Combined Financial Statements

August 31, 2025 and 2024

ABHE
Association for
Biblical Higher Education

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

McDirmit Davis
Accountants & Consultants

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying combined financial statements of The Association for Biblical Higher Education, Inc. (the "Association"), which comprise the combined statements of financial position as of August 31, 2025 and 2024, and the related combined statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of The Association for Biblical Higher Education, Inc. as of August 31, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of The Association for Biblical Higher Education, Inc., 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Association for Biblical Higher Education, Inc.'s ability to continue as a going concern for one year after the date that the combined financial statements are issued.

Auditor's Responsibilities for the Audit of the Combined Financial Statements.

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Association for Biblical Higher Education, Inc.'s internal control. Accordingly, no such opinion is expressed.

- 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Association for Biblical Higher Education, Inc.'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.

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

McDirmit Davis

Orlando, Florida
January 9, 2026

	2025	2024
Assets		
Cash and cash equivalents	$ 679,304	$ 674,929
Accounts receivable, net	20,427	24,828
Inventory	3,061	-
Prepaid expenses	89,961	118,911
Total current assets	792,753	818,668
Property and equipment, net	44,757	77,518
Right-of-use asset, operating lease	567,882	710,024
Other assets	9,788	9,788
Total assets	$ 1,415,180	$ 1,615,998
Liabilities		
Accounts payable and accrued expenses	$ 33,187	$ 22,500
Deferred revenue	58,908	87,404
Current portion of lease liabilities	171,150	134,318
Total current liabilities	263,245	244,222
Lease liabilities, less current portion	408,642	579,792
Total liabilities	671,887	824,014
Net Assets:		
Net assets without donor restrictions	645,452	655,768
Net assets with donor restrictions	97,841	136,216
Total net assets	743,293	791,984
Total liabilities and net assets	$ 1,415,180	$ 1,615,998

Combined Statements of Activities

Years Ended August 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets						
Support and revenue:						
Membership assessments	$ 1,248,136	$ -	$ 1,248,136	$ 1,226,371	$ -	$ 1,226,371
Evaluation and consultation fees	279,550	-	279,550	270,550	-	270,550
Annual meeting charges	458,925	-	458,925	479,620	-	479,620
Publications and literature sales	3,159	-	3,159	2,774	-	2,774
Contributions	183,565	511,372	694,937	266,941	180,884	447,825
Other income	2,156	-	2,156	7,042	-	7,042
Net assets released from restrictions	549,747	(549,747)	-	158,438	(158,438)	-
Total support and revenue	2,725,238	(38,375)	2,686,863	2,411,736	22,446	2,434,182
Expenses						
Program services	2,102,976	-	2,102,976	1,757,479	-	1,757,479
General and administrative	632,578	-	632,578	610,226	-	610,226
Total expenses	2,735,554	-	2,735,554	2,367,705	-	2,367,705
Increase (decrease) in net assets	(10,316)	(38,375)	(48,691)	44,031	22,446	66,477
Net assets, beginning of year	655,768	136,216	791,984	611,737	113,770	725,507
Net assets, end of year	$ 645,452	$ 97,841	$ 743,293	$ 655,768	$ 136,216	$ 791,984

Combined Statements of Cash Flows

Years Ended August 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities:		
Cash received from members and customers	$ 1,967,831	$ 1,981,940
Contributions received	694,937	447,825
Payments to employees and suppliers	(2,657,003)	(2,474,616)
Net cash provided (used) by operating activities	5,765	(44,851)
Cash Flows From Investing Activities:		
Purchases of property and equipment	(1,390)	(3,081)
Net cash used for investing activities	(1,390)	(3,081)
Net increase (decrease) in cash and cash equivalents	4,375	(47,932)
Cash and cash equivalents, beginning of year	674,929	722,861
Cash and cash equivalents, end of year	$ 679,304	$ 674,929

The Association for Biblical Higher Education, Inc. (A Not-For-Profit Corporation)
Combined Statement of Functional Expenses
Year Ended August 31, 2025

