Northpoint Bible College

Financial Statements,
Supplementary Information and
Other Reporting in Accordance with
Government Auditing Standards and Uniform Guidance

April 30, 2023 and 2022

Independent Auditors' Report

To the Board of Directors
Northpoint Bible College

Opinion

We have audited the accompanying financial statements of Northpoint Bible College (the College), which comprise the statements of financial position as of April 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College as of April 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College 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.

Substantial Doubt about the College's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the College will continue as a going concern. As discussed in Note 1 to the financial statements, the College has experienced recurring losses and negative cash flows from operations, has negative net assets without donor restrictions available for operations in the amount of $(1,623,569) as of April 30, 2023, and has stated that substantial doubt exists about the College's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College'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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and financial responsibility supplemental schedule, as required by *Title 34 CFR Section 668.172*, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Baker Tilly US, LLP
Tewksbury, Massachusetts
October 31, 2023

April 30		2023		2022
Assets				
Current Assets:				
Cash	$	375,038	$	557,814
Student Fees Receivable, Net of Allowance for Uncollectible Accounts of $134,000 as of April 30, 2023 and 2022		261,861		218,696
Other Receivable - Employee Retention Credit		-		353,635
Prepaid Expenses and Other Current Assets		14,319		26,629
Total Current Assets		651,218		1,156,774
Investments		657,796		653,509
Property and Equipment, Net of Accumulated Depreciation		16,036,556		16,637,784
Notes Receivable		50,000		50,000
Total Assets	$	17,395,570	$	18,498,067
Liabilities and Net Assets				
Current Liabilities:				
Line of Credit	$	450,000	$	-
Accounts Payable and Accrued Expenses		841,227		332,573
Advance Tuition and Other Deposits		13,418		9,753
Total Current Liabilities		1,304,645		342,326
Long-Term Debt - Paycheck Protection Program		531,600		531,600
Refundable Advance		137,822		-
Total Liabilities		1,974,067		873,926
Net Assets:				
Net Assets without Donor Restrictions		14,412,987		16,561,861
Net Assets with Donor Restrictions		1,008,516		1,062,280
Total Net Assets		15,421,503		17,624,141
Total Liabilities and Net Assets	$	17,395,570	$	18,498,067

The accompanying notes are an integral part of these financial statements.

For the Years Ended April 30	2023 Without Donor Restrictions	2023 With Donor Restrictions	2023 Total	2022 Without Donor Restrictions	2022 With Donor Restrictions	2022 Total
Operating Activities:						
Revenue and Other Support:						
Contributions	$ 1,437,063	$ 290,159	$ 1,727,222	$ 984,171	$ 234,926	$ 1,219,097
Student Tuition and Fees, Net of Financial Aid of $876,755 and $503,532, Respectively	993,756	-	993,756	1,502,596	-	1,502,596
Auxiliary Enterprises	529,562	-	529,562	424,357	-	424,357
Other Income	86,753	-	86,753	51,983	-	51,983
Government Grants	-	-	-	1,439,801	-	1,439,801
Gain on Sale of Property and Equipment	-	-	-	268,750	-	268,750
Net Assets Released from Restriction	348,210	(348,210)	-	219,384	(219,384)	-
Total Revenue and Other Support	3,395,344	(58,051)	3,337,293	4,891,042	15,542	4,906,584
Operating Expenses:						
Education	2,789,046	-	2,789,046	3,528,999	-	3,528,999
Auxiliary	548,261	-	548,261	403,370	-	403,370
Total Program Services	3,337,307	-	3,337,307	3,932,369	-	3,932,369
General and Administrative	2,130,733	-	2,130,733	2,129,753	-	2,129,753
Fundraising	147,851	-	147,851	189,017	-	189,017
Total Operating Expenses	5,615,891	-	5,615,891	6,251,139	-	6,251,139
(Decrease) Increase in Net Assets from Operations	(2,220,547)	(58,051)	(2,278,598)	(1,360,097)	15,542	(1,344,555)
Nonoperating Activities:						
Other Income	71,673	-	71,673	-	-	-
Investment Income (Loss), Net	-	4,287	4,287	-	(9,508)	(9,508)
Total Nonoperating Activities	71,673	4,287	75,960	-	(9,508)	(9,508)
(Decrease) Increase in Net Assets	(2,148,874)	(53,764)	(2,202,638)	(1,360,097)	6,034	(1,354,063)
Net Assets, Beginning of Year	16,561,861	1,062,280	17,624,141	17,921,958	1,056,246	18,978,204
Net Assets, End of Year	$ 14,412,987	$ 1,008,516	$ 15,421,503	$ 16,561,861	$ 1,062,280	$ 17,624,141

The accompanying notes are an integral part of these financial statements.

