

Combined Financial Statements

August 31, 2021 and 2020



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

	<u>Page</u>
Independent Auditor's Report	1
Combined Financial Statements:	
Combined Statements of Financial Position	3
Combined Statements of Activities	4
Combined Statements of Cash Flows	5
Combined Statement of Functional Expenses - 2021	6
Combined Statement of Functional Expenses - 2020	7
Notes to Combined Financial Statements	8
Supplemental Schedules	
Combining Schedule - Statement of Financial Position	14
Combining Schedule - Statement of Activities	15



934 North Magnolia Avenue, Suite 100
Orlando, Florida 32803
407-843-5406
www.mcdirmittdavis.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Association for Biblical Higher Education, Inc. and its subsidiaries, which comprise the consolidated statements of financial position as of August 31, 2021 and 2020, and the related consolidated statements of activities, cash flows, and functional expenses 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Association for Biblical Higher Education, Inc. and its subsidiaries as August 31, 2021 and 2020, and the change in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

McDiarmid Davis

Orlando, Florida
January 31, 2022

The Association for Biblical Higher Education, Inc. (A Not-For-Profit Corporation)
Combined Statements of Financial Position
August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 731,556	\$ 809,927
Accounts receivable, net	16,805	27,910
Prepaid expenses	<u>114,270</u>	<u>19,869</u>
Total current assets	862,631	857,706
Property and equipment, net	82,210	61,109
Other assets	<u>10,006</u>	<u>9,206</u>
Total assets	<u><u>\$ 954,847</u></u>	<u><u>\$ 928,021</u></u>
Liabilities		
Accounts payable and accrued expenses	\$ 112,927	\$ 143,649
Deferred revenue	<u>98,555</u>	<u>43,850</u>
Total current liabilities	211,482	187,499
Deferred rent payable	<u>25,272</u>	<u>26,858</u>
Total liabilities	<u>236,754</u>	<u>214,357</u>
Net Assets:		
Net assets without donor restrictions	593,627	616,123
Net assets with donor restrictions	<u>124,466</u>	<u>97,541</u>
Total net assets	<u>718,093</u>	<u>713,664</u>
Total liabilities and net assets	<u><u>\$ 954,847</u></u>	<u><u>\$ 928,021</u></u>

The Association for Biblical Higher Education, Inc. (A Not-For-Profit Corporation)
Combined Statements of Activities
 Years Ended August 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets						
Support and revenue:						
Membership assessments	\$ 1,110,860	\$ -	\$ 1,110,860	1,089,630	\$ -	\$ 1,089,630
Evaluation and consultation fees	241,250	-	241,250	217,319	-	217,319
Annual meeting charges	261,360	-	261,360	280,260	-	280,260
Publications and literature sales	3,508	-	3,508	2,826	-	2,826
Contributions	80,422	218,546	298,968	79,770	457,260	537,030
Other income	1,678	-	1,678	14,323	-	14,323
Net assets released from restrictions	191,621	(191,621)	-	450,923	(450,923)	-
Total support and revenue	1,890,699	26,925	1,917,624	2,135,051	6,337	2,141,388
Expenses						
Program services	1,421,284	-	1,421,284	1,508,044	-	1,508,044
General and administrative	491,911	-	491,911	493,818	-	493,818
Total expenses	1,913,195	-	1,913,195	2,001,862	-	2,001,862
Increase (decrease) in net assets	(22,496)	26,925	4,429	133,189	6,337	139,526
Net assets, beginning of year	616,123	97,541	713,664	482,934	91,204	574,138
Net assets, end of year	\$ 593,627	\$ 124,466	\$ 718,093	\$ 616,123	\$ 97,541	\$ 713,664

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

Combined Statements of Cash Flows

Years Ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities:		
Cash received from members and customers	\$ 1,684,466	\$ 1,601,765
Contributions received	298,968	537,030
Payments to employees and suppliers	<u>(2,019,539)</u>	<u>(1,939,063)</u>
Net cash provided by operating activities	<u>(36,105)</u>	<u>199,732</u>
Cash Flows From Investing Activities:		
Purchases of property and equipment	<u>(42,266)</u>	<u>(60,489)</u>
Net cash used for investing activities	<u>(42,266)</u>	<u>(60,489)</u>
Net increase in cash and cash equivalents	(78,371)	139,243
Cash and cash equivalents, beginning of year	<u>809,927</u>	<u>670,684</u>
Cash and cash equivalents, end of year	<u><u>\$ 731,556</u></u>	<u><u>\$ 809,927</u></u>

