

South Carolina Education Oversight Committee
Annual Standards Assurance Form
S.C. Budget Proviso 109.15
2016-2017
Document A

Please complete the information requested below concerning your independent school. This information will be listed on the South Carolina Education Oversight Committee's website, www.eoc.sc.gov.

Independent School Name:	Ben Lippen School
Independent School Contact Person:	Shandra Brannon
Independent School Address:	7401 Monticello Road
City, State, Zip Code:	Columbia, SC 29203
Independent School Telephone Number:	(803) - 807 - 4100
Independent School Fax Number:	(803) - 744 - 1387
Independent School E-mail Address:	shandra.brannon@benlippen.com
Independent School Website Address:	www.benlippen.com

Please review the standards below based on the 2016-17 General Appropriation Act. An "Eligible school" is defined in the Proviso as "an independent school including those religious in nature, other than a public school, at which the compulsory attendance requirement of Section 59-65-10 may be met and that does not discriminate based on the grounds of race, color, religion, or national origin." Please indicate whether your school has met each standard to ensure the following academic requirements are being met. The S.C. Education Oversight Committee reserves the right to **request additional documentation** to show the school is in compliance with the 2016-17 General Appropriation Act.

STANDARDS	YES	NO
1. Offers a general education to primary or secondary school students.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Does not discriminate on the basis of race, color, or national origin.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Is located in this state.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Has an educational curriculum that includes courses set forth in the state's diploma requirements, graduation certificate requirements (for special needs children), and where the students attending are administered national achievement or state standardized tests, or both, at progressive grade levels to determine student progress.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Has school facilities that are subject to applicable federal, state, and local laws.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Is a member in good standing of the Southern Association of Colleges and Schools, the South Carolina Association of Christian Schools or the South Carolina Independent Schools Association.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Provides a specially designed program or learning resource center to provide needed accommodations based on the needs of exceptional needs students or provides onsite educational services or supports to meet the needs of exceptional needs students, or is a school specifically existing to meet the needs of only exceptional needs students with documented disabilities. Provide evidence of services or supports.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Did this school receive any grants last fiscal year (July 1, 2015 until June 30, 2016) from any nonprofit scholarship funding organization under the Educational Credit for Exceptional Needs Children Program? If Yes, then Complete Document B.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Will your school provide student test data from school year 2015-16? If Yes, then Complete Document C.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Will your school provide a compilation, review, or compliance audit of the organization's financial statements, conducted by a certified public accounting firm? If Yes, then Complete Document D.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

I assure that all documents submitted to the SC Education Oversight Committee for the purpose of applying as an eligible school, as defined by the Proviso, is true, accurate, and complete under penalty of perjury in accordance with Section 16-9-10.

Signature: Chip Jones

Date: 7-20-2016

Print Name of Signature Above: Chip Jones

Title: Headmaster

Email: chip.jones@benlippen.com

Return this form to Melanie Barton

- Phone: 803.734.6148
- E-mail: mbarton@eoc.sc.gov
- Mail: (P.O. Box 11867)
502 Brown Building
Columbia, S.C. 29211 (29201)



South Carolina Education Oversight Committee
Annual Standards Assurance Form
S.C. Budget Proviso 109.15
2016-17
Document A

Standard #7 Evidence of Services or Supports

Ben Lippen School accommodates students of various learning abilities. We have the resources to provide aid for those that have mild learning disorders up to high functioning autism. We allow alternate testing locations and extended time for testing. We have a special needs teacher on campus to work with our elementary students providing OT and PT, as well as assisting with learning objectives. We have a special needs teacher for our upper school that provides assistance with learning objectives for our students in need of extra help or time on assignments. Examples of some of our students' learning needs are dyslexia, high functioning autism, dysgraphia (learning disorders in math, reading and writing), ADHD, OCD, and dyspraxia.

Elementary

Monticello Road Campus
7401 Monticello Road
Columbia, SC 29203
FAX: (803) 807-4333

Elementary

St. Andrews Road Campus
500 St. Andrews Road
Columbia, SC 29210
FAX: (803) 807-4399

Middle & High Schools

7401 Monticello Road
Columbia, SC 29203
FAX: (803) 744-1387

(803) 807-4000

www.BenLippen.com

**Document B
Grants Received**

**Educational Credit for Exceptional Needs Children (ECENC) Application
2016-2017**

Independent School Name: Ben Lippen School

An independent school applying for or continuing to participate in the Educational Credit for Exceptional Needs Children Program for Fiscal Year 2016-17 is required to submit the following information:

Number and total amount of grants received from each nonprofit scholarship funding organization from July 1, 2015 through June 30, 2016.

Please complete the following chart. If no grants were received from a nonprofit scholarship funding organization indicate with "0" and "\$0."

Nonprofit Scholarship Funding Organizations	Total Number of Grants Received	Total Amount of Grants Received
Advanced Carolina SFO	0	\$ 0
Donors Enriching Students' Knowledge (DESK)	0	\$ 0
Palmetto Kids FIRST Scholarship Program, Inc.	23	\$ 56,080 ⁰⁰
St. Thomas Aquinas Scholarship Funding Organization	0	\$ 0

Total number of grants is the number of individual children/students who received a grant even if the school received more than one grant for a specific child/student. The total amount of grants per child/student should not have exceeded \$10,000.

Return this form & report to EOC:

Fax: 803.734.6167
Phone: 803.734.6148
Mail: P.O. Box 11867
Columbia, SC 29211



Ben Lippen Schools
July 19, 2016

Test Ranges

Settings: Start Class Year/Grade : **class of 2016**; End Class Year/Grade : **class of 2016**; Calculation Method: **only highest scores in each category** **Sorting:** Tests data sorted by **Test, Ascending**

Test			
ACT			
Summary	Middle 50%	Mean	Students Tested
ELA	0 - 0	1.0	
English	23 - 31	26.3	
Math	23 - 30	26.7	
Reading	22 - 32	27.0	
Science	22 - 32	26.6	
STEM	0 - 0	1.2	
Writing	14 - 22	16.3	
Composite	22 - 31	26.6	58

Test			
ACT Summary (taken before Oct 2015)			
Section	Middle 50%	Mean	Students Tested
English	22 - 28	25.1	
Math	22 - 28	25.1	
Reading	22 - 32	26.8	
Science	22 - 28	25.0	
Composit	22 - 29	25.3	58

Test			
PSAT Summary (taken before Oct 2015)			
Section	Middle50%	Mean	Students Tested
Critical	42 - 53	48	
Math	45 - 59		
Writing	40-51		
Total	129-162	148	72

Test Ranges

Settings: Start Class Year/Grade : **class of 2017 (grade 12)**; End Class Year/Grade : **class of 2017 (grade 12)**; Calculation Method: **only highest scores in each category** **Sorting:** Tests data sorted by **Test, Ascending**

Test			
ACT			
Summary	Middle 50%	Mean	Students
ELA	0 - 0	1.6	
English	18 - 26	22.3	
Math	18 - 26	22.1	
Reading	19 - 26	22.2	
Science	19 - 25	21.9	
STEM	0 - 0	2.3	
Writing	12 - 21	16.6	
Composite	19 - 25	21.9	51

Test

ACT Summary (taken before Oct 2015)

Section	Middle	Mean	Students Tested
English	17 - 27	21.9	
Math	19 - 27	22.4	
Reading	19 - 27	23.4	
Science Reasoning	17 - 24	21.1	
Composite	18 - 26	22.7	15

Test

Test

PLAN Summary

Section	Middle	Mean	Students Tested
English	15 - 20	17.8	
Math	16 - 21	19.2	
Reading	16 - 21	18.3	
Science Reasoning	17 - 21	19.3	
Composite	17 - 21	18.8	48