	Program Services			General and Administrative			Total
	Association	**Commission**	**Subtotal**	**Association**	**Commission**	**Subtotal**	**Expenses**
Salaries and benefits	$ 315,434	$ 339,830	$ 655,264	$ 191,194	$ 161,641	$ 352,835	$ 1,008,099
Leadership development	558,521	-	558,521	-	-	-	558,521
Annual meeting	369,096	-	369,096	-	-	-	369,096
Rent	89,142	70,041	159,183	22,286	17,510	39,796	198,979
Health insurance	32,451	40,546	72,997	20,438	21,833	42,271	115,268
Travel	48,818	15,397	64,215	-	-	-	64,215
Miscellaneous	7,743	11,685	19,428	19,738	327	20,065	39,493
Resource development	-	-	-	55,106	-	55,106	55,106
Office expense	30,825	32,626	63,451	1,612	-	1,612	65,063
Depreciation and amortization	15,797	11,524	27,321	6,830	-	6,830	34,151
Commission on Accreditation	-	26,556	26,556	-	-	-	26,556
Dues and subscriptions	22,185	2,274	24,459	-	-	-	24,459
Insurance	-	-	-	17,483	9,006	26,489	26,489
Telephone and utilities	15,498	13,081	28,579	6,738	406	7,144	35,723
Professional fees	18,000	12,654	30,654	36,632	18,871	55,503	86,157
Board/Executive committee	-	-	-	15,101	-	15,101	15,101
Equipment rental	-	2,241	2,241	4,351	-	4,351	6,592
Postage and printing	-	-	-	2,765	1,424	4,189	4,189
Repairs and maintenance	-	1,011	1,011	1,286	-	1,286	2,297
Total expenses	$ 1,523,510	$ 579,466	$ 2,102,976	$ 401,560	$ 231,018	$ 632,578	$ 2,735,554

The Association for Biblical Higher Education, Inc. (A Not-For-Profit Corporation)
Combined Statement of Functional Expenses
Year Ended August 31, 2024

	Program Services			General and Administrative			Total
	Association	**Commission**	**Subtotal**	**Association**	**Commission**	**Subtotal**	**Expenses**
Salaries and benefits	$ 285,022	$ 316,381	$ 601,403	$ 173,229	$ 150,603	$ 323,832	$ 925,235
Leadership development	349,176	-	349,176	-	-	-	349,176
Annual meeting	338,759	-	338,759	-	-	-	338,759
Rent	87,933	69,090	157,023	21,983	17,272	39,255	196,278
Health insurance	40,558	36,197	76,755	23,902	19,490	43,392	120,147
Travel	38,629	14,389	53,018	-	-	-	53,018
Miscellaneous	8,304	2,831	11,135	20,736	657	21,393	32,528
Resource development	-	-	-	57,946	-	57,946	57,946
Office expense	30,738	31,104	61,842	2,552	-	2,552	64,394
Depreciation and amortization	16,526	12,413	28,939	7,235	-	7,235	36,174
Commission on Accreditation	-	28,909	28,909	-	-	-	28,909
Dues and subscriptions	21,257	2,755	24,012	-	-	-	24,012
Insurance	-	-	-	18,315	8,228	26,543	26,543
Telephone and utilities	14,347	9,854	24,201	5,856	195	6,051	30,252
Professional fees	-	171	171	38,668	17,372	56,040	56,211
Board/Executive committee	-	-	-	17,935	-	17,935	17,935
Equipment rental	-	2,044	2,044	4,550	-	4,550	6,594
Postage and printing	-	-	-	2,337	1,049	3,386	3,386
Repairs and maintenance	-	92	92	116	-	116	208
Total expenses	$ 1,231,249	$ 526,230	$ 1,757,479	$ 395,360	$ 214,866	$ 610,226	$ 2,367,705

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, 2025 and 2024, net assets with donor restrictions were restricted for various projects and individuals (see Note 6).