For the Years Ended April 30 **2023**

	Program Services					
	Education	Auxiliary	Total Program Services	General and Administrative	Fundraising	Total
Payroll and Related Taxes and Benefits	$ 1,672,041	$ 56,214	$ 1,728,255	$ 846,862	$ 73,735	$ 2,648,852
Depreciation	420,859	48,098	468,957	102,209	30,061	601,227
Utilities	300,435	34,335	334,770	72,963	21,460	429,193
Food Costs	-	407,212	407,212	2,076	-	409,288
Building and Equipment Maintenance	7,308	453	7,761	340,699	6,341	354,801
Information Technology	182,391	-	182,391	129,565	-	311,956
Professional Fees	6,537	-	6,537	137,416	-	143,953
Insurance	167	-	167	124,778	-	124,945
Miscellaneous	70,254	286	70,540	37,373	10,610	118,523
Dues and Membership	23,211	-	23,211	70,846	-	94,057
Crandell Life Estate	-	-	-	56,576	-	56,576
Telephone	3,060	-	3,060	52,686	-	55,746
Travel	35,000	-	35,000	10,746	2,267	48,013
Bank Fees	136	512	648	45,631	1,055	47,334
Interest Expense	-	-	-	30,886	-	30,886
Office Supplies	13,564	43	13,607	15,777	221	29,605
Class Expenses	4,082	-	4,082	17,633	-	21,715
Student Service Expense	21,671	-	21,671	-	-	21,671
Employee and Student Recruitment	8,710	-	8,710	5,000	-	13,710
Vehicle Expense	10	-	10	10,595	-	10,605
Janitorial Supplies	370	-	370	9,822	-	10,192
Honorariums and Guest Expenses	4,577	-	4,577	5,125	60	9,762
Zionian and Alumni Expenses	7,400	-	7,400	755	-	8,155
Postage	2,226	-	2,226	2,359	2,041	6,626
Library and Textbook Purchases	2,713	-	2,713	-	-	2,713
Printing	2,307	-	2,307	-	-	2,307
Minor Equipment	17	1,108	1,125	996	-	2,121
Property Tax	-	-	-	1,359	-	1,359
Bad Debt	-	-	-	-	-	-
Training and Seminars	-	-	-	-	-	-
	$ 2,789,046	$ 548,261	$ 3,337,307	$ 2,130,733	$ 147,851	$ 5,615,891

The accompanying notes are an integral part of these financial statements.

For the Years Ended April 30 2022

	Program Services					
	Education	Auxiliary	Total Program Services	General and Administrative	Fundraising	Total
Payroll and Related Taxes and Benefits	$ 1,589,641	$ 83,756	$ 1,673,397	$ 937,455	$ 95,971	$ 2,706,823
Depreciation	426,495	48,742	475,237	103,579	30,463	609,279
Utilities	302,914	34,618	337,532	73,564	21,636	432,732
Food Costs	306	210,919	211,225	2,524	-	213,749
Building and Equipment Maintenance	12,831	756	13,587	329,172	3,165	345,924
Information Technology	132,977	-	132,977	188,814	2,817	324,608
Professional Fees	2,000	-	2,000	53,929	-	55,929
Insurance	4,701	4,701	9,402	79,917	4,701	94,020
Miscellaneous	77,516	-	77,516	29,393	3,342	110,251
Dues and Membership	18,273	-	18,273	81,198	4,576	104,047
Crandell Life Estate	-	-	-	58,543	-	58,543
Telephone	38,609	4,412	43,021	2,757	9,376	55,154
Travel	41,164	-	41,164	-	2,884	44,048
Bank Fees	250	1,040	1,290	33,193	87	34,570
Interest Expense	-	-	-	5,809	-	5,809
Office Supplies	20,277	17	20,294	59,919	1,741	81,954
Class Expenses	12,207	-	12,207	1,972	-	14,179
Student Service Expense	815,107	-	815,107	-	-	815,107
Employee and Student Recruitment	6,883	-	6,883	-	-	6,883
Vehicle Expense	6,969	-	6,969	14,931	344	22,244
Janitorial Supplies	54	-	54	11,864	-	11,918
Honorariums and Guest Expenses	5,400	-	5,400	11,295	742	17,437
Zionian and Alumni Expenses	2,964	-	2,964	1,872	139	4,975
Postage	1,364	-	1,364	4,907	4,529	10,800
Library and Textbook Purchases	1,018	-	1,018	445	-	1,463
Printing	-	-	-	-	2,431	2,431
Minor Equipment	6,814	14,381	21,195	9,346	73	30,614
Property Tax	-	-	-	6,834	-	6,834
Bad Debt	-	-	-	25,407	-	25,407
Training and Seminars	2,265	28	2,293	1,114	-	3,407
	$ 3,528,999	$ 403,370	$ 3,932,369	$ 2,129,753	$ 189,017	$ 6,251,139

The accompanying notes are an integral part of these financial statements.

For the Years Ended April 30	**2023**	2022
Cash Flows from Operating Activities:		
Decrease in Net Assets	**$ (2,202,638)**	$ (1,354,063)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Used in Operating Activities:		
Realized and Unrealized Loss on Investments	**533**	12,242
Bad Debt Expense	**-**	25,407
Depreciation Expense	**601,228**	609,279
Gain on Sale of Property and Equipment	**-**	(268,750)
(Increase) Decrease in Student Fees Receivable	**(43,165)**	176,021
Decrease (Increase) in Other Receivable - Employee Retention Credit	**353,635**	(353,635)
(Increase) Decrease in Prepaid Expenses and Other Current Assets	**(21,711)**	18,758
Increase in Accounts Payable and Accrued Expenses	**542,674**	241,246
Increase in Advance Tuition and Other Deposits	**3,665**	3,115
Increase in Refundable Advance	**137,822**	-
Net Cash Used in Operating Activities	**(627,957)**	(890,380)
Cash Flows from Investing Activities:		
Purchases of Investments	**(79,889)**	(287,074)
Proceeds from Sale of Investments	**75,070**	284,340
Proceeds from Sale of Property and Equipment	**-**	365,000
Acquisition of Property and Equipment	**-**	(55,995)
Net Cash (Used in) Provided by Investing Activities	**(4,819)**	306,271
Cash Flows from Financing Activities:		
Borrowings Under Line of Credit	**450,000**	-
Proceeds from Paycheck Protection Program Loan	**-**	531,600
Net Cash Provided by Financing Activities	**450,000**	531,600
Net Decrease in Cash	**(182,776)**	(52,509)
Cash, Beginning of Year	**557,814**	610,323
Cash, End of Year	**$ 375,038**	$ 557,814