Test

PSAT Summary

Section	Middle	Mean	Students Tested
Evidence Based Reading and Writing	460 - 590	531	
Math	23.0 - 29.5	26	
Mathematics	460 - 590	524	

Test

PSAT Summary

Section	Middle	Mean	Students Tested
Reading	50%	26	
Writing	25 - 30	27	
Total	930 - 1140	1055	69

Test

PSAT Summary (taken before Oct 2015)

Section	Middle	Mean	Students Tested
Critical Reading	50%	41	
Math	36 - 48	42	
Writing	37 - 47	42	
Total	106 - 126	125	35

Test

Section	Middle	Mean	Students Tested
Evidence Based Reading and Writing	500 - 640	560	
Math	26 - 33	30	
Mathematics	520 - 600	600	
Reading	25 - 32	29	
Writing	26 - 31	28	
Total	1050 - 1280	1200	42

Test

SAT Summary 1600 (taken before Mar 2005)

Section	Middle	Mean	Students Tested
Critical Reading	470 - 520	529	
Math	480 - 520	543	
Writing	450 - 520	503	
Total	1410 - 1720	1575	46

Test Ranges

Settings: Start Class Year/Grade: **class of 2018 (grade 11)**; End Class Year/Grade: **class of 2018 (grade 11)**; Calculation Method: **only highest scores in each category** **Sorting:** Tests data sorted by **Test, Ascending**

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Test

PSAT Summary

Section	Middle 50%	Mean	Students Tested
Reading	20 - 28	25	
Writing	20 - 30	24	
Total	810 - 1110	995	56

Test

PSAT Summary (taken before Oct 2015)

Section	Middle 50%	Mean	Students Tested
Critical Reading	35 - 45	41	
Math	37 - 46	43	
Writing	34 - 43	40	
Total	107 - 135	123	56

Test

Test Ranges

Settings: Start Class Year/Grade : class of 2019 (grade 10); End Class Year/Grade : class of 2019 (grade 10); Calculation Method: only highest scores in each category Sorting: Tests data sorted by Test, Ascending

Test			
PSAT Summary			
Section	Middle	Mean	Students Tested
Reading	21 - 27	24	
Writing	19 - 26	23	
Total	820 - 1010	945	70

Test			
PSAT Summary (taken before Oct 2015)			
Section	Middle	Mean	Students Tested
Critical Reading	34 - 44	40	
Math	37 - 46	42	
Writing	34 - 40	38	
Total	102 - 133	120	60



South Carolina Education Oversight Committee
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Document C

2015-16 School Year Results for TerraNova Assessment

Grade	National Percentiles	
	ELA (Reading)	Mathematics
1	90.5	80.5
2	93.5	78.5
3	94.2	86.0
4	94.6	85.0
5	93.5	90.0
6	78.8	71.7
7	74.5	71.6
8	79.0	73.4

High school scores on following pages

Elementary

Monticello Road Campus
7401 Monticello Road
Columbia, SC 29203
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Elementary

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FAX: (803) 744-1387

(803) 807-4000

www.BenLippen.com

Document D

Educational Credit for Exceptional Needs Children (ECENC) Application 2016-2017

Independent School Name: Ben Lippen School

An independent school applying for or continuing to participate in the Educational Credit for Exceptional Needs Children Program for Fiscal Year 2016-17 is required to submit the following information:

A copy of a compilation, review, or compliance audit of the organization's financial statements, conducted by a certified public accounting firm. By law, the compilation, review or compliance audit will be posted online at www.eoc.sc.gov.

Please answer the following questions:

	YES	NO
Did your school receive any grants last fiscal year, between July 1, 2015 and June 30, 2016, under the ECENC program?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>If Yes, are you attaching a compilation, review or compliance audit conducted by a certified public accounting firm to this Document and submitting it to the EOC by December 30, 2016.</p> <p>Does the audit:</p> <ul style="list-style-type: none"> • Document and verify that all grants received under the Educational Credit for Exceptional Needs Children Program in 2015-16 were for eligible children enrolled in the school? • Document the total amount of each grant per child from every scholarship funding organization (SFO)? • Document that no grant exceeded \$10,000 during school year 2015-16? • Document that the independent school returned a prorated amount of the grant to the SFO if any student withdrew during the school year? <p>Also, document that the total amount of each grant was used for tuition which is defined as "the total amount of money charged for the cost of a qualifying student to attend an independent school including, but not limited to, fees for attending the school and school-related transportation."</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If No , will your school submit a compilation, review or compliance audit conducted by a certified public accounting firm by June 30, 2017 to the EOC if you receive tuition grants this fiscal year, between July 1, 2016 and June 30, 2017?	<input type="checkbox"/>	<input type="checkbox"/>

Return this form & report to EOC:

Fax: 803.734.6167
 Phone: 803.734.6148
 Mail: P.O. Box 11867
 Columbia, SC 29211



Financial Statements
With Independent Auditors' Report

June 30, 2015 and 2014

COLUMBIA INTERNATIONAL UNIVERSITY

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Columbia International University
Columbia, South Carolina

Report on the Financial Statements

We have audited the accompanying statements of financial position of Columbia International University as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Columbia International University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Board of Trustees
Columbia International University
Columbia, South Carolina

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Columbia International University as of June 30, 2015 and 2014, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Columbia, South Carolina
October 9, 2015

COLUMBIA INTERNATIONAL UNIVERSITY

Statements of Financial Position

	June 30,	
	2015	2014
ASSETS:		
Cash and cash equivalents	\$ 2,021,919	\$ 2,328,423
Student accounts receivable–net	112,617	176,962
Other accounts receivable	311,464	33,849
Contributions receivable–net of allowance	6,137,654	9,414,174
Estate receivable	1,000,000	-
Investments	36,182,627	21,305,229
Other assets	205,780	434,971
Broadcast licenses	-	327,644
Property and equipment–net	36,534,423	40,107,765
Trust assets	3,749,245	2,657,174
	\$ 86,255,729	\$ 76,786,191
LIABILITIES AND NET ASSETS:		
Accounts payable and accrued expenses	\$ 717,588	\$ 806,167
Deferred revenue and deposits	2,417,001	2,299,964
Notes payable	13,166,382	13,530,446
Annuities payable	1,087,278	1,166,397
Trust liabilities	1,736,156	959,126
	19,124,405	18,762,100
Net assets:		
Unrestricted	34,923,699	27,415,588
Temporarily restricted	27,616,645	26,099,786
Permanently restricted	4,590,980	4,508,717
	67,131,324	58,024,091
	\$ 86,255,729	\$ 76,786,191