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
The Association estimates expected credit losses on accounts receivable in accordance with ASC Topic 326, Financial Instruments - Credit Losses ("CECL"). Historical credit loss experience provides the basis for management's estimation of expected credit losses. The Association uses a three-year average of annual loss rates as a starting point for their estimation and makes adjustments to the historical loss rates to account for differences in current conditions impacting collectability. Management also monitors macroeconomic indicators to assess whether adjustments are necessary to reflect current conditions. An allowance for doubtful accounts and adjustments is provided based on prior collection and adjustment experiences and management's analysis of specific accounts. After all adjustments are posted and all attempts to collect a receivable have failed, the receivable is written-off against the allowance. The Association does not believe it has significant exposure to credit risk for nonpayment. The allowance for doubtful accounts amounted to $3,623 and $4,873 for the years ended August 31, 2025 and 2024, 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)

Inventory
Inventory consists of honor society supplies that are purchased by the Association for resale. Inventory is valued at the lower of cost or market.

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	5 - 15 years
Furniture and fixtures	7 - 10 years
Office equipment	3 - 10 years

Leases
The Association's lease arrangements primarily relate to operating leases for offices and equipment. As such, the Association evaluates all contracts to determine whether they contain a lease under the guidance of ASC 842, Leases. A lease is defined as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For operating leases, the Association recognizes a right-of-use (ROU) asset and a lease liability on the balance sheet at the commencement date. The ROU asset is amortized over the lease term, and lease liability will be paid down over the life of the lease.

For leases with a lease term of 12 months or less (short-term), any fixed lease payments are recognized on a straight-line basis over such term and are not recognized on the balance sheet.

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, 2025 and 2024, 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, 2025, 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, 2022.

Risk and Uncertainties
The Association is continually evaluating various risks, including changes in the economy, supply chain disruptions, labor shortages, and global economic pressures, and has concluded that while it is reasonably possible that the Association could experience a negative financial effect, no specific impact is readily determinable as of the date of the financial statements nor as of the date they were available to be issued. The financial statements do not include any adjustment that might result from the outcome of any uncertainty.

Evaluation of Subsequent Events
The Association has evaluated subsequent events through the date of the independent auditor's report, the date at which the accompanying combined 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 combined financial statements.

NOTE 2 LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

As of August 31, 2025 and 2024, 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, 2025 and 2024.

	2025	2024
Cash and cash equivalents	$ 679,304	$ 674,929
Accounts receivable, net	20,427	24,828
Total	699,731	699,757
Less: net assets with donor restrictions	(97,841)	(136,216)
Total	$ 601,890	$ 563,541

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 INVENTORY

The Association purchases honor society supplies for resale. A summary of items comprising inventory at August 31, 2025 and 2024 is as follows:

	2025	2024
Honor society supplies	$ 3,061	$ -
Total inventory	$ 3,061	$ -

NOTE 4 PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of August 31, 2025 and 2024:

	2025	2024
Leasehold improvements	$ 104,450	$ 104,450
Furniture and fixtures	131,606	131,606
Office equipment	230,572	229,182
	466,628	465,238
Less: accumulated depreciation	(421,871)	(387,720)
Property and equipment, net	$ 44,757	$ 77,518

Depreciation totaled $34,151 and $36,174 for the years ended August 31, 2025 and 2024, respectively.

NOTE 5 LEASES, 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. In February 2024, the Association signed an additional renewal extending the lease term to March 2029. The Association is also obligated under non-cancelable operating leases for various equipment.

Supplemental balance sheet information to the operating leases are as follows as of August 31, 2025:

	Office Space	Copier
Right-of-use asset, net of depreciation	$ 551,951	$ 15,931
Current portion of lease liability	165,420	5,730
Lease liability, less current portion - operating leases	398,441	10,201
Weighted average remaining lease term - operating leases	43 months	36 months
Weighted average discount rate	5%	5%

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, 2025:

Year Ending August 31,	
2026	$ 171,150
2027	176,111
2028	181,223
2029	104,139
Total undiscounted future lease payments	632,623
Less: imputed interest	(52,831)
Total	$ 579,792

Purchases

The Association has contracted with hotels in Florida to hold conferences in 2026 to 2028. These conferences have minimum commitments for room, food and beverage and cancelation penalties of approximately $513,000.