Supplemental Disclosure of Cash Flow Information:

Cash Paid During the Year for Interest	**$ 30,886**	$ 5,809

Supplemental Disclosure of Noncash Investing Activities:

During the year ended April 30, 2022, the College sold property and equipment for $365,000. The property and equipment sold has an original cost of $217,105 and and accumulated depreciation of $120,855, resulting in a gain on sale in the amount of $268,750.

1. Organization and Summary of Significant Accounting Policies:

Nature of Organization: Northpoint Bible College (the College) is a not-for-profit educational institution founded in 1924. The College is an accredited Bible college located in Haverhill, Massachusetts, offering programs in biblical studies ranging from one to four years, which are designed to prepare students for the ministry. The College serves a student population consisting of students from the United States and several foreign countries. The College is supported primarily by tuition and contributions from alumni and the general public.

Basis of Presentation: The financial statements of the College have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (ASC) and Accounting Standards Updates (ASU) of the Financial Accounting Standards Board (FASB).

The College reports information regarding its financial position and activities according to the following net asset classifications:

> *Net Assets without Donor Restrictions*: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the College. These net assets may be used at the discretion of the College's management and Board of Directors. Net assets without donor restrictions include net assets designated by the board for specific purposes.

> *Net Assets with Donor Restrictions*: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the College or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Going Concern: The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The College has experienced recurring losses and negative cash flows from operations, and has negative net assets without donor restrictions available for operations in the amount of $(1,623,569) as of April 30, 2023. In addition, subsequent to April 30, 2023, the College has continued to incur operating losses and negative cash flows from operations. As of the date these financial statements were available to be issued, October 31, 2023, the College has an outstanding balance of $500,000 on its line of credit and an operating cash balance of less than $50,000. These factors indicate that there is substantial doubt about the College's ability to continue as a going concern, which has not been alleviated, within one year after the date the financial statements are available to be issued.

Operating activities and cash flow needs of the College are heavily dependent on contributions received from a single related party donor. During the years ended April 30, 2023 and 2022, contributions from this donor amounted to $1,000,000 and $500,000, respectively. As a result, annual changes in net assets and cash flow from operations fluctuate in direct correlation to this support.

Management has developed an operating plan designed to increase revenues, control operating costs, and establish additional donors in an effort to continue to fund operations and working capital requirements until such time that the College can generate sufficient cash flows from operations. The College's ability to continue as a going concern is dependent upon it executing in accordance with management's plan. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Management also continues to focus efforts on revenue growth in all areas. To boost student enrollment, the College has shifted resources and operational focus to improve and broaden student recruitment efforts. Three additional instructional sites, several new partnerships with varied ecclesiastical bodies and language groups have been established to generate additional enrollment and create diverse streams of revenue. The College is also expanding its online education footprint to increase this revenue source. These areas of revenue growth will continue to be a focus of the College moving forward.

1. Organization and Summary of Significant Accounting Policies (Continued):

Measure of Operations: The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the College's ongoing higher education. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Fair Value Measurements: The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

Revenue Recognition: Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Revenue represents amounts derived from student tuition and auxiliary fees, grant revenue, and contributions.

Revenue is recognized when control of the goods and services provided is transferred to the College's customers and in an amount that reflects the consideration the College expects to be entitled to in exchange for those goods and services using the following steps: 1) identification of the contract, or contracts with a customer, 2) identification of performance obligations in the contract, 3) determination of the transaction price, 4) allocation of the transaction price to the performance obligations in the contract and 5) recognition of revenue when or as the College satisfies the performance obligations.

The College generates revenue from tuition and related auxiliary fees. Revenue from tuition and related auxiliary fees is recorded net of tuition assistance and recognized ratably over the term of the school year.

Other revenue is recorded at a point in time that the services are rendered and the above revenue recognition criteria are met.

The College typically invoices its customers for student tuition and related auxiliary fees at the beginning of the school year. Typical payment terms provide that customers pay upon receipt of the invoice.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

1. Organization and Summary of Significant Accounting Policies (Continued):

Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. 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 statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long contributed assets must be used are recorded as net assets with donor restrictions. Otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions of services are reported as revenue and expenses without donor restrictions at the fair value of the service received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the College if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenue and expenses without donor restrictions at the time the goods or space is received.

The College must determine whether a contribution (or a promise to give) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. The College cannot consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Grant revenue is recognized upon meeting the legal and contractual requirements of the funding source.

Student Fees Receivable: Student fees receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is provided for those student fees receivable considered to be uncollectible based upon management's assessment of the collectability of student fees receivable, which considers historical write-off experience and any specific risks identified in customer collection matters. Bad debts are written off against the allowance when identified.

Contract Balances: The College's contract balances, resulting from contracts with customers, include advance tuition and other deposits. Advance tuition and other deposits represents payments received for which the aforementioned revenue recognition criteria have not been met.