See notes to financial statements

COLUMBIA INTERNATIONAL UNIVERSITY

Statements of Activities

	Year Ended June 30,							
	2015			2014				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING ACTIVITIES:								
Higher education revenues and support:								
Tuition and fees	\$ 13,490,529	\$ -	\$ -	\$ 13,490,529	\$ 13,817,252	\$ -	\$ -	\$ 13,817,252
Less endowment awards	(663,179)	-	-	(663,179)	(420,381)	-	-	(420,381)
Less general scholarships	(1,510,824)	-	-	(1,510,824)	(872,564)	-	-	(872,564)
Less institutional aid—other	(2,135,504)	-	-	(2,135,504)	(2,842,709)	-	-	(2,842,709)
Net tuition and fees	9,181,022	-	-	9,181,022	9,681,598	-	-	9,681,598
Federal grants	112,091	-	-	112,091	146,462	-	-	146,462
Private gifts and grants	3,189,093	5,020,433	82,263	8,291,789	2,134,378	2,395,130	10,593	4,540,101
Investment income	244,100	-	-	244,100	-	-	-	-
Educational sales and services	9,725	-	-	9,725	9,435	-	-	9,435
Other income	271,065	-	-	271,065	151,894	-	-	151,894
Housing and food service	2,340,628	-	-	2,340,628	2,532,275	-	-	2,532,275
Higher education revenues and support	15,347,724	5,020,433	82,263	20,450,420	14,656,042	2,395,130	10,593	17,061,765
Net assets released from restriction:								
Allowed per endowment policy	663,179	-	-	663,179	420,381	-	-	420,381
Gen scholarship gifts	1,510,824	(1,510,824)	-	-	872,564	(872,564)	-	-
Operations and auxiliary services	1,742,940	(1,742,940)	-	-	872,688	(872,688)	-	-
	3,916,943	(3,253,764)	-	663,179	2,165,633	(1,745,252)	-	420,381
Operating revenues, support and releases:								
Higher education	19,264,667	1,766,669	82,263	21,113,599	16,821,675	649,878	10,593	17,482,146

(continued)

See notes to financial statements

COLUMBIA INTERNATIONAL UNIVERSITY

Statements of Activities (continued)

	Year Ended June 30,							
	2015			2014				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING ACTIVITIES, continued:								
Higher education expenses:								
Instruction	5,279,655	-	-	5,279,655	5,131,839	-	-	5,131,839
Academic support	1,327,548	-	-	1,327,548	1,539,191	-	-	1,539,191
Student services	3,044,818	-	-	3,044,818	2,822,260	-	-	2,822,260
Institutional support	4,978,092	-	-	4,978,092	5,233,787	-	-	5,233,787
Physical plant	1,879,358	-	-	1,879,358	1,846,745	-	-	1,846,745
Housing and food services	1,486,858	-	-	1,486,858	1,476,980	-	-	1,476,980
	17,996,329	-	-	17,996,329	18,050,802	-	-	18,050,802
Depreciation and amortization	1,266,431	-	-	1,266,431	1,437,714	-	-	1,437,714
Operating expenses:								
Higher Education	19,262,760	-	-	19,262,760	19,488,516	-	-	19,488,516
Change in net assets:								
Higher Education	1,907	1,766,669	82,263	1,850,839	(2,666,841)	649,878	10,593	(2,006,370)

(continued)

See notes to financial statements

COLUMBIA INTERNATIONAL UNIVERSITY

Statements of Activities (continued)

	Year Ended June 30,							
	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING ACTIVITIES, continued:								
Independent operations revenues and support:								
Ben Lippen School	10,047,599	287,970	-	10,335,569	9,829,181	268,510	-	10,097,691
Pine View Apartment	1,198,792	-	-	1,198,792	1,214,951	-	-	1,214,951
	11,246,391	287,970	-	11,534,361	11,044,132	268,510	-	11,312,642
Net assets released from restriction	188,001	(188,001)	-	-	156,896	(156,896)	-	-
Operating revenues:								
Independent operations	11,434,392	99,969	-	11,534,361	11,201,028	111,614	-	11,312,642
Independent operations expenses:								
Ben Lippen School	9,606,670	-	-	9,606,670	9,027,201	-	-	9,027,201
Pine View Apartments	967,139	-	-	967,139	940,782	-	-	940,782
Depreciation	913,240	-	-	913,240	786,875	-	-	786,875
	11,487,049	-	-	11,487,049	10,754,858	-	-	10,754,858
Change in net assets:								
Independent operations	(52,657)	99,969	-	47,312	446,170	111,614	-	557,784
Change in Net Assets								
from Continuing Operations	(50,750)	1,866,638	82,263	1,898,151	(2,220,671)	761,492	10,593	(1,448,586)

(continued)

See notes to financial statements

COLUMBIA INTERNATIONAL UNIVERSITY

Statements of Activities

(continued)

	Year Ended June 30,							
	2015			2014				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
NON-OPERATING ACTIVITIES:								
Application of endowment spending policy	-	(663,179)	-	(663,179)	-	(420,381)		(420,381)
Net assets released from restriction:								
Capital projects	149,150	(149,150)	-	-	3,189,096	(3,189,096)	-	-
Gains on investments in excess								
of amounts designated for operations	141,771	454,887	-	596,658	1,052,813	1,672,054	-	2,724,867
Change in value of annuities	28,805	-	-	28,805	(128,249)	-	-	(128,249)
Change in value of trust net assets	-	7,663	-	7,663	-	12,067	-	12,067
Loss on disposal of fixed assets	(106,107)	-	-	(106,107)	(142,229)	-	-	(142,229)
Insurance reimbursement income	-	-	-	-	11,648	-	-	11,648
Change in Non-operating Net Assets	213,619	(349,779)	-	(136,160)	3,983,079	(1,925,356)	-	2,057,723
(Loss) gain from discontinued operations	(209,701)	-	-	(209,701)	358,342	155,507	-	513,849
Gain on sale of discontinued operations	7,554,943	-	-	7,554,943	-	-	-	-
Change in net assets	7,508,111	1,516,859	82,263	9,107,233	2,120,750	(1,008,357)	10,593	1,122,986
Net Assets, Beginning of Year	27,415,588	26,099,786	4,508,717	58,024,091	25,294,838	27,108,143	4,498,124	56,901,105
Net Assets, End of Year	\$ 34,923,699	\$ 27,616,645	\$ 4,590,980	\$ 67,131,324	\$ 27,415,588	\$ 26,099,786	\$ 4,508,717	\$ 58,024,091

See notes to financial statements

COLUMBIA INTERNATIONAL UNIVERSITY

Statements of Cash Flows

	Year Ended June 30,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 9,107,233	\$ 1,122,986
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	2,179,671	2,224,590
Depreciation and amortization from discontinued operations	48,363	56,455
Contributions restricted for long-term purposes	(82,263)	(10,593)
Estate receivable	(1,000,000)	-
Pledges receivable revenue	(516,879)	(661,666)
Proceeds from contributions receivable	3,793,399	6,534,437
Donated stock	(2,078,053)	(636,617)
Proceeds from donated securities	2,079,403	627,794
Loss on disposal of fixed assets	106,107	142,229
Gain on sale of discontinued operations	(7,554,943)	-
Change in value of trust assets	(7,663)	(12,067)
Impairment of trust assets	-	100,000
Gift portion of new trust agreements	(691,190)	-
Actuarial change in annuities	(190,785)	(55,607)
Payments on annuities	192,845	190,278
Net realized and unrealized gains on investments	(217,966)	(2,331,752)
Changes in operating assets and liabilities:		
Accounts receivable	(213,270)	40,843
Other assets	229,191	(19,654)
Accounts payable and accrued expenses	(132,778)	89,218
Deferred revenue and deposits	117,037	6,309
Other liabilities	-	(86,446)
Net Cash Provided by Operating Activities	5,167,459	7,320,737
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(24,781,106)	(7,917,828)
Sale of investments	8,848,137	5,617,812
Proceeds from the sale of property and equipment	38,845	-
Proceeds from the sale of discontinued operation	9,998,942	-
Purchase of broadcast licenses	-	(327,644)
Purchase of property and equipment	(871,800)	(3,922,259)
Net Cash Used in Investing Activities	(6,766,982)	(6,549,919)

(continued)

See notes to financial statements

COLUMBIA INTERNATIONAL UNIVERSITY

Statements of Cash Flows (continued)

