	1,101,298	-	1,101,298	1,236,246	-	1,236,246
General and administrative	423,209	-	423,209	385,489	-	385,489
<b>Total Expenses</b>	<b>1,524,507</b>	<b>-</b>	<b>1,524,507</b>	<b>1,621,735</b>	<b>-</b>	<b>1,621,735</b>
Increase (Decrease) in Net Assets	127,503	12,367	139,870	57,598	(39,655)	17,943
Net assets, beginning of year	287,370	29,995	317,365	229,772	69,650	299,422
<b>Net assets, end of year</b>	<b>\$ 414,873</b>	<b>\$ 42,362</b>	<b>\$ 457,235</b>	<b>\$ 287,370</b>	<b>\$ 29,995</b>	<b>\$ 317,365</b>

The Association for Biblical Higher Education, Inc.  
(A Not-For-Profit Corporation)  
Statement of Functional Expenses - 2018  
Years Ended August 31, 2018 and 2017

	Program Services			General and Administrative			Total Expenses
	Association	Commission	Subtotal	Association	Commission	Subtotal	
Annual meeting	\$ 157,655	\$ -	\$ 157,655	\$ -	\$ -	\$ -	\$ 157,655
Board/Executive Committee	-	-	-	11,627	-	11,627	11,627
Commission on Accreditation	-	24,476	24,476	-	-	-	24,476
Depreciation and amortization	11,530	11,645	23,175	2,703	-	2,703	25,878
Dues and subscriptions	7,855	1,391	9,246	-	-	-	9,246
Equipment rental	78	-	78	3,865	1,942	5,807	5,885
Health insurance	14,641	29,749	44,390	11,400	16,019	27,419	71,809
Insurance	2,122	9,389	11,511	18,342	-	18,342	29,853
Leadership development	97,729	-	97,729	-	-	-	97,729
Miscellaneous	12,390	9,549	21,939	10,255	18,501	28,756	50,695
Office Expense	12,986	7,506	20,492	2,256	-	2,256	22,748
Postage and printing	224	-	224	2,545	1,365	3,910	4,134
Professional fees	11,245	3,642	14,887	7,393	-	7,393	22,280
Rent	80,459	65,414	145,873	19,479	16,353	35,832	181,705
Repairs and maintenance	29	-	29	1,358	1,135	2,493	2,522
Resource development	-	-	-	24,273	-	24,273	24,273
Salaries and benefits	285,196	191,895	477,091	143,797	103,327	247,124	724,215
Telephone and utilities	14,159	7,635	21,794	3,365	1,909	5,274	27,068
Travel	24,283	6,426	30,709	-	-	-	30,709
<b>Total expenses</b>	<b>\$ 732,581</b>	<b>\$ 368,717</b>	<b>\$ 1,101,298</b>	<b>\$ 262,658</b>	<b>\$ 160,551</b>	<b>\$ 423,209</b>	<b>\$ 1,524,507</b>

The Association for Biblical Higher Education, Inc.  
(A Not-For-Profit Corporation)  
Statement of Functional Expenses - 2017  
Years Ended August 31, 2018 and 2017

	Program Services			General and Administrative			Total Expenses
	Association	Commission	Subtotal	Association	Commission	Subtotal	
Annual meeting	\$ 154,471	\$ -	\$ 154,471	\$ -	\$ -	\$ -	\$ 154,471
Board/Executive Committee	-	-	-	12,262	-	12,262	12,262
Commission on Accreditation	-	21,015	21,015	-	-	-	21,015
Depreciation and amortization	25,663	24,571	50,234	4,369	-	4,369	54,603
Dues and subscriptions	3,893	997	4,890	-	-	-	4,890
Equipment rental	507	-	507	4,243	1,584	5,827	6,334
Health insurance	29,646	26,196	55,842	8,844	14,105	22,949	78,791
Insurance	10,878	5,415	16,293	12,996	-	12,996	29,289
Leadership development	82,348	-	82,348	-	-	-	82,348
Miscellaneous	15,085	1,200	16,285	9,718	11,107	20,825	37,110
Office expense	12,114	5,023	17,137	2,558	-	2,558	19,695
Postage and printing	537	-	537	2,147	895	3,042	3,579
Professional fees	96,762	2,905	99,667	6,012	40	6,052	105,719
Rent	60,899	44,921	105,820	12,729	11,230	23,959	129,779
Repairs and maintenance	235	-	235	857	821	1,678	1,913
Resource development	-	-	-	12,509	-	12,509	12,509
Salaries and benefits	350,907	202,786	553,693	142,102	109,193	251,295	804,988
Telephone and utilities	20,185	6,386	26,571	3,571	1,597	5,168	31,739
Travel	24,388	6,313	30,701	-	-	-	30,701
<b>Total expenses</b>	<b>\$ 888,518</b>	<b>\$ 347,728</b>	<b>\$ 1,236,246</b>	<b>\$ 234,917</b>	<b>\$ 150,572</b>	<b>\$ 385,489</b>	<b>\$ 1,621,735</b>