Opening and closing balances for student fees receivable and contract balances from contracts with customers consist of the following:

	April 30, 2023	April 30, 2022	May 1, 2021
Student Fees Receivable, Net	$ 261,861	$ 218,696	$ 420,124
Advance Tuition and Other Deposits	$ 13,418	$ 9,753	$ 6,638

Cash: The College maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits.

1. Organization and Summary of Significant Accounting Policies (Continued):

Investments and Investment Income: The College's investments are reported at fair value as of the date of the statements of financial position. Realized and unrealized gains and losses are reflected in the accompanying statements of activities. Investment income or loss on investments (including realized and unrealized gains and losses on investments, interest and dividends) is included in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Interpretation of Relevant Law: The College follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The College's Board of Trustees has interpreted UPMIFA as considering the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the College classifies as donor-restricted endowment funds (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (d) appreciation (depreciation) in the fair value of endowment investments. Therefore, unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until those amounts are appropriated for expenditure by the College in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the College considers the following factors in making a determination to appropriate or accumulate endowment funds:

- Duration and preservation of the fund
- Purposes of the College and the donor-restricted endowment fund
- General economic conditions
- Possible effect of inflation and deflation
- Expected total return from income and the appreciation of investments
- Other resources of the College
- Investment policies of the College

Concentrations of Credit Risk: Financial instruments that potentially subject the College to concentration of credit risk consist primarily of cash, investments, and student fees receivable. The College maintains its cash and investments with high-credit quality financial institutions. The College believes it is not exposed to any significant losses due to credit risk on cash and investments. Student fees receivable are carried at amounts based upon management's judgment of potential defaults. Management identifies troubled receivables balances by assessing the donor's or customer's credit worthiness. As of April 30, 2023 and 2022, the allowance for doubtful accounts amounted to approximately $134,000.

Other Risks and Uncertainties: Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Property and Equipment: Property and equipment are recorded at cost on the date of acquisition. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, as follows:

Building and Improvements	25 - 40 Years
Office Equipment	3 - 10 Years

1. Organization and Summary of Significant Accounting Policies (Continued):

Impairment of Long-Lived Assets: It is required that long-lived assets, including purchased intangible assets with finite lives, be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. As of April 30, 2023 and 2022, the College evaluated its long-lived assets for impairment and determined that they were not impaired.

Advertising Costs: The College expenses advertising costs as incurred. During the years ended April 30, 2023 and 2022, the College incurred advertising expense in the amounts of $13,710 and $6,883, respectively.

Functional Allocation of Expenses: The costs of providing the College's program and other activities have been summarized on a functional basis in the statements of activities. Expenses related directly to program services or supporting activities are charged directly while other expenses that are common to several functions are allocated based on management's estimates, among major classes of programs services and supporting activities.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and Related Taxes and Benefits	Time and Effort
Depreciation	Square Footage
Utilities	Square Footage
Telephone	Time and Effort
Insurance	Time and Effort

Income Taxes: The College is a nonprofit College as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the College's exempt function. The College may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the College's exempt function. As of April 30, 2023 and 2022, management believes that the College has not generated any unrelated business taxable income.

The College assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements. The College's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of activities. The College has not recognized any liabilities for uncertain tax positions or unrecognized benefits as of April 30, 2023 and 2022. The College does not expect any material change in uncertain tax benefits within the next 12 months.

Use of Estimates: Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance with GAAP. Actual results experienced by the College may differ from those estimates.

Subsequent Events: Management has evaluated subsequent events spanning the period from April 30, 2023 through October 31, 2023, the date the financial statements were available to be issued.

Recently Adopted Accounting Policies: In February 2016, the FASB issued ASU 2016-02, *Leases* (ASC 842), which replaces the existing leasing standards and expands disclosure requirements for leasing arrangements. Effective May 1, 2022 the College adopted the guidance and expanded disclosure requirements under ASC 842 using the modified retrospective approach. The College elected the package of practical expedients allowable under ASC 842 transition guidance, and as a result did not reassess prior conclusions related to whether contracts are or contain a lease, lease classification and initial direct costs. The adoption of this ASU at May 1, 2022 had no impact, as the College had no arrangements at May 1, 2022 that required classification as operating or finance leases.

2. Availability and Liquidity:

The following reflects the College's financial assets as of April 30, 2023 and 2022, reduced by amounts not available for general use within one year of April 30, 2023 and 2022 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2023	2022
Cash	$ 375,038	$ 557,814
Other Receivable - Employee Retention Credit	-	353,635
Investments	657,796	653,509
Student Fees Receivable, Net of Allowance for Uncollectible Accounts	261,861	218,696
Notes Receivable	50,000	50,000
Total Financial Assets at End of Year	1,344,695	1,833,654
Less: Amounts Unavailable for General Expenditures within One Year:		
Due to Contractual or Donor-Imposed Restriction:		
Restricted by Donor with Time or Purpose Restrictions	602,698	887,370
To be Held in Perpetuity	405,818	403,930
	1,008,516	1,291,300
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	$ 336,179	$ 542,354

As part of the College's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations may come due. In addition, the College invests cash in excess of daily requirements in long-term investments.

3. Related Party Transactions:

During the years ended April 30, 2023 and 2022, the College received contributions in the amount of $1,000,000 and $500,000, respectively from a member of the Board of Trustees. This amount represents 55% and 41%, respectively of the College’s contributions received during the years ended April 30, 2023 and 2022.