	Year Ended June 30,	
	2015	2014
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable	(364,064)	(591,067)
Proceeds from notes payable	-	41,013
Payments on capital lease obligations	-	(13,144)
Contributions restricted for long-term purposes	82,263	10,593
Income on trust assets	(2,731)	7,625
Face value to new trust agreements	1,639,921	-
New annuities	111,666	53,755
Payments on trusts	(50,377)	(55,007)
Matured trusts	69,186	-
Payments on annuities	(192,845)	(190,278)
	<u>1,293,019</u>	<u>(736,510)</u>
Net Cash Provided (Used) by Financing Activities		
	<u>1,293,019</u>	<u>(736,510)</u>
Net Change in Cash and Cash Equivalents	(306,504)	34,308
Cash and Cash Equivalents, Beginning of Year	<u>2,328,423</u>	<u>2,294,115</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,021,919</u>	<u>\$ 2,328,423</u>
SUPPLEMENTAL DISCLOSURE:		
Cash payments for interest expense	<u>\$ 816,930</u>	<u>\$ 817,467</u>
NONCASH FINANCING ACTIVITY:		
Debt extinguished and refinanced	<u>\$ -</u>	<u>\$ 1,979,954</u>

See notes to financial statements

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

1. NATURE OF ORGANIZATION:

Columbia International University (University), located in Columbia, South Carolina, sits on a 400-acre campus overlooking the Broad River and is ten minutes from downtown Columbia, the capital city of South Carolina. The University was founded in 1923 as Columbia Bible School after six women prayed for a Bible school to train mill workers. The University was initially incorporated in April 1927, and became known as Columbia Bible College in 1929, and then Columbia Bible College and Seminary (“CBCS”) in 1987. Finally, the University changed to the current name of Columbia International University in 1994. The University maintains a European campus in Korntal, Germany.

The University is evangelical and multi-denominational. Many graduates become missionaries, while others go into church and para-church ministries. Even more serve as active Christians in the marketplace.

The University emphasizes the authority of Scripture, authentic Christian living, world evangelization, prayer and faith, and evangelical unity.

The University is identified as a nonprofit corporation. In November 1937, the Internal Revenue Service issued a determination letter that recognized the University as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. That determination letter remains in effect.

The mission of the University is to educate people from a biblical worldview to impact the nations with the message of Christ.

ACADEMIC PROGRAM

The Higher Education division of the University includes the College of Arts and Sciences, the College of Education, the College of Counseling, the College of Intercultural Studies, and the Seminary and School of Ministry. Each college offers undergraduate and graduate level degrees with the exception of the College of Counseling which only offers graduate degrees. Degrees offered include A.A., B.A., B.S., M.A., M.A. in Counseling, M.A. in Bible Teaching, M.A. in TEFL/ICS, M.A. in Bible Exposition; M.A. Chaplaincy; M.A. in Global Studies; M.A. in Ministry Leadership; M.A. in Ministry Care; M.A.T., M.Div., M.Ed., Ed.D, Ed.S., and D.Min.

ACCREDITATION

The University is accredited and approved by:

- The Commission on Colleges of the Southern Association of Colleges and Schools (SACS)
- The Association for Biblical Higher Education (ABHE)
- The Association of Theological Schools (ATS)

BEN LIPPEN SCHOOL

Ben Lippen School is a ministry of the University and a Christian college preparatory school offering day-school instruction for grades K4 through 12. Ben Lippen is accredited by the Association of Christian Schools International (ASCI) and the Southern Association of Colleges and Schools (SACS). Ben Lippen maintains an elementary campus on St. Andrews Road in Columbia, South Carolina, as well as the elementary, middle, and high school facilities on the University campus.

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

1. NATURE OF ORGANIZATION, continued:

RADIO BROADCASTING

Until December 2014 the University owned and operated two noncommercial, Christian radio stations: WMHK Radio (89.7 FM) broadcasting from Columbia, South Carolina, and WRCM New Life Radio (91.9 FM) broadcasting from Charlotte, North Carolina. The stations were sold in December 2014, and the results of that transaction are reflected in the financial statements as discontinued operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed by the University are described below to enhance the usefulness of the financial statements to the reader.

ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash, checking, money market, and deposit accounts at financial institutions with maturities of three months or less. These accounts may, at times, exceed federally insured limits. The University has not experienced any losses on such accounts. The University believes it is not exposed to any significant credit risk on cash and cash equivalents.

ACCOUNTS RECEIVABLE—STUDENT AND OTHER

Accounts receivable are reported net of any estimated losses due to uncollectible accounts. The University's policy for determining when receivables are past due or delinquent is when an enrolled student's account is 30 days past due. The University charges a \$75 one-time late fee for those accounts not paid by the first day of class each semester. Accounts are deemed uncollectible after 120 days or the end of the semester, whichever comes first, and are turned over for third-party collection. Uncollectible accounts are written off after all third-party collection efforts are exhausted, or the University is notified of bankruptcy status. As of June 30, 2015 and 2014, total balances that were 90 or more days past due were \$114,120 and \$177,375, respectively.

Accounts receivable are written-off based on management's evaluation of the collectability of the receivable portfolio, including the nature of the portfolio, credit concentrations, trends in historical loss experience, specific impaired notes, and economic conditions.

The allowance for doubtful accounts is maintained at a level which, in the University's judgment, is adequate to absorb potential losses inherent in the receivable portfolio. The amount of the allowance is based on management's evaluation of the collectability of the receivable portfolio, including the nature of the portfolio, trends in historical loss experience, specific impaired accounts, and economic conditions.

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CONTRIBUTIONS RECEIVABLE

Contributions, including unconditional promises to give, are recognized in the period the contribution or promise is made. Such amounts are reported at a value which is based on the expected future cash flows, excluding estimated uncollectible accounts, discounted to present value if due or receivable more than one year from the statements of financial position date.

CONDITIONAL PROMISE-TO-GIVE

In May 2004, a donor established a scholarship agreement to support Ben Lippen School students with a commitment to provide gifts of \$50,000 per year for 15 years, totaling \$750,000. Annual funding received through June 30, 2015 and 2014, was \$550,000 and \$500,000, respectively. Because this commitment is funded through a donor-advised fund with a foundation, it is not considered to be an unconditional contribution receivable and is recognized as the contributions are received.

INVESTMENTS

Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair value with gains and losses reported in the statements of activities. Donated investments are recorded at market value at the date of donation and thereafter carried in conformity with the stated policy.

Alternative investments consist of those investments which are not valued based upon a quoted market price and include assets such as real estate, limited partnership, and limited liability company interests. Investments in real estate and limited liability company interests are carried at fair value at date of donation. Investments in limited partnership interests are carried at net asset value, as reported by fund managers.

INVENTORIES

Inventories are stated at the lower of cost or market based on the first-in, first-out basis. Inventory of the food service auxiliary enterprise is the property of an outside contractor operating the enterprise and are not included in the assets of the University.

PROPERTY AND EQUIPMENT

Property and equipment purchased with a cost in excess of \$5,000 are capitalized as property and equipment and are recorded at cost on the date of acquisition. Donated items are recorded at their fair market value on the date of donation.

Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis, ranging from three to sixty years.

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ANNUITIES PAYABLE

The University has issued charitable gift annuity agreements and uses the actuarial method of accounting for these gifts. The difference between the amount provided for the gift annuity and the liability for future payments, determined by the University's actuary, is recognized as a contribution at the date of the gift. The annuity liability is revalued annually.