The Association for Biblical Higher Education, Inc.  
(A Not-For-Profit Corporation)  
Statements of Cash Flows  
Years Ended August 31, 2018 and 2017

	2018	2017
Cash Flows From Operating Activities:		
Cash received from members and customers	\$ 1,389,390	\$ 1,476,797
Contributions received	196,620	159,511
Payments to employees and suppliers	<u>(1,471,209)</u>	<u>(1,594,645)</u>
<b>Net Cash Provided (Used) For Operating Activities</b>	<u>114,801</u>	<u>41,663</u>
Cash Flows From Investing Activities:		
Purchases of property and equipment	<u>(3,608)</u>	<u>(3,613)</u>
Net cash used In investing activities	<u>(3,608)</u>	<u>(3,613)</u>
Net increase (decrease) in cash and cash equivalents	111,193	38,050
Cash and cash equivalents, beginning of year	<u>362,135</u>	<u>324,085</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 473,328</u>	<u>\$ 362,135</u>
Reconciliation of Increase (Decrease) in Net Assets to Net Cash Provided By (Used For) Operating Activities:		
Increase (decrease) in net assets	\$ 139,870	\$ 17,943
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used for) operating activities:		
Depreciation expense	25,878	54,514
Loss on sale of equipment	1,990	521
Amortization expense	<u>-</u>	<u>89</u>
<b>Total</b>	<u>167,738</u>	<u>73,067</u>
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(13,826)	27,344
Inventory	2,302	256
Prepaid expenses and other assets	7,822	1,688
Increase (decrease) in:		
Accounts payable and accrued expenses	3,906	(13,289)
Deferred revenue	(64,541)	(30,714)
Deferred rent payable	<u>11,400</u>	<u>(16,689)</u>
<b>Net cash provided (used) for operating activities</b>	<u>\$ 114,801</u>	<u>\$ 41,663</u>

## **NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES:**

### **Nature of Activities**

The Association for Biblical Higher Education, Inc. (the Association) was established in 1947. The mission of the Association is to enhance the quality and credibility of postsecondary educational institutions that distinctively engage students in biblical, transformational, experiential, and missional higher education. The Association seeks to fulfill its mission by: (a) articulating biblical higher education's distinctives and communicating the excellence and effectiveness of its members to internal and external stakeholders, including prospective students and parents, donors, students, alumni, faculty, the higher education community, the church, governmental and regulatory entities, and society, (b) providing professional resources and services that exemplify and stimulate excellence among administrators, trustees, faculty, and students at member and affiliate institutions, (c) fostering networking and synergy among member and affiliate institutions and with the broader higher education community, and (d) supporting the work of a separate and independent Commission on Accreditation (the Commission) to assure quality and integrity among biblical higher education institutions and programs through accreditation standards and peer review processes.

The Commission exercises independent authority over accreditation decisions, policies, procedures and peer review processes. Through its *standards* and peer review accreditation process, the Commission is responsible to ensure institutional quality and integrity and to serve as a catalyst toward excellence among institutions in accord with the Association's educational distinctives. The Commission establishes its own annual budget, including a schedule of fees related to its accreditation services. The Association budget includes allocation of fair market value expenses that the Commission pays to the Association for its joint proportional share of Association personnel, services, equipment and facilities.

### **Basis of Presentation**

The Association's financial statements have been prepared on the accrual basis of accounting.

The Association's financial statements are prepared in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (FASB ASC) 958-605, *Accounting for Contributions Received and Contributions Made*, and FASB ASC 958-205, *Financial Statements of Not-for-Profit Organizations*.

FASB ASC 958-605 requires that unconditional promises to give (pledges) be recorded as contributions at fair value at the date the promises are received or made. FASB ASC 658-605 also requires the Association to distinguish between promises received for each net asset category in accordance with donor restrictions, if any.