The Association for Biblical Higher Education, Inc. (A Not-For-Profit Corporation)
Combined Statement of Functional Expenses
Year Ended August 31, 2021

	Program Services			General and Administrative			Total Expenses
	Association	Commission	Subtotal	Association	Commission	Subtotal	
Annual meeting	\$ 168,893	\$ -	\$ 168,893	\$ -	\$ -	\$ -	\$ 168,893
Board/Executive Committee	-	-	-	10,568	-	10,568	10,568
Commission on Accreditation	-	17,562	17,562	-	-	-	17,562
Depreciation and amortization	9,482	9,313	18,795	2,370	-	2,370	21,165
Dues and subscriptions	16,975	2,169	19,144	-	-	-	19,144
Equipment rental	-	1,820	1,820	3,532	-	3,532	5,352
Health insurance	38,633	34,289	72,922	23,565	18,464	42,029	114,951
Insurance	-	9,355	9,355	18,159	-	18,159	27,514
Leadership development	267,004	-	267,004	-	-	-	267,004
Miscellaneous	18,440	27,165	45,605	14,203	10,948	25,151	70,756
Office expense	18,578	10,645	29,223	2,088	-	2,088	31,311
Postage and printing	-	-	-	3,306	1,704	5,010	5,010
Professional fees	-	-	-	8,900	4,585	13,485	13,485
Rent	70,787	55,619	126,406	17,697	13,905	31,602	158,008
Repairs and maintenance	-	-	-	354	278	632	632
Resource development	-	-	-	15,532	-	15,532	15,532
Salaries and benefits	323,193	266,147	589,340	174,027	143,309	317,336	906,676
Telephone and utilities	10,716	6,953	17,669	2,679	1,738	4,417	22,086
Travel	29,245	8,301	37,546	-	-	-	37,546
Total expenses	\$ 971,946	\$ 449,338	\$ 1,421,284	\$ 296,980	\$ 194,931	\$ 491,911	\$ 1,913,195

The Association for Biblical Higher Education, Inc. (A Not-For-Profit Corporation)
Combined Statement of Functional Expenses
Year Ended August 31, 2020

	Program Services			General and Administrative			Total Expenses
	Association	Commission	Subtotal	Association	Commission	Subtotal	
Annual meeting	\$ 227,829	\$ 2,712	\$ 230,541	\$ -	\$ -	\$ -	\$ 230,541
Board/Executive Committee	-	-	-	36,101	-	36,101	36,101
Commission on Accreditation	-	25,229	25,229	-	-	-	25,229
Depreciation and amortization	3,400	3,768	7,168	850	-	850	8,018
Dues and subscriptions	5,879	12,301	18,180	-	-	-	18,180
Equipment rental	-	-	-	4,836	2,382	7,218	7,218
Health insurance	11,983	26,384	38,367	8,758	14,206	22,964	61,331
Insurance	-	10,531	10,531	21,381	-	21,381	31,912
Leadership development	425,202	-	425,202	-	-	-	425,202
Miscellaneous	11,542	2,878	14,420	26,182	9,061	35,243	49,663
Office expense	15,970	8,730	24,700	1,234	-	1,234	25,934
Postage and printing	-	-	-	2,317	1,142	3,459	3,459
Professional fees	-	4,257	4,257	8,643	-	8,643	12,900
Rent	64,986	57,629	122,615	16,246	14,407	30,653	153,268
Repairs and maintenance	-	-	-	673	597	1,270	1,270
Resource development	-	-	-	26,650	-	26,650	26,650
Salaries and benefits	326,756	218,469	545,225	175,946	117,637	293,583	838,808
Telephone and utilities	11,966	6,309	18,275	2,992	1,577	4,569	22,844
Travel	17,672	5,662	23,334	-	-	-	23,334
Total expenses	\$ 1,123,185	\$ 384,859	\$ 1,508,044	\$ 332,809	\$ 161,009	\$ 493,818	\$ 2,001,862

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 Accounting

The Association's combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America.

Combination

The accompanying combined financial statements include the accounts of the Association for Biblical Higher Education and the Commission on Accreditation, which are under common control. All significant intercompany accounts and transactions have been eliminated in the preparation of these combined financial statements.

Financial Statement Presentation

The Association follows the standards of accounting and financial reporting prescribed for certain non-for-profit organizations as adopted by the 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*.

Under FASB ASC 958-205, net assets and revenue, expenses, gains and losses are classified as with or without donor restrictions 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:

Net assets without donor restrictions

Net assets available for the support of the Association's operations. The net assets without donor restrictions may be used at the discretion of the Association's management and the Board of Directors.