4. Property and Equipment:

Property and equipment as of April 30, 2023 and 2022 consists of the following:

	2023	2022
Land	$ 4,377,600	$ 4,377,600
Building and Improvements	17,018,618	17,018,618
Office Equipment	1,938,653	1,938,653
	23,334,871	23,334,871
Less: Accumulated Depreciation	7,298,315	6,697,087
	$ 16,036,556	$ 16,637,784

Depreciation expense for the years ended April 30, 2023 and 2022 amounted to $601,228 and $609,279, respectively.

5. Investments:

Investments as of April 30, 2023 and 2022 consist of the following:

	2023	2022
Mutual Funds	$ 409,243	$ 372,980
Money Market Funds	241,154	272,740
Cash	7,399	7,789
	$ 657,796	$ 653,509

For the years ended April 30, 2023 and 2022, net investment income (loss) consists of the following:

	2023	2022
Interest and Dividends	$ 9,270	$ 6,988
Investment Fees	(4,450)	(4,254)
Net Realized and Unrealized Losses	(533)	(12,242)
	$ 4,287	$ (9,508)

6. Fair Value Measurements:

Investments measured at fair value on a recurring basis as of April 30, 2023 and 2022 are as follows:

	Fair Value Measurements at April 30, 2023			
	Totals	Level 1	Level 2	Level 3
Mutual Funds	$ 409,243	$ 409,243	$ -	$ -
Money Market Funds	241,154	241,154	-	-
Cash	7,399	7,399	-	-
	$ 657,796	$ 657,796	$ -	$ -

	Fair Value Measurements at April 30, 2022			
	Total	Level 1	Level 2	Level 3
Mutual Funds	$ 372,980	$ 372,980	$ -	$ -
Money Market Funds	272,740	272,740	-	-
Cash	7,789	7,789	-	-
	$ 653,509	$ 653,509	$ -	$ -

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used for the years ended April 30, 2023 and 2022.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the College are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the College are deemed to be actively traded.

Money Market Funds: Valued at the daily closing price as reported by the fund from an active market.

6. Fair Value Measurements (Continued):

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

7. Endowment:

As of April 30, 2023 and 2022, the endowment balance, by net asset classification, consists of the following:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ -	$ 707,796	$ 707,796

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ -	$ 703,509	$ 703,509

The changes in the endowment balance by net asset classification as of April 30, 2023 and 2022 consist of the following:

	Without Donor Restrictions	With Donor Restrictions	Totals
Endowment Balance, April 30, 2021	$ -	$ 713,017	$ 713,017
Investment Returns:			
Net Realized and Unrealized Losses	-	(12,242)	(12,242)
Interest and Dividends, Net of Investment Fees	-	2,734	2,734
Total Investment Returns	-	(9,508)	(9,508)
Endowment Balance, April 30, 2022	-	703,509	703,509
Investment Returns:			
Net Realized and Unrealized Losses	-	(533)	(533)
Interest and Dividends, Net of Investment Fees	-	4,820	4,820
Total Investment Returns	-	4,287	4,287
Endowment Balance, April 30, 2023	$ -	$ 707,796	$ 707,796

Return Objectives and Risk Parameters: The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the College must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The College targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

7. Endowment (Continued):

Spending Policy and How the Investment Objectives Relate to Spending Policy: The College has a spending policy, which is deemed to be within the guidelines specified under state law, of appropriating for distribution each year up to 25% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned and annually approved by the College's Board of Trustees. In considering this policy, the College took into account the long-term expected return on its endowment. During the years ended April 30, 2023 and 2022, no amounts were released from restriction under the College's spending policy.

8. Note Receivable:

On October 25, 2020, the College provided $50,000 of donor restricted endowment funds to Heritage Investment Services Fund. The College received a five-year promissory note receivable for the entire $50,000. Interest on the unpaid principal shall accrue at a rate of 3.75%. The balance of this note amounted to $50,000 as of April 30, 2023 and 2022.

9. Line of Credit:

The College is party to a revolving line of credit agreement with a bank for maximum borrowings of $500,000. The line of credit bears interest at the prime rate plus 1.00% (9.00% at April 30, 2023), and is collateralized by all business assets of the College. There is no expiration date on the line of credit; the line of credit will end at a time when both parties agree in writing to end the arrangement. As of April 30, 2023, the outstanding balance under the line of credit was $450,000. As of April 30, 2022, there was no outstanding balance under the line of credit.

10. Long-Term Debt - Paycheck Protection Program:

Consolidated Appropriations Act: On December 27, 2020, the Consolidated Appropriations Act was enacted and signed into law, which in part, was designated to provide certain aid and stimulus to the U.S. economy. The College qualifies as a small business under the Consolidated Appropriations Act and submitted a loan application with a qualified lender for funding under the Paycheck Protection Program (PPP), administered by the Small Business Association (SBA).

On May 14, 2021, the College's application with the lender was approved and as a result, the College obtained a loan (PPP Loan) in the amount of $531,600. The PPP Loan bears fixed interest at 1.00% per annum, which begins accruing from the date of the loan, and matures on May 14, 2026. The PPP Loan is unsecured and guaranteed by the SBA. The PPP Loan is eligible to be forgiven provided the College satisfies certain conditions and upon approval by the lender and the SBA. The PPP Loan provides for the deferral of payments until the SBA has determined the forgiveness amount, at which time, any remaining PPP Loan amount requires equal monthly payments of principal plus accrued interest in an amount sufficient to repay the remaining PPP Loan balance by the maturity date. The Organization's intent is to apply for full forgiveness. As of April 30, 2023, the outstanding balance of the PPP Loan amounted to $531,600, which is classified as a long-term liability and is included in long-term debt - paycheck protection program in the accompanying statements of financial position.