Under FASB ASC 958-205, net assets and revenue, expenses, gains and losses are classified as temporarily restricted, permanently restricted, or unrestricted based on the existence or absence, respectively, of donor-imposed restrictions. Accordingly, the net assets of the Association and changes therein are classified as follows:

### **Unrestricted Net Assets**

Net assets available for the support of the Association's operations. The unrestricted net assets may be used at the discretion of the Association's management and the Board of Directors and are not subject to any donor restrictions.

### **Temporarily Restricted Net Assets**

Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Association or the passage of time.

**NOTE 1      NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED):**

**Permanently Restricted Net Assets**

Net assets subject to donor-imposed stipulations to be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use all or part of the earnings on related investments for the general or specific purposes. The Association does not have any donor-imposed permanently restricted net assets.

Revenue is reported as an increase in unrestricted net assets unless use of the related assets is limited by donor-imposed or contractual restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by contract. Expirations of the temporary donor imposed or contractual restrictions on net assets are reported as reclassifications to unrestricted net assets in the period in which the restriction expires. A restriction expires when the stipulated time period has elapsed and/or the stipulated purpose has been fulfilled.

**Revenue Recognition**

Membership assessments are recognized as revenue ratably over the membership period and dues collected, but not yet earned, are recorded as deferred revenue. Annual meeting charges are recognized at the time of the meeting. Revenue from evaluations and consultations are recognized in the period the evaluation or consultation occurred. Revenue from sales of web/IT subscriptions are recognized as revenue ratably over the product period and fees collected, but not yet earned, are recorded as deferred revenue.

**Contributions**

Contributions, including unconditional promises (pledges) to give, are recorded when made, which may be when cash is received, unconditionally promised, or ownership of donated assets is transferred. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same reporting period in which the contributions are received are classified as unrestricted contributions.

**Cash and Cash Equivalents**

Cash and cash equivalents include demand deposit and money market accounts, certificates of deposit, and other highly liquid investments with an original maturity of three months or less.

**Inventory**

Inventory consists of miscellaneous promotional items and books written by the president of the Association and sold through the Association's website and conferences. Inventory is valued at the lower of cost or market.

**Accounts Receivable**

Accounts receivable is stated at the amount of the uncollected balance less an allowance for doubtful accounts, if needed. Management's periodic evaluation of the adequacy of the allowance is based on past experience and adverse situations that may affect the member's ability to pay. Receivables are written off when deemed uncollectible. For the years ended August 31, 2018 and 2017, the allowance for doubtful accounts amounted to \$8,514 and \$2,000, respectively.

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED):**

**Property and Equipment**

Property and equipment is stated at cost if purchased or, if acquired by contribution, at the estimated fair market value on the date of contribution, less accumulated depreciation. The Association provides for depreciation on property and equipment over the estimated useful lives of the related assets using the straight-line method. The Association follows the practice of capitalizing all expenditures for property and equipment in excess of \$500 with an estimated useful life of greater than one year. The useful lives of the various classes of assets are as follows:

Leasehold improvement	15 years
Furniture and fixtures	7 - 10 years
Office equipment	5 - 10 years

**Amortization**

Costs associated with the issuance of the Association's website domain are capitalized and amortized using the straight-line method over the term of the related asset. At August 31, 2018 and 2017, the costs of website domain registration are \$5,000 with accumulated amortization of \$5,000 and \$5,000, respectively. Amortization expense totaled \$0 and \$89 for years ended August 31, 2018 and 2017, respectively.

**Income Taxes**

The Association is exempt from federal and State income taxes as a Not-for-Profit corporation under Internal Revenue Section 501(c)(3). Income from activities not directly related to the Association's tax-exempt purpose is subject to taxation as unrelated business income at statutory corporate tax rates. For the years ended August 31, 2018 and 2017, the Association did not incur any unrelated business income.

The Association has adopted the application of the uncertain tax position provisions of FASB ASC 740, *Income Taxes*. It prescribes an evaluation process for the financial statements recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on de-recognition, classification, interest and penalties, disclosure and transition. The provisions related to uncertainty in income taxes were applied to all tax positions upon adoption. This adoption had no impact on the Association's financial statements. As of August 31, 2018, the Association has accrued no interest and penalties related to uncertain tax positions. It is the Association's policy to recognize interest and penalties related to income tax matters in other expense. In general, the Association is no longer subject to examinations by tax authorities for U.S. federal or state income tax returns before fiscal year ended August 31, 2015.