Net assets with donor restrictions

Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Association or the passage of time. Net assets subject to donor-imposed stipulations may also be maintained permanently by the Association. In those situations, donors permit the Association to use all or part of the earnings on related investments for the general or specific purposes.

Revenue is reported as an increase in net assets without donor restrictions unless use of the related assets is limited by donor-imposed or contractual restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by contract. Expirations of the donor imposed or contractual restrictions on net assets are reported as reclassifications to net assets without donor restrictions 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.

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

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.

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 financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. 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.

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 combined financial statements for such services since they do not meet the criteria for recognition under FASB ASC 958-605.

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 net assets with donor restrictions or net assets without donor restriction 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), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same reporting period in which the contributions are received are classified as contributions without donor restrictions. As of August 31, 2021 and 2020, net assets with donor restrictions were restricted for various projects and individuals (see Note 5).

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.

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. The allowance for doubtful accounts amounted to \$2,000 and \$6,839 for the years ended August 31, 2021 and 2020, respectively.

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 approximate their carrying values due to the short-term maturities of these instruments.

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

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, 2021 and 2020, 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 combined financial statements. As of August 31, 2021, 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, 2018.

New Accounting Pronouncements

FASB and other entities issued new or modifications to, or interpretations of, existing accounting guidance during the year ended August 31, 2021. The Association has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in these notes to financial statements, does not believe that any new or modified principles will have a material impact on the Association's reported financial position or operations in the near term.

In February 2016, FASB issued Accounting Standards Update 2016-02: Leases, which requires entities to recognize lease assets and lease liabilities on the balance sheet and disclose key information about leasing arrangements. The new standard is effective for the year beginning after December 15, 2021. The Association is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

COVID-19

The Association is continually evaluating the impact of the COVID-19 global pandemic and has concluded that while it is reasonably possible that the pandemic could have a negative effect on the Association's financial position, results of its operations and/or cash flows, the specific impact is not readily determinable as of the date of the financial statements nor as of the date they were available to be issued. The financial statement does not include any adjustments that might result from the outcome of this uncertainty.

Evaluation of Subsequent Events

The Association has evaluated subsequent events through date of the independent audit report, the date at which the accompanying consolidated financial statements were available to be issued. Based on such evaluation, no events have occurred that in the opinion of management warrant disclosures in or adjustments to the consolidated financial statements.

NOTE 2 LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

As of August 31, 2021 and 2020, the following reflects the Association's financial assets, including cash, donor restrictions for program operations, board designations and amounts set aside for operating reserves within one year of August 31, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 731,556	\$ 809,927
Accounts receivable, net	<u>16,805</u>	<u>27,910</u>
Total	<u>\$ 748,361</u>	<u>\$ 837,837</u>

As part of the Association's liquidity management, the Association's policy is to make financial assets available as expenses and other liabilities become due. The Association keeps assets and investments in the related investment strategy until expenses or other liabilities become due. The Association uses checking and savings accounts to manage its daily cash needs.

NOTE 3 PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of August 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Leasehold improvements	\$ 81,235	\$ 81,235
Construction in progress	-	32,087
Furniture and fixtures	150,686	150,686
Office equipment	<u>187,823</u>	<u>113,470</u>
	419,744	377,478
Less: accumulated depreciation	<u>(337,534)</u>	<u>(316,369)</u>
Property and equipment, net	<u>\$ 82,210</u>	<u>\$ 61,109</u>

Depreciation totaled \$21,165 and \$8,018 for the years ended August 31, 2021 and 2020, respectively.

NOTE 4 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 \$25,272 and \$26,858 represents the difference between the straight-line rent expense and the actual rent paid as of August 31, 2021 and 2020. Total rentals under operating leases amounted to \$161,540 and \$160,486 for the years ended August 31, 2021 and 2020, respectively.

NOTE 4 COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2021:

<u>Year Ending August 31,</u>	
2022	\$ 162,621
2023	167,283
2024	101,034
2025	<u>1,448</u>
	<u>\$ 432,386</u>

Purchases

The Association has contracted with hotels in Florida to hold conferences in 2022, 2023 and 2024. These conferences have minimum commitments for room, food and beverage and cancellation penalties of approximately \$319,000. The Association has a contract for entertainment at the annual conference of approximately \$11,000.

The Association has a three-year contract with a company for website usage through March 2022 of approximately \$5,000.