TRUSTS

As trustee, the University administers irrevocable trusts, including charitable remainder unitrusts and annuity trusts. These trusts provide the payment of lifetime distributions to the grantor or other designated beneficiaries. Because some of these trusts have revocable beneficiaries at the discretion of the grantor, the principal amounts provided for these are recorded as liabilities. All trust income, deduction, and credits are reportable by the grantor for tax purposes. At the grantor's death, the remaining trust assets, if designated for the University, will be recorded as contributions income. Any trust designated for other beneficiaries will be distributed in accordance with the trust agreement.

For the trusts that are fully irrevocable, the present value of the income interests are reported as trust liabilities using federal discount and mortality tables. At the death of the lifetime beneficiaries, the trusts provide for the distribution of assets to designated remaindermen. The present value of the remainder interest of the University is reported as temporarily restricted contributions in the period received and as a reclassification to unrestricted net assets when released. Certain trusts contain provision to distribute assets to remaindermen other than the University. The portion attributable to others is reflected as a part of trust liabilities in the statements of financial position.

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS

The financial statements report amounts separately by class of net assets. In accordance with GAAP, the net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the University and changes therein are classified and reported as follows:

Unrestricted net assets are currently available at the direction of the board for use in the University's operations, designated by the board for specific use, or invested in property and equipment.

Temporarily restricted net assets are stipulated by donors for specific operating purposes, time restrictions, acquisition of property and equipment, or not currently available for use until commitments regarding their use have been fulfilled.

Permanently restricted net assets are contributed with donor restrictions requiring that they be held in perpetuity with income used for operations and scholarships.

REVENUE AND EXPENSES

Revenue is recognized when earned and support is recognized when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the University. Donated property (including securities, real property, and equipment) is recorded at fair value at the date of the gift.

The University reports gifts of cash and other assets as restricted revenue if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

The University reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long-lived assets must be maintained, the University reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Gifts-in-kind consist of property, securities, and forgiveness of indebtedness recognized at fair value on the date of the gift.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing the program services and supporting activities of the University have been summarized on a functional basis in Note 11. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

REVENUE AND EXPENSES, continued

Advertising costs are expensed when they are incurred and totaled \$681,295 and \$740,990 for the years ended June 30, 2015 and 2014, respectively.

RECLASSIFICATIONS

Certain financial statement and footnote information from prior year financial statements has been reclassified to conform with current year presentation format. Further, certain comparative amounts in the statement of changes in net assets have been reclassified to conform with the current year's presentation as if an operation discontinued during the current year had been discontinued from the start of the comparative year.

STUDENT FINANCIAL ASSISTANCE PROGRAMS

The University participates in the delivery of student financial assistance programs under various programs administered by the Department of Education. The related activity is subject to audit both by independent certified public accountants and by representatives of the administering agency regarding compliance with applicable regulations. Any resultant findings of noncompliance could potentially result in the required return of related funds received and/or the assessment of fines or penalties or the discontinuation of eligibility for participation.

UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statements of activities. As of June 30, 2015 and 2014, the University had no uncertain tax positions that qualified for recognition or disclosure in the financial statements.

The University files information tax returns in the U.S. and South Carolina. The University is generally no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2009.

3. STUDENT ACCOUNTS RECEIVABLE-NET:

Student accounts receivable consist of:

	June 30,	
	2015	2014
Student accounts receivable	\$ 259,118	\$ 326,764
Less allowance for doubtful accounts	(146,501)	(149,802)
	<u>\$ 112,617</u>	<u>\$ 176,962</u>

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

4. CONTRIBUTIONS RECEIVABLE–NET OF ALLOWANCE:

Contributions receivable includes the following unconditional promises:

	June 30,	
	2015	2014
Contributions receivable within one year	\$ 1,219,738	\$ 998,214
Contributions receivable within two to five years	5,926,679	9,892,941
	<u>7,146,417</u>	<u>10,891,155</u>
Less allowance for uncollectibility	(681,962)	(1,046,019)
	<u>6,464,455</u>	<u>9,845,136</u>
Less unamortized discount	(326,801)	(430,962)
	<u>\$ 6,137,654</u>	<u>\$ 9,414,174</u>

A discount rate of 1.5% was used to estimate the present value of contributions receivable at June 30, 2015 and 2014, respectively.

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

5. INVESTMENTS:

Investments consist of:

	June 30, 2015			
	Unrestricted Fund	Annuity Fund	Endowment and Restricted Scholarship Fund	Total
Investments:				
Cash and cash equivalents	\$ 38,703	\$ 243,963	\$ 452,164	\$ 734,830
Stocks	2,784	-	20,194	22,978
Mutual funds	2,718,320	1,705,586	27,359,457	31,783,363
Fixed income securities	90,749	-	49,658	140,407
Alternative investments:				
Real-estate, held at cost	54,241	-	393,546	447,787
Limited partnership	368,611	-	2,674,451	3,043,062
Other, held at gift basis	1,236	-	8,964	10,200
Total investments	\$ 3,274,644	\$ 1,949,549	\$ 30,958,434	\$ 36,182,627

	June 30, 2014			
	Unrestricted Fund	Annuity Fund	Endowment and Restricted Scholarship Fund	Total
Investments:				
Cash and cash equivalents	\$ 7,948	\$ 116,817	\$ 1,699,283	\$ 1,824,048
Stocks	4,569	-	24,559	29,128
Mutual funds	57,612	3,067,841	12,048,723	15,174,176
Fixed income securities	-	82,760	603,301	686,061
Alternative investments:				
Real-estate	130,000	-	447,787	577,787
Limited partnerships	-	-	3,003,829	3,003,829
Other, held at gift basis	10,200	-	-	10,200
Total investments	\$ 210,329	\$ 3,267,418	\$ 17,827,482	\$ 21,305,229

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

5. INVESTMENTS, continued:

Income on investments consists of:

	Year Ended June 30,	
	2015	2014
Interest and dividends	\$ 795,626	\$ 615,183
Realized and unrealized gains on investments	217,966	2,237,452
Investment management fees netted with investment income	(197,208)	(170,834)
Gains on rental property investments	22,162	32,941
Interest income on cash accounts and change in value of CSV	2,212	10,125
	\$ 840,758	\$ 2,724,867

6. PROPERTY AND EQUIPMENT—NET:

Property and equipment consist of:

	June 30,	
	2015	2014
Land and improvements	\$ 8,701,376	\$ 8,783,686
Buildings	42,192,777	44,176,352
Equipment	4,508,065	4,910,433
Library books	1,393,885	1,355,592
	56,796,103	59,226,063
Less accumulated depreciation	(20,261,680)	(19,118,298)
Net book value of property and equipment	36,534,423	40,107,765
Less notes payable secured by specific assets	(11,523,882)	(11,887,946)
Equity in property and equipment	\$ 25,010,541	\$ 28,219,819

Depreciation expense for the years ended June 30, 2015 and 2014, was \$2,221,534 and \$2,274,545, respectively. Amortization of debt issuance costs for the years ended June 30, 2015 and 2014, was \$6,500, respectively.

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

7. NOTES PAYABLE:

Notes payable consist of:

	June 30,	
	2015	2014
Unsecured note payable due on demand to a trust of which the University is the beneficiary; bearing interest at 8%, with interest only payments due quarterly.	\$ 1,642,500	\$ 1,642,500
On June 26, 2014, the University refinanced its three notes payable to financial institutions with one new note payable to a financial institution, bearing interest at 3.75%, secured by real property, with monthly principal and interest payments of \$70,864 due until the note matures with a balloon payment in June 2024.	11,523,882	11,887,946
The University entered into an unsecured line of credit in the amount of \$1,000,000. The terms of the loan require monthly payments of interest only, at 3.75% per annum, through the maturity date of January 2, 2014. During the year ended June 30, 2015, the terms of the loan were modified to extend the maturity date to April 9, 2016.	-	-
	<u>\$ 13,166,382</u>	<u>\$ 13,530,446</u>

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

7. NOTES PAYABLE, continued:

Maturities of notes payable are as follows:

Years Ending June 30,	Amounts
2016	\$ 2,060,768
2017	435,634
2018	452,488
2019	469,995
2020	487,189
Thereafter	9,260,308
	\$ 13,166,382

The University is required to comply with various covenants related to certain notes payable. The University was in compliance with these requirements as of June 30, 2015 and 2014, respectively.