**Fair Value of Financial Instruments**

FASB ASC 825-10, *Accounting Financial Instruments*, provides guidance on financial instruments with off-balance sheet credit risk. The fair value of the Association's cash and cash equivalents, accounts receivable, other current assets, accounts payable and accrued expenses approximates their carrying values due to the short-term maturities of these instruments.

**Donated Services**

Donated services are recognized as contributions in accordance with FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made*, if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise have been purchased. No amounts have been reflected in the accompanying financial statements for such services since they do not meet the criteria for recognition under FASB ASC 958-605.

**NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED):**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported 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.

**Functional Allocation of Expenses**

The costs of providing the various services the Association offers have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on systematic methods and estimates made by management.

**Reclassifications**

Certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. Those reclassifications have no effect on previously reported changes in net assets available for benefits.

**Subsequent Events**

The Association has evaluated subsequent events through the date of the independent auditor's report, the date which the accompanying financial statements were available to be issued.

**NOTE 2 PROPERTY AND EQUIPMENT:**

The following is a summary of property and equipment as of August 31, 2018 and 2017:

	2018	2017
Leasehold improvements	\$ 72,240	\$ 72,240
Furniture and fixtures	135,821	144,588
Office equipment	114,252	124,796
	322,313	341,624
Less: accumulated depreciation	(295,196)	(290,247)
Property and equipment, net	\$ 27,117	\$ 51,377

Depreciation totaled \$25,878 and \$54,514 for the years ended August 31, 2018 and 2017, respectively.

**NOTE 3 COMMITMENTS AND CONTINGENCIES:**

**Operating Leases**

Effective August 1, 2010, the Association entered into a lease agreement for certain office space pursuant to an operating lease agreement which expired in 2017. The Association renewed the lease during 2017 extending the term to 2024. The Association is also obligated under non-cancelable operating leases for various equipment. The Association recognizes rent expense for operating leases with rent escalation clauses on a straight-line basis over the applicable lease term. Deferred rent payable of \$16,873 and \$5,473 represents the difference between the straight-line rent expense and the actual rent paid as of August 31, 2018 and 2017. Total rentals under operating leases amounted to \$184,968 and \$125,624 for the years ended August 31, 2018 and 2017, respectively. The following table presents future minimum lease payments due under operating leases with initial or remaining non-cancelable lease terms in excess of one year at August 31, 2018:

<u>Year Ending August 31,</u>	<u>Amount</u>
2019	\$ 146,469
2020	149,637
2021	153,681
2022	158,200
2023	162,949
Thereafter	96,692
	<u>\$ 867,628</u>

**Purchases**

The Association has contracted with hotels in Florida to hold conferences in 2019, 2020 and 2021. These conferences have minimum commitments for room, food and beverage and cancellation penalties of approximately \$265,000.

The Association has a three years contract with a company for website usage through March 2022 with \$10,715 due annually.

**NOTE 4 RELATED PARTY TRANSACTIONS:**

The Association has entered into an agreement with certain employees to share revenues derived from ABHE-solutions software subscriptions. The agreement provides that the Association will receive 100% of the revenues from the software subscriptions and reimburse 35% of the revenue to the employees. For the years ended August 31, 2018 and 2017, such reimbursements amounted to \$9,640 and \$60,141, respectively. The Association terminated the agreement on October 31, 2017.

**NOTE 5 NET ASSETS:**

**Temporarily restricted net assets**

Temporarily restricted net assets at August 31, 2018 and 2017 are available to support the leadership development fund.

**Net assets released from restrictions**

Net assets are released from donor restrictions by incurring costs or expenses satisfying the restricted purposes or by the occurrence of events as specified by the donors. For the years ended August 31, 2018 and 2017, temporarily restricted net assets in the amount of \$85,228 and \$112,655 respectively, were released and used for the leadership development fund.

**NOTE 6 Retirement Plan:**

The Association sponsors a defined contribution (money purchase) plan for all full-time employees over age 25 that have completed one year of service. Participation is voluntary; plan contributions for employees other than the President are 5% of salary by the participant, and 5% of salary by the Association. Policy dictates that contributions for the President shall be established by special action of the Executive Committee, currently set at 5% of salary. Contributions are forwarded to Servant Solutions to be applied as premiums or regular retirement annuity contracts owned by the participants. Total Association contributions to the plan for the years ended August 31, 2018 and 2017 amounted to \$31,730 and \$35,676, respectively.