On September 22, 2023, the College obtained from the SBA notification of forgiveness of the entire PPP Loan balance plus accrued interest in the aggregate amount of $543,848. Accrued interest on the PPP Loan was determined by management to be immaterial to the financial statements.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

11. Employee Retention Credit:

The Coronavirus Aid, Relief and Economic Security (CARES Act), as amended by the Consolidated Appropriations Act, the American Rescue Plan Act and the Infrastructure and Jobs Act, includes certain provisions for an employee retention credit (ERC). The ERC incentivizes employers severely impacted by the COVID-19 pandemic to retain their employees through a fully refundable tax credit, which is allowed against the employer's share of employment taxes for qualified wages paid after March 12, 2020 and before October 1, 2021. Credits in excess of the tax amounts paid by an employer are treated as overpayments and are also refunded to the employer. The ERC is calculated as a percentage of qualified wages (as defined in the CARES Act, as amended) paid by an eligible employer. The ERC is equal to (i) 50% of the first $10,000, per calendar quarter, in qualified wages paid to each employee after March 12, 2020 and before January 1, 2021, with a maximum annual credit of $5,000 for each employee; and (ii) 70% of the first $10,000, per calendar quarter, in qualified wages paid to each employee between January 1, 2021 and December 31, 2021, with a maximum annual credit of $21,000 for each employee.

The College qualified for the ERC as it experienced a significant decline in gross receipts in as a result of the effects of the COVID-19 pandemic. A decline in gross receipts is defined as: (i) for 2020, 50% compared to the same calendar quarter in 2019; and (ii) for 2021, 20% compared to the same calendar quarter in 2019.

The College has elected to account for the ERC as a government grant under the FASB's ASC 958-605, *Not-for-Profit Entities: Revenue Recognition* and, accordingly, revenues are measured and recognized when barriers are substantially met. During the year ended April 30, 2022, the College claimed credits of $491,457 on timely filed 941's. As of April 30, 2023 and 2022, the College does not believe it has met all the conditions attached to the ERC for a portion of total credit claimed. As of April 30, 2022, the College recorded $353,645 as other receivable - employee retention credit on the accompanying statements of financial position and $353,645 as government grants in the accompanying statements of activities for the year ended April 30, 2023. The remaining $137,822 was considered a conditional promise to give which does not meet the criteria to record a receivable as of April 30, 2022 until the conditions attached to the ERC are met. During 2023, the College collected the full $491,457 claimed during 2022. As of April 30, 2023, the College has recorded $137,822 as a refundable advance on the accompanying statements of financial position for the portion of the credit received which it does not believe it has met all conditions to recognize the income.

12. Net Assets without Donor Restrictions:

Net assets without donor restrictions as of April 30, 2023 and 2022 consist of the following:

	2023	2022
Net Invested in Property and Equipment	$ 16,036,556	$ 16,637,784
Undesignated	(1,623,569)	(75,923)
	$ 14,412,987	$ 16,561,861

13. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of April 30, 2023 and 2022 consist of the following:

	2023	2022
Subject to Expenditure for Specified Purpose:		
Other	$ 148,455	$ 45,611
Scholarships	144,145	311,840
Capital Improvements	8,120	1,320
Total Purpose Restrictions	300,720	358,771
Subject to Spending Policy and Appropriation Guidelines:		
Investment in Perpetuity (Including Amounts above Original Gift Amounts of $405,818 and $403,930, Respectively):		
Endowment	707,796	703,509
Total Net Assets with Donor Restrictions	$ 1,008,516	$ 1,062,280

14. Net Assets Released from Restriction:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors or by the passage of time.

Net assets released from restriction during the years ended April 30, 2023 and 2022 consist of the following:

	2023	2022
Scholarships	$ 346,780	$ 173,772
Other	1,230	45,612
Capital Improvements	200	-
	$ 348,210	$ 219,384

15. Conditional Contributions:

Higher Education Emergency Relief Funding: The coronavirus pandemic has had a significant negative impact on higher education. Recognizing that, Congress has passed several acts which provide grant-based relief to both students and institutions as they pivot and cope with the many costs of the pandemic. Generally, the grants have at least a portion allocated to emergency student aid. The remainder is to be used to defray institutional costs associated with the coronavirus (including lost revenue, reimbursements for costs already incurred, technology costs associated with a transition to distance education, faculty and staff trainings and payroll). While each grant had somewhat different guidelines initially, over the course of subsequent grants, those have been adjusted to be similar and the end date to spend each grant has been adjusted to the end date of the last grant issued. For all emergency student aid, funds were released as aid was awarded to students. For all institutional expenses, funds were released as barriers to use were met. These grants were reported as government grants revenue on the accompanying statement of activities.

15. Conditional Contributions (Continued):

The the Coronavirus Aid, Relief and Economic Security (CARES) Act provided budgetary relief to higher education institutions. Congress set aside approximately $14.25 billion of the $30.75 billion allotted to the Education Stabilization Fund through the Higher Education Emergency Relief Fund (HEERF I). In the Spring of 2020, each institution received one grant comprised of two parts. Under the legislation, no less than 50 percent of the full grant was to be used for direct emergency aid to students and the remainder for institutional costs.