8. TRUST ASSETS, LIABILITIES, AND NET ASSETS:

Trust assets, liabilities, and net assets consist of:

	June 30,	
	2015	2014
Trust assets, at fair value:		
Cash and cash equivalents	\$ 85,632	\$ 40,948
Mutual funds	2,021,113	788,726
	2,106,745	829,674
Trust assets, at gift basis:		
Note receivable–University (see Note 7)	1,642,500	1,642,500
Real estate	-	185,000
	\$ 3,749,245	\$ 2,657,174

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

8. TRUST ASSETS, LIABILITIES, AND NET ASSETS, continued:

	June 30,	
	2015	2014
Trust liabilities and net assets:		
Present value of expected payments to beneficiaries	\$ 1,525,182	\$ 670,737
Due other remaindermen or changeable interests	210,974	288,389
	1,736,156	959,126
Total trust net assets—temporarily restricted	2,013,089	1,698,048
	\$ 3,749,245	\$ 2,657,174

Change in value of trust net assets consists of:

	Year Ended June 30,	
	2015	2014
Investment income—interest and dividends	\$ 22,153	\$ 21,213
Realized and unrealized (losses) gains	(24,884)	94,301
Impairment	-	(100,000)
Actuarial change	3,378	59,449
Advisory fees and other expenses	(11,793)	(7,889)
Payments to income beneficiaries	(50,377)	(55,007)
Terminated trusts	69,186	-
	\$ 7,663	\$ 12,067

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

9. NET ASSETS:

Net assets consist of:

	June 30,	
	2015	2014
Unrestricted:		
Undesignated	\$ 247,506	\$ (804,231)
Board-designated endowment	9,665,652	-
Equity in property and equipment	25,010,541	28,219,819
	34,923,699	27,415,588
Temporarily restricted:		
General scholarship gifts and unappropriated earnings	1,989,356	2,677,757
Restricted scholarship funds	14,712,446	10,641,008
Operations and auxiliary services	2,428,975	1,057,383
Building projects	21,091	395,599
Charitable remainder trusts	2,013,089	1,698,048
Contributions receivable	6,137,655	9,415,927
Independent operations	314,033	214,064
	27,616,645	26,099,786
Permanently restricted—endowment funds	4,590,980	4,508,717
	\$ 67,131,324	\$ 58,024,091

10. INSTITUTIONAL AID:

Source of institutional aid consist of:

	June 30,	
	2015	2014
Annual fund financial aid gifts	\$ 641,161	\$ 1,281,611
Broadcasting grant	20,600	41,200
Aid from operating funds	1,473,743	1,519,898
	\$ 2,135,504	\$ 2,842,709

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

11. OPERATING AND NON-OPERATING EXPENSES:

Operating and non-operating expenses, by natural classification consist of:

	Year Ended June 30, 2015			
	Program Services	Management and General	Fund-raising	Total
Salaries	\$ 10,308,144	\$ 2,371,125	\$ 493,969	\$ 13,173,238
Payroll taxes and benefits	3,131,205	1,744,533	122,601	4,998,339
Professional and legal fees	3,047	103,098	1,549	107,694
Office expenses	920,382	266,521	44,156	1,231,059
Occupancy	1,365,319	257,914	25,523	1,648,756
Repairs and maintenance	438,862	312,296	11,433	762,591
Travel and conferences	729,806	112,135	13,170	855,111
Advertising and promotion	379,708	273,561	28,026	681,295
Insurance	232,909	77,593	9,591	320,093
Interest	-	816,930	-	816,930
Depreciation and amortization	1,615,951	516,239	50,397	2,182,587
Other operating expenses	3,315,977	598,106	58,033	3,972,116
Total expenses	\$ 22,441,310	\$ 7,450,051	\$ 858,448	\$ 30,749,809

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

11. OPERATING AND NON-OPERATING EXPENSES, continued:

Operating and non-operating expenses, by natural classification consist of, continued:

	Year Ended June 30, 2014			
	Program Services	Management and General	Fund-raising	Total
Salaries	\$ 10,556,074	\$ 2,859,590	\$ 680,253	\$ 14,095,917
Payroll taxes and benefits	3,305,849	1,925,279	192,253	5,423,381
Professional and legal fees	-	98,234	-	98,234
Office expenses	883,430	174,235	100,585	1,158,250
Occupancy	1,368,464	222,957	37,553	1,628,974
Repairs and maintenance	503,000	213,571	14,636	731,207
Travel and conferences	783,170	111,150	46,029	940,349
Advertising and promotion	401,984	239,888	99,118	740,990
Insurance	256,883	114,738	14,515	386,136
Interest	-	817,467	-	817,467
Depreciation and amortization	1,693,535	515,521	71,988	2,281,044
Other operating expenses	3,546,293	1,048,871	210,603	4,805,767
Total expenses	\$ 23,298,682	\$ 8,341,501	\$ 1,467,533	\$ 33,107,716

12. EMPLOYEE BENEFIT PLAN:

The University has a defined contribution pension plan covering substantially all employees over 18 years of age who have completed three months of service and at least one hour of service in each of these months. The University makes contributions to eligible employees who work at least 1,000 hours during the plan year. The University's contribution is based on a percentage of salary and employees may make additional contributions. Vesting in the University's contributions is based on a six-year vesting schedule, which requires a minimum of two years of service, and reaches 100% after the sixth year of service. Employer contributions were \$588,626 and \$687,323 for the years ended June 30, 2015 and 2014, respectively.

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

13. OPERATING LEASE COMMITMENTS:

Future minimum lease payments under various operating leases (with initial or remaining lease terms in excess of one year) and as of June 30, 2015, are:

<u>Years Ending June 30,</u>	<u>Amounts</u>
2016	\$ 66,432
2017	34,057
2018	17,959
2019	18,138
2020	18,320
Thereafter	18,503
	<u>\$ 173,409</u>

The lease expense for the years ended June 30, 2015 and 2014, was \$157,199 and \$125,275, respectively.

14. FEDERAL FINANCIAL ASSISTANCE:

The federal government awards the University various monies restricted for student financial aid. The monies are awarded through three federal programs: Pell Grant (Pell), Federal Supplemental Educational Opportunity Grant (FSEOG), and Federal Work Study (FWS).

Pell provides eligible students a foundation of financial aid to assist with defraying the costs of post-secondary education. Because the grants are classified as pass-through grants in the amount of \$1,026,276 and \$1,060,683 for the years ended June 30, 2015 and 2014, respectively, they are excluded from income and expense on these statements.

The FWS program provides part-time employment to students who need the earnings to help meet their post-secondary education costs. The program is intended to broaden the range of worthwhile job opportunities to qualified students. The University received and disbursed approximately \$82,235 and \$107,997 of FWS awards for the years ended June 30, 2015 and 2014, respectively.

FSEOG provides eligible students with additional financial assistance in the form of grants. The University received and disbursed \$28,856 and \$38,465 of FSEOG awards for the years ended June 30, 2015 and 2014, respectively.