**SUPPLEMENTAL SCHEDULES**



The Association for Biblical Higher Education, Inc.  
(A Not-For-Profit Corporation)  
**Combining Schedule - Statement of Financial Position**  
August 31, 2018

	<u>Association</u>	<u>Commission</u>	<u>Eliminations</u>	<u>Total</u>
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ 108,755	\$ 364,573	\$ -	\$ 473,328
Accounts receivable, net	4,896	32,896	-	37,792
Intercompany	50,722	-	(50,722)	-
Prepaid expenses	54,749	3,707	-	58,456
<b>Total current assets</b>	<b>219,122</b>	<b>401,176</b>	<b>(50,722)</b>	<b>569,576</b>
Property and Equipment, net	27,117	-	-	27,117
Other Assets	9,206	-	-	9,206
<b>Total assets</b>	<b>\$ 255,445</b>	<b>\$ 401,176</b>	<b>\$ (50,722)</b>	<b>\$ 605,899</b>
<b>Liabilities and Net Assets</b>				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 60,626	\$ 32,624	\$ -	\$ 93,250
Deferred revenue	38,541	-	-	38,541
Intercompany	-	50,722	(50,722)	-
<b>Total current liabilities</b>	<b>99,167</b>	<b>83,346</b>	<b>(50,722)</b>	<b>131,791</b>
Deferred Rent Payable	16,873	-	-	16,873
<b>Total liabilities</b>	<b>116,040</b>	<b>83,346</b>	<b>(50,722)</b>	<b>148,664</b>
Net Assets:				
Unrestricted	97,043	317,830	-	414,873
Temporarily restricted	42,362	-	-	42,362
<b>Total net assets</b>	<b>139,405</b>	<b>317,830</b>	<b>-</b>	<b>457,235</b>
<b>Total liabilities and net assets</b>	<b>\$ 255,445</b>	<b>\$ 401,176</b>	<b>\$ (50,722)</b>	<b>\$ 605,899</b>

The Association for Biblical Higher Education, Inc.  
(A Not-For-Profit Corporation)  
**Combining Schedule - Statement of Activities**  
August 31, 2018

	Association			Commission			Total		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Changes in Net Assets:									
Support and Revenue:									
Membership assessments	\$ 599,662	\$ -	\$ 599,662	\$ 316,438	\$ -	\$ 316,438	\$ 916,100	\$ -	\$ 916,100
Evaluation and consultation fees	-	-	-	264,775	-	264,775	264,775	-	264,775
Annual meeting charges	250,009	-	250,009	-	-	-	250,009	-	250,009
Publications and literature sales	4,927	-	4,927	-	-	-	4,927	-	4,927
Contributions	99,025	97,595	196,620	-	-	-	99,025	97,595	196,620
Web/IT product, net of related expenses of \$9,640	19,433	-	19,433	-	-	-	19,433	-	19,433
Other income, net	12,513	-	12,513	-	-	-	12,513	-	12,513
Net assets released from restrictions	85,228	(85,228)	-	-	-	-	85,228	(85,228)	-
<b>Total Support and Revenue</b>	<b>1,070,797</b>	<b>12,367</b>	<b>1,083,164</b>	<b>581,213</b>	<b>-</b>	<b>581,213</b>	<b>1,652,010</b>	<b>12,367</b>	<b>1,664,377</b>
Expenses:									
Program services	732,581	-	732,581	368,717	-	368,717	1,101,298	-	1,101,298
General and administrative	262,658	-	262,658	160,551	-	160,551	423,209	-	423,209
<b>Total Expenses</b>	<b>995,239</b>	<b>-</b>	<b>995,239</b>	<b>529,268</b>	<b>-</b>	<b>529,268</b>	<b>1,524,507</b>	<b>-</b>	<b>1,524,507</b>
Increase (decrease) in net assets	75,558	12,367	87,925	51,945	-	51,945	127,503	12,367	139,870
Net assets, beginning of year	21,485	29,995	51,480	265,885	-	265,885	287,370	29,995	317,365
<b>Net assets, end of year</b>	<b>\$ 97,043</b>	<b>\$ 42,362</b>	<b>\$ 139,405</b>	<b>\$ 317,830</b>	<b>\$ -</b>	<b>\$ 317,830</b>	<b>\$ 414,873</b>	<b>\$ 42,362</b>	<b>\$ 457,235</b>