Also, as a part of the CARES Act, institutions which received less than $500,000 were awarded Fund for the Improvement of Postsecondary Education (FIPSE) funding to bring the institution to $500,000 total awarded. FIPSE funds may be used entirely for institutional costs although institutions are encouraged to use a portion for emergency student aid.

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) was signed into law which authorized the Higher Education Emergency Relief Fund II (HEERF II). In total, the CRRSAA authorizes $81.88 billion in support for education, in addition to the $30.75 billion expeditiously provided last spring through the CARES Act. Congress expanded the allowable uses for supplemental awards and new awards made under the CRRSAA and for unspent CARES Act funds, subject to certain limitations. In addition, the CRRSAA requires that an institution receiving funding provide the “same amount” in financial aid grants to students from the new CRRSAA funds that it was required or which it would have been required to provide under its original CARES Act Student Aid Portion award.

The CRRSAA also authorized additional funding for the Supplemental Aid to Institutions of Higher Education (SAIHE) also called Supplemental FIPSE which was available by application for institutions meeting certain criteria.

On March 11, 2021, the American Rescue Plan Act of 2021 (ARP) was signed into law which authorized the Higher Education Emergency Relieve Fund III (HEERF III). Under the legislation, no less than 50 percent of the full grant is to be used for direct emergency aid to students. The remaining portion of the grant is to be used to defray expenses associated with coronavirus as described above, implement evidence-based practices to monitor and suppress coronavirus, and conduct direct outreach to financial aid applications about the opportunity to receive a financial aid adjustment due to a change in circumstance.

During the year ended April 30, 2022, the College recognized revenue in the amount of $1,033,813 under these programs.

16. Retirement Plan:

The College sponsors a 403(b) defined contribution plan covering substantially all of its employees who meet certain eligibility requirements. The College matches, on a nondiscretionary basis, 3% of each eligible employees' annual salary. During the years ended April 30, 2023 and 2022, the College made contributions to the plan of $39,675 and $37,283, respectively.

17. Commitments and Contingencies:

Consulting Agreement: The College has a consulting agreement with a retired former president of the College. The agreement provides for annual consulting payments, a housing allowance, and an auto allowance, all of which were paid during the years ended April 30, 2023 and 2022. In addition, supplemental health insurance premiums, prescription drugs, medications, and other medical costs are paid as part of the agreement. No funds have been set aside or restricted in the accompanying financial statements for these obligations and such future costs have not been calculated and/or determined. The following amounts were paid during the years ended April 30, 2023 and 2022 in connection with this agreement:

	2023	2022
Housing Allowance	$ 33,535	$ 33,535
Automobile Allowance	15,346	15,346
Consulting	5,667	5,667
Health Insurance and Medical Costs	2,028	3,995
	$ 56,576	$ 58,543

Residential House Contribution - Life Estate: During the year ended June 30, 1999, the College received residential property valued at $155,000. This was given to the College with the condition that the donors live in the property rent-free until their death. During the year ended June 30, 2007, the Life Estate was amended to allow the donors to relocate. The College purchased a second residential property for this purpose and sold the original.

The amended Life Estate agreement required that $50,000 of the sale proceeds be maintained in an escrow account to pay the annual real estate taxes and any repairs exceeding $500. Amounts paid by the College during the years ended April 30, 2023 and 2022 to cover such expenses amounted to $1,359 and $6,834, respectively. Funds in this escrow were depleted in prior years. Payments for these expenses going forward will be funded out of the College's operations.

Deferred Housing and Health Insurance Agreements: The College has verbal agreements with former employees to provide them various expenses including housing and/or living allowances of approximately $300 to $670 per month, and/or health insurance premiums. Expenditures paid by the College for the years ended April 30, 2023 and 2022 amounted to $35,103 and $37,495, respectively.

Paycheck Protection Program: During April 2020, in connection with the Coronavirus Aid, Relief and Economic Security (CARES) Act, the College obtained a loan in the amount of $555,200 in connection with the Paycheck Protection Program (PPP) loan program administered by the Small Business Association (SBA). During August 2021, the College obtained notification from the SBA of forgiveness of the entire PPP loan balance in the amount of $555,200. The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven and to provide that documentation to the SBA upon request.

Indemnifications: In the ordinary course of business, the College enters into various agreements containing standard indemnification provisions. The College's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the College under such indemnification provisions is uncertain. As of April 30, 2023 and 2022, no amounts have been accrued related to such indemnification provisions.

18. Department of Education Financial Responsibility Information:

The Department of Education (ED) revised the regulations for financial responsibility, which required the College to implement as of July 1, 2019. The regulations require the College to provide additional disclosures, including a financial responsibility supplemental schedule, to assist the ED in measuring financial responsibility through a calculation of the composite score using three financial ratios. The financial responsibility supplemental schedule must contain all financial elements required to calculate the composite score ratios, with a cross-reference to the financial statement line or note that contains the element.

Note 4 provides information on the College's property and equipment, net of accumulated depreciation, but does not provide a breakout by the implementation date of May 1, 2019. The following table provides a breakdown of property and equipment, net, as of April 30, 2023 and 2022, based on the May 1, 2019 implementation date.