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

15. RELATED PARTY TRANSACTIONS:

Columbia Biblical Seminary conducts a resident masters degree program with campus facilities and support staff furnished by the Akademie Fur Weltmission Korntal gGmbH (Academy for World Mission, AWM). The Korntal (near Stuttgart) branch campus enrolled approximately 200 students. In order to facilitate the availability of accredited seminary programs to their qualified constituency, the AWM has a contractual commitment to the University to underwrite operating expenses of the branch campus by providing tuition subsidies and the physical resources of its campus. All tuition and housing revenue is received by AWM, which administers site facilities and finances for the University. The University is reimbursed for any direct expenses associated with accreditation and administration. The AWM administration submits a revenue/expense budget annually for review by the University's administration in order to ensure the appropriate University oversight of fiscal propriety and educational priorities.

The University had services performed during the years ended June 30, 2015 and 2014, by a company owned by the family member of a key member of management. Payments made to the company during the years ended June 30, 2015 and 2014, amounted to \$24,247 and \$98,737, respectively.

16. FAIR VALUE MEASUREMENTS:

The University uses appropriate valuation techniques to determine fair value based on inputs available. The levels are defined as follows: Level 1 – based on quoted prices for identical assets in active markets; Level 2 – based on observable inputs other than quoted prices in active markets; Level 3 – based on significant unobservable inputs. When available, the University measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

16. FAIR VALUE MEASUREMENTS:

Fair Value Measurements at June 30, 2015				
	Level 1	Level 2	Level 3	Total
Investments:				
Cash and cash equivalents	\$ 734,830	\$ -	\$ -	\$ 734,830
Mutual funds:				
Emerging markets equity	707,975	-	-	707,975
Money market	20,998	-	-	20,998
High yield bond fund	2,277,226	-	-	2,277,226
Intermediate fixed income	6,227,916	-	-	6,227,916
International equity	2,928,700	-	-	2,928,700
Investment grade bond	81,911	-	-	81,911
Large cap growth equity	6,730,603	-	-	6,730,603
Large cap value equity	5,133,116	-	-	5,133,116
REITs	779,064	-	-	779,064
Short term fixed income	797,664	-	-	797,664
Small cap growth equity	2,339,548	-	-	2,339,548
Small cap value equity	3,758,642	-	-	3,758,642
Total mutual funds	31,783,363	-	-	31,783,363
Fixed income securities:				
Government bonds	83,905	-	-	83,905
Mortgaged-backed	16,053	-	-	16,053
Municipal bonds	-	40,449	-	40,449
Total fixed income securities	99,958	40,449	-	140,407

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

16. FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements at June 30, 2015			
	Level 1	Level 2	Level 3	Total
Investments, continued:				
Stocks:				
Banking	22,978	-	-	22,978
Total stocks	22,978	-	-	22,978
		-		
Alternative investments:				
Limited partnership	-	-	3,043,062	3,043,062
Investments, at fair value	\$ 32,641,129	\$ 40,449	\$ 3,043,062	\$ 35,724,640
Trust assets, at fair value:				
Cash and cash equivalents	\$ 85,632	\$ -	\$ -	\$ 85,632
Mutual funds:				
Emerging markets equity	1,391	-	-	1,391
Global equity	35,401	-	-	35,401
International equity	290,184	-	-	290,184
Large cap domestic equity	13,752	-	-	13,752
Large cap growth equity	303,371	-	-	303,371
Large cap value equity	315,931	-	-	315,931
REITs	147,373	-	-	147,373
Small cap growth equity	103,930	-	-	103,930
Small cap value equity	98,823	-	-	98,823
High yield bond fund	116,495	-	-	116,495
Intermediate fixed income	498,612	-	-	498,612
Short term fixed income	95,850	-	-	95,850
Total mutual funds	2,021,113	-	-	2,021,113
Trust assets, at fair value	\$ 2,106,745	\$ -	\$ -	\$ 2,106,745

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

16. FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements at June 30, 2014			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash and cash equivalents	\$ 1,824,048	\$ -	\$ -	\$ 1,824,048
Mutual funds:				
Emerging markets equity	244,178	-	-	244,178
Bond fund index fund	957,672	-	-	957,672
High yield bond fund	1,526,270	-	-	1,526,270
Intermediate fixed income	1,100,427	-	-	1,100,427
International equity	1,636,054	-	-	1,636,054
Investment grade bond	82,378	-	-	82,378
Large cap growth equity	3,191,753	-	-	3,191,753
Large cap value equity	3,155,208	-	-	3,155,208
REITs	602,715	-	-	602,715
Short term fixed income	119,419	-	-	119,419
Small cap growth equity	1,286,660	-	-	1,286,660
Small cap value equity	1,271,442	-	-	1,271,442
Total mutual funds	15,174,176	-	-	15,174,176
Fixed income securities:				
Government bonds	624,528	-	-	624,528
Mortgaged-backed	21,513	-	-	21,513
Municipal bonds	40,020	-	-	40,020
Total fixed income securities	686,061	-	-	686,061
Stocks:				
Banking	24,559	-	-	24,559
Energy	4,569	-	-	4,569
Total stocks	29,128	-	-	29,128
Alternative investments:				
Limited partnerships	-	-	3,003,829	3,003,829
Investments, at fair value	\$ 17,713,413	\$ -	\$ 3,003,829	\$ 20,717,242

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

16. FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements at June 30, 2014			
	Level 1	Level 2	Level 3	Total
Trust assets, at fair value:				
Cash and cash equivalents	\$ 40,948	\$ -	\$ -	\$ 40,948
Mutual funds:				
Emerging markets equity	1,566	-	-	1,566
International equity	107,463	-	-	107,463
Global equity	7,748	-	-	7,748
Intermediate fixed income	203,913	-	-	203,913
High yield bond fund	42,886	-	-	42,886
Large cap growth equity	134,586	-	-	134,586
Large cap value equity	133,059	-	-	133,059
REITs	46,755	-	-	46,755
Short term fixed income	32,971	-	-	32,971
Small cap growth equity	41,993	-	-	41,993
Small cap value equity	35,786	-	-	35,786
Total mutual funds	788,726	-	-	788,726
Trust assets, at fair value	\$ 829,674	\$ -	\$ -	\$ 829,674

	(Level 3) Limited Partnerships June 30,	
	2015	2014
Beginning balance	\$ 3,003,829	\$ 2,821,434
Purchases, sales, issuances, and settlements	-	-
Total gains (realized and unrealized) included in changes in net assets	39,233	182,395
Ending balance	\$ 3,043,062	\$ 3,003,829

The amount of total gains or losses for the period included in changes in net assets, attributable to the change in unrealized gains or losses related to assets still held at the reporting date.