The Association has contracts with companies for website usage through July 2030 of approximately $56,000.

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at August 31, 2025 and 2024 are available to support following funds:

	2025	2024
Leading higher	$ 49,230	$ 90,549
Legacy fund	41,054	38,054
Board governance	7,557	7,613
Total	$ 97,841	$ 136,216

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, 2025 and 2024, for the following grants and projects:

	2025	2024
Leading higher	$ 346,691	$ 40,959
Strategic initiatives and leadership development	100,000	117,479
Board governance	77,056	-
CIC grant	17,000	-
Grace & mercy	9,000	-
Total	$ 549,747	$ 158,438

NOTE 7 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, 2025 and 2024 amounted to $47,321 and $49,466, respectively.

NOTE 8 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, 2025, there was approximately $435,000 in excess of FDIC limits.

Supplemental Schedules

Combining Schedule - Statement of Financial Position

August 31, 2025

	Association	Commission	Eliminations	Total
Assets				
Cash and cash equivalents	$ 105,454	$ 573,850	$ -	$ 679,304
Accounts receivable, net	-	20,427	-	20,427
Inventory	3,061	-	-	3,061
Prepaid expenses	74,004	15,957	-	89,961
Intercompany	49,747	-	(49,747)	-
Property and equipment, net	44,757	-	-	44,757
Right-of-use asset, operating lease	567,882	-	-	567,882
Other assets	9,788	-	-	9,788
Total assets	$ 854,693	$ 610,234	$ (49,747)	$ 1,415,180
Liabilities and Net Assets				
Accounts payable and accrued expenses	$ 22,412	$ 10,775	$ -	$ 33,187
Deferred revenue	37,208	21,700	-	58,908
Intercompany	-	49,747	(49,747)	-
Current portion of lease liabilities	171,150	-	-	171,150
Lease liabilities, less current portion	408,642	-	-	408,642
Total liabilities	639,412	82,222	(49,747)	671,887
Net Assets:				
Net assets without donor restrictions	117,440	528,012	-	645,452
Net assets with donor restrictions	97,841	-	-	97,841
Total net assets	215,281	528,012	-	743,293
Total liabilities and net assets	$ 854,693	$ 610,234	$ (49,747)	$ 1,415,180

The Association for Biblical Higher Education, Inc. (A Not-For-Profit Corporation)
Combining Schedule - Statement of Activities
Year Ended August 31, 2025

	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	$ 741,036	$ -	$ 741,036	$ 507,100	$ -	$ 507,100	$ 1,248,136	$ -	$1,248,136
Evaluation and consultation fees	-	-	-	279,550	-	279,550	279,550	-	279,550
Annual meeting charges	458,925	-	458,925	-	-	-	458,925	-	458,925
Publications and literature sales	3,159	-	3,159	-	-	-	3,159	-	3,159
Contributions	183,565	511,372	694,937	-	-	-	183,565	511,372	694,937
Other income, net	1,212	-	1,212	944	-	944	2,156	-	2,156
Net assets released from restrictions	549,747	(549,747)	-	-	-	-	549,747	(549,747)	-
Total support and revenue	1,937,644	(38,375)	1,899,269	787,594	-	787,594	2,725,238	(38,375)	2,686,863
Expenses									
Program services	1,523,510	-	1,523,510	579,466	-	579,466	2,102,976	-	2,102,976
General and administrative	401,560	-	401,560	231,018	-	231,018	632,578	-	632,578
Total expenses	1,925,070	-	1,925,070	810,484	-	810,484	2,735,554	-	2,735,554
Increase (decrease) in net assets	12,574	(38,375)	(25,801)	(22,890)	-	(22,890)	(10,316)	(38,375)	(48,691)
Net assets, beginning of year	104,866	136,216	241,082	550,902	-	550,902	655,768	136,216	791,984
Net assets, end of year	$ 117,440	$ 97,841	$ 215,281	$ 528,012	$ -	$ 528,012	$ 645,452	$ 97,841	$ 743,293