	2023	2022
Property and Equipment, Net of Accumulated Depreciation, Pre-Implementation	$ 16,000,465	$ 16,581,789
Property and Equipment, Net of Accumulated Depreciation, Post-Implementation without Outstanding Debt	36,091	55,995
Total Property and Equipment, Net of Accumulated Depreciation	$ 16,036,556	$ 16,637,784

For the Year Ended April 30 **2023**

Financial Statement and Line Name or Note Location		
	Primary Reserve Ratio:	
	Expendable Net Assets:	
Statement of Financial Position	Net assets without donor restrictions	$ 14,412,987
Statement of Financial Position	Net assets with donor restrictions	1,008,516
Note 13	Net assets with donor restrictions - restricted in perpetuity	405,518
Statement of Financial Position (with donor restrictions $1,115,516, less restricted in perpetuity $405,918)	Net assets with donor restrictions - time or purpose	602,998
Note 4	Property, plant and equipment - pre-implementation	$ 16,000,465
Note 4	Property, plant and equipment - post-implementation without outstanding debt for original purchase	36,091
Statement of Financial Position	Total property, plant and equipment, net (including CIP)	$ 16,036,556
	Total Expenses and Losses Without Donor Restrictions	
Statement of Activities	Total expenses without donor restrictions	$ 5,615,891
	Equity Ratio	
	Modified Net Assets	
Statement of Financial Position	Net assets without donor restrictions	$ 14,412,987
Statement of Financial Position	Net assets with donor restrictions	1,008,516
	Modified Assets	
Statement of Financial Position	Total assets	$ 17,395,570
	Net Income Ratio	
Statement of Activities	Change in net assets without donor restrictions	$ (2,148,874)
	Total Revenues and Gains Without Donor Restrictions	
Statement of Activities	Total operating revenue and other additions (gains)	$ 3,395,344
Statement of Activities	Total non-operating activities - other income	71,673

For the Year Ended April 30 **2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Amounts Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Education:				
Student Financial Assistance Cluster:				
Direct Funding:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	$ -	$ 14,896
Federal Pell Grant Program	84.063	N/A	-	515,965
Federal Direct Student Loans	84.268	N/A	-	658,986
Total Student Financial Assistance Cluster				1,189,847
Total U.S. Department of Education			-	1,189,847
Total Expenditures of Federal Awards			$ -	$ 1,189,847

The accompanying notes are an integral part of this Schedule.

Notes to the Schedule of Expenditures of Federal Awards for the Year Ended April 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Northpoint Bible College (the College) under programs of the federal government for the year ended April 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Note 3 - Indirect Costs

The College has elected not to use the 10-percent de minimus indirect cost rate allowed under Uniform Guidance.

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Northpoint Bible College

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Northpoint Bible College (the College), which comprise the statement of financial position as of April 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected in a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Baker Tilly US, LLP
Tewksbury, Massachusetts
October 31, 2023

Report on Compliance for The Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Northpoint Bible College

Report on Compliance for The Major Federal Program

Opinion on The Major Federal Program

We have audited Northpoint Bible College (the College) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the College's major federal program for the year ended April 30, 2023. The College's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended April 30, 2023.

Basis for Opinion on The Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the College’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A s*ignificant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Baker Tilly US, LLP

Baker Tilly US, LLP
Tewksbury, Massachusetts
October 31, 2023

Year Ended April 30, 2023

I. Summary of Auditors' Results

Schedule of Expenditures of Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness identified?	____ Yes	_X_ No
• Significant deficiencies identified that are not considered to be material weaknesses?	____ Yes	_X_ None Reported
Noncompliance material to the financial statements noted?	____ Yes	_X_ No

Federal Awards

Internal control over major federal programs:		
• Material weakness identified?	____ Yes	_X_ No
• Significant deficiencies identified?	____ Yes	_X_ None Reported
Types of auditors' report issued on compliance for major programs:	Unmodified	
• Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	____ Yes	_X_ No

Identification of major programs

ALN Number(s)	Name of Federal Program or Cluster
	Student Financial Assistance Cluster:
84.007	Federal Supplemental Education Opportunity Grant
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans

Dollar threshold used to distinguish between Type A and Type B programs	$750,000	
Auditee qualifies as low-risk auditee?	____ Yes	_X_ No

Year Ended April 30, 2023

II. Financial Statement Findings:

A. None noted.

III. Federal Award Findings and Questioned Costs:

A. None noted.

<u>Year Ended April 30, 2023</u>

Prior Year Findings:

II. Financial Statement Findings:

<u>Material Weakness</u>

2022-001 General Ledger Maintenance

Condition and Criteria: An effective system of internal control allows management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. Several material audit adjustments were required to present the financial statements in accordance with accounting principles generally accepted in the United States of America.

Resolution: The Organization (i) evaluated the financial department to ensure the correct number and types of personnel were in place, (ii) reviewed the current Financial Policies and Procedures, (iii) updated the Financial Policies and Procedures where necessary, and (iv) instituted greater accountability for the meeting of deadlines established in Financial Policies and Procedures. No such finding exists as a result of the 2023 audit.

III. Federal Award Findings and Questioned Costs:

<u>Material Weakness</u>:

2022-002 Reporting

Condition and Criteria: Formally documented internal control procedures ensure schedules are ready for a Single Audit audit on a timely basis. This ensures submission of the Single Audit report as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The College failed to submit the Single Audit report to the Federal Audit Clearinghouse by the required deadline.

Resolution: The Organization (i) created a comprehensive timeline (from engagement letter to distribution for final audit) for the auditing process that drives all departments associated with the auditing procedure and (ii) instituted a yearly review of auditing timeline with the current auditor for the purpose of making adjustments. No such finding exists as a result of the 2023 audit.