	\$ 39,233	\$ 182,395
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COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

16. FAIR VALUE MEASUREMENTS, continued:

The University uses the Net Asset Value (NAV) to determine the fair value for all alternative investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have attributes of an investment company. The following table lists investments in other investment companies (in partnership format) by major category at June 30, 2015:

Investment Category	Strategy	Fair Value Determined Using NAV	\$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions	Redemption Restrictions in Place at Year End
CTA	Trend following	\$ 314,298	\$ -	n/a	The Fund allows monthly redemptions.	120 Days	120 Days
HFOF	Multiple	1,591,586	-	n/a	The Fund allows annual redemptions with 90 day prior written notice.	1 Year Lockup	none
Hedge EM Debt	EM Debt	569,425	-	n/a	The Fund allows monthly redemptions.	none	none
CTA	Trend following	<u>567,753</u>	<u>-</u>	n/a	The Fund allows monthly redemptions.	1 Year Lockup	none
		<u>\$ 3,043,062</u>	<u>\$ -</u>				

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

16. FAIR VALUE MEASUREMENTS, continued:

The University uses the Net Asset Value (NAV) to determine the fair value for all alternative investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have attributes of an investment company. The following table lists investments in other investment companies (in partnership format) by major category at June 30, 2014:

Investment Category	Strategy	Fair Value Determined Using NAV	\$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions	Redemption Restrictions in Place at Year End
CTA	Trend following	\$ 285,419	\$ -	n/a	The Fund allows monthly redemptions.	120 Days	120 Days
HFOF	Multiple	1,564,623	-	n/a	The Fund allows annual redemptions with 90 day prior written notice.	1 Year Lockup	none
Hedge EM Debt	EM Debt	609,825	-	n/a	The Fund allows monthly redemptions.	none	none
CTA	Trend following	<u>543,962</u>	<u>-</u>	n/a	The Fund allows monthly redemptions.	1 Year Lockup	none
		<u>\$ 3,003,829</u>	<u>\$ -</u>				

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

16. FAIR VALUE MEASUREMENTS, continued:

Methods and assumptions used by the University in estimating fair values are as follows:

Valuation techniques : Fair values for stocks and certificates of deposit are based on quoted market prices in an active market. The fair value of bonds is based on yields currently available for comparable securities of issuers with similar credit ratings. The fair value of mutual funds is based on quoted net asset values of the shares held by the University at year-end. Fair values of alternative investments are based on the net asset value (NAV) of the underlying investments in the fund.

Changes in valuation techniques : None.

Gains and losses (realized and unrealized) related to investments are included in the change in net assets and are reported in investment income. Gains and losses (realized and unrealized) related to the annuities and charitable lead trusts are reported in change in value of annuities and trusts. Gains and losses (realized and unrealized) related to charitable remainder trusts and revocable living trusts are included in the change in value of assets and liabilities on the statements of financial position.

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

17. ENDOWMENTS:

The University's endowments consist of 157 individual funds established for a variety of purposes as a result of donor contributions. As required by GAAP, net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of trustees of the University has interpreted the South Carolina Uniform Prudent Management of Institutional Funds Act (SCUPMIFA) as requiring 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 University classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by SCUPMIFA. In accordance with SCUPMIFA, the University considers the following factors in making a determination to appropriate or accumulated donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the University and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the University
7. The investment policies of the University

Endowment net asset composition by type of fund as of June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Donor-restricted funds	\$ (2,016)	\$ 14,712,446	\$ 4,590,980
Board-designated funds	9,665,652	-	-
	<u>9,663,636</u>	<u>14,712,446</u>	<u>4,590,980</u>

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

17. ENDOWMENTS, continued:

Changes in endowment net assets for the year ended June 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Endowment net assets, beginning of year	\$ -	\$ 10,641,008	\$ 4,508,717
Investment return:			
Interest and dividends	99,521	338,482	-
Net gains (realized and unrealized)	118,107	101,427	-
Total investment return	217,628	439,909	-
Contributions	-	2,294,708	82,263
Transfers		2,000,000	-
Board designations	9,446,008	-	-
Amounts appropriated for expenditure	-	(663,179)	-
	<u>9,663,636</u>	<u>4,071,438</u>	<u>82,263</u>
Endowment net asset, end of year	<u>\$ 9,663,636</u>	<u>\$ 14,712,446</u>	<u>\$ 4,590,980</u>

Endowment net asset composition by type of fund as of June 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Donor-restricted funds	<u>\$ -</u>	<u>\$ 10,641,008</u>	<u>\$ 4,508,717</u>

Changes in endowment net assets for the year ended June 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Endowment net assets, beginning of year	\$ (16)	\$ 9,093,393	\$ 4,498,124
Investment return:			
Interest and dividends	-	245,146	-
Net gains (realized and unrealized)	16	1,303,065	-
Total investment return	16	1,548,211	-
Contributions	-	419,785	10,593
Amounts appropriated for expenditure	-	(420,381)	-
	<u>16</u>	<u>1,547,615</u>	<u>10,593</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 10,641,008</u>	<u>\$ 4,508,717</u>

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

17. ENDOWMENTS, continued:

	Year Ended June 30,	
	2015	2014
Permanently restricted net assets:		
The portion of perpetual endowment funds that are required to be retained permanently either by explicit donor stipulations or by SCUPMIFA	\$ 4,590,980	\$ 4,508,717
Temporarily restricted net assets:		
The portion of perpetual endowment funds subject to a time restriction under SCUPMIFA:		
With purpose restrictions	\$ 14,712,446	\$ 10,641,008

Return Objectives and Risk Parameters—The University 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 University must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce an inflation adjusted income stream to grow the corpus above the inflation rate. The University expects its endowment funds, over time, to provide an average rate of return of approximately 7% annually. Actual returns in any given year may vary from this amount.

Funds with Deficiencies—From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SCUPMIFA requires the University to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$2,016 and \$-0- as of June 30, 2015 and 2014, respectively. These deficiencies resulted from unfavorable market fluctuations.

Strategies Employed for Achieving Objectives—To satisfy its long-term rate-of-return objectives, the University 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 University targets a diversified asset allocation that places a greater emphasis on fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy—The University has a policy of appropriating for distribution each year 5% of the value of each fund, or in some cases 50% of each funds earnings. This calculation is based upon the actual rate of return on the endowment funds for the previous calendar year. In establishing this policy, the University’s board considered long-term expected return on its endowment. This is consistent with the board’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment returns.

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

18. DISCONTINUED OPERATIONS:

On December 18, 2014 Columbia International University sold its radio-broadcasting net assets to Educational Media Foundation, a California non-profit corporation, for \$10.5 million. A gain of \$7,554,943 was realized on the sale and is reflected on the statement of activities.

The carrying values of the net assets sold were as follows:

Assets:

Buildings	\$	2,079,022
Broadcast licenses		327,644
Equipment		743,837
Land improvements		93,726
Land		18,978
Less: accumulated depreciation		<u>(863,407)</u>
		2,399,800

Liabilities:

Accounts payable and accrued expenses		<u>(35,375)</u>
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Net assets

\$ 2,364,425

The results of the discontinued radio-broadcasting activities for the years ended June 30, 2015 and 2014 were as follows:

	Year Ended June 30,	
	<u>2015</u>	<u>2014</u>
Revenues	\$ 993,176	\$ 3,378,191
Expenses	(1,154,514)	(2,807,887)
Depreciation	<u>(48,363)</u>	<u>(56,455)</u>
Loss (gain) on discontinued operations	<u><u>\$ (209,701)</u></u>	<u><u>\$ 513,849</u></u>

COLUMBIA INTERNATIONAL UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

19. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS:

The Financial Accounting Standards Board (FASB) recently issued an accounting standards update to the *Statement of Cash Flows—Overall—Other Presentation Matters* topic of the Accounting Standards Codification (ASC). The amendments in this update require classification of cash receipts from the sale of donated financial assets (e.g., debt or equity instruments) by an not-for-profit that, upon receipt of the donated financial assets, are directed for sale without any limitations and are converted nearly immediately into cash as (1) operating cash flows, or (2) if the donor has restricted the use of the securities to a long-term purpose, as financing cash flows. The amendments require classification as investing cash flows of all other cash receipts resulting from the sale of debt and equity securities not meeting the foregoing conditions for classification within operating or financing cash flows. The amendments are effective for fiscal years beginning after June 15, 2013, with early adoption permitted. The University has adopted this update.

20. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.