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at August 31, 2021 and 2020 are available to support following funds:

	<u>2021</u>	<u>2020</u>
Leadership development	\$ 97,357	\$ 56,168
Legacy Fund	27,109	25,075
3 Pillars Campaign	<u>-</u>	<u>16,298</u>
Total	<u>\$ 124,466</u>	<u>\$ 97,541</u>

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. Net assets were released from restrictions during the years ended August 31, 2021 and 2020, for the following grants and projects:

	<u>2021</u>	<u>2020</u>
Enlow retirement	\$ -	\$ 20,200
Leadership development	59,357	110,468
Legacy Fund	966	186
Strategic Plan	35,000	-
3 Pillars Campaign	<u>96,298</u>	<u>320,069</u>
Total	<u>\$ 191,621</u>	<u>\$ 450,923</u>

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, 2021 and 2020 amounted to \$38,828 and \$34,802, respectively.

NOTE 7 CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk principally of cash and investment balances in various financial institutions. The balances in these accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times during the year, such balances may be in excess of the FDIC limit. At August 31, 2021, there was approximately \$495,000 in excess of FDIC limits.

Supplemental Schedules

The Association for Biblical Higher Education, Inc. (A Not-For-Profit Corporation)
Combining Schedule - Statement of Financial Position
August 31, 2021

	<u>Association</u>	<u>Commission</u>	<u>Eliminations</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 561,437	\$ 170,119	\$ -	\$ 731,556
Accounts receivable, net	2,826	13,979	-	16,805
Prepaid expenses	110,761	3,509	-	114,270
Intercompany	-	324,194	(324,194)	-
Property and equipment, net	82,210	-	-	82,210
Other assets	10,006	-	-	10,006
Total assets	<u>\$ 767,240</u>	<u>\$ 511,801</u>	<u>\$ (324,194)</u>	<u>\$ 954,847</u>
Liabilities and Net Assets				
Accounts payable and accrued expenses	\$ 68,392	\$ 44,535	\$ -	\$ 112,927
Deferred revenue	98,555	-	-	98,555
Intercompany	324,194	-	(324,194)	-
Deferred rent payable	25,272	-	-	25,272
Total liabilities	<u>516,413</u>	<u>44,535</u>	<u>(324,194)</u>	<u>236,754</u>
Net Assets:				
Net assets without donor restrictions	126,361	467,266	-	593,627
Net assets with donor restrictions	124,466	-	-	124,466
Total net assets	<u>250,827</u>	<u>467,266</u>	<u>-</u>	<u>718,093</u>
Total liabilities and net assets	<u>\$ 767,240</u>	<u>\$ 511,801</u>	<u>\$ (324,194)</u>	<u>\$ 954,847</u>

The Association for Biblical Higher Education, Inc. (A Not-For-Profit Corporation)
Combining Schedule - Statement of Activities
Year Ended August 31, 2021

	Association			Commission			Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets									
Support and Revenue:									
Membership assessments	\$ 664,610	\$ -	\$ 664,610	\$ 446,250	\$ -	\$ 446,250	\$ 1,110,860	\$ -	\$ 1,110,860
Evaluation and consultation fees	-	-	-	241,250	-	241,250	241,250	-	241,250
Annual meeting charges	261,360	-	261,360	-	-	-	261,360	-	261,360
Publications and literature sales	3,508	-	3,508	-	-	-	3,508	-	3,508
Contributions	80,422	218,546	298,968	-	-	-	80,422	218,546	298,968
Other income, net	1,632	-	1,632	46	-	46	1,678	-	1,678
Net assets released from restrictions	191,621	(191,621)	-	-	-	-	191,621	(191,621)	-
Total support and revenue	1,203,153	26,925	1,230,078	687,546	-	687,546	1,890,699	26,925	1,917,624
Expenses									
Program services	971,946	-	971,946	449,338	-	449,338	1,421,284	-	1,421,284
General and administrative	296,980	-	296,980	194,931	-	194,931	491,911	-	491,911
Total expenses	1,268,926	-	1,268,926	644,269	-	644,269	1,913,195	-	1,913,195
Increase in net assets	(65,773)	26,925	(38,848)	43,277	-	43,277	(22,496)	26,925	4,429
Net assets, beginning of year	192,134	97,541	289,675	423,989	-	423,989	616,123	97,541	713,664
Net assets, end of year	\$ 126,361	\$ 124,466	\$ 250,827	\$ 467,266	\$ -	\$ 467,266	\$ 593,627	\$ 124,466	\$ 718,093