

**South Carolina Education Oversight Committee (EOC)
Annual Standards Assurance Form**

H.4077 (R.247) as Signed by the Governor on May 18, 2018

2018-19

Document A – Application for Continued Participation in ECENC Program

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.

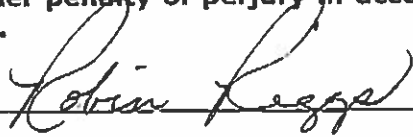
Independent School Name:	First Baptist School of Charleston
Independent School Contact Person:	Robin Riggs / Susan Brooks
Independent School Address:	48 Meeting Street
City, State, Zip Code:	Charleston, S. Carolina 29401
Independent School Telephone Number:	(843) - 722-6646
Independent School Fax Number:	(843) - 720-2510
Independent School E-mail Address:	fb.school.org
Independent School Website Address:	www.fb.school.org

Please review the standards below based on H.4077 (R.247) as signed by the Governor on May 18, 2018. An "eligible school" is defined as "an independent school including those religious in nature, other than a public school, at which the compulsory attendance requirements of Section 59-65-10 may be met," and does not discriminate based on the grounds of race, color, 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 state law.

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. Please	<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, the South Carolina Independent Schools Association, or the Palmetto Association of Independent Schools.	<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. Please provide a summary of the services provided based on exceptional needs of students served.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Did this school receive any grants last fiscal year (July 1, 2017 until June 30, 2018) from Exceptional SC from the Educational Credit for Exceptional Needs Children Fund? Please complete Document B.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. By December 31, 2018, will your school submit school-level test score results from the prior school year on national achievement tests and individual student test scores for students who received a grant from Exceptional SC in the prior school year? Please complete Document C.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. By December 31, 2018, will your school provide a "compilation, review, or compliance audit of the organization's financial statements as relating to the grants received, conducted by a certified public accounting firm"? Please 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 state law, is true, accurate, and complete under penalty of perjury in accordance with Section 16-9-10 of the South Carolina Code of Laws.

Signature: _____



Date: _____

5/30/18

Print Name of Signature Above: _____

Robin Riggs

Title: _____

Lower School Administrator

Email: _____

riggsr@fhschool.org

Return this form to Melanie Barton

- Phone: 803.734.6148
- E-mail: mbarton@eoc.sc.gov
- Mail: P.O. Box 11867
Columbia, S.C. 29211
- Fax: 803.734.6167
- Physical Location:
1205 Pendleton Street
Room 502 Brown Building
Columbia, SC 29201

FIRST BAPTIST SCHOOL

May 30, 2018

To Whom It May Concern:

Update Statement of services for Exceptional Needs Students at First Baptist School-(No. 7)

Application for Continued Participation in ECENC Program-

First Baptist is a unit school serving students in the two year-old preschool program through 12th grades. For the first time since 1949, there will be two campuses. The two year-old preschool through eighth grade students will remain at the downtown campus located at 48 Meeting Street. The ninth through 12th grade students will be moving to the new First Baptist Campus located on James Island. First Baptist will continue to serve students from the Tri-County area. Our curriculum is a college preparatory program that prepares students for their future in college.

We accept students with different types of learning difficulties. Most are ADHA or ADD, but we do have some with learning disabilities and mild Asperger's.

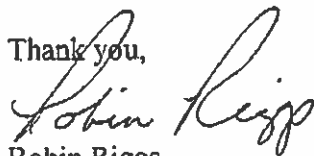
First Baptist is a small school. Because of the size, small classes are offered that often benefit students with the above learning difficulties. Each Tuesday and Thursday, teachers are required to remain an hour after school to provide extra help with academic and organizational skills, for those students who need the extra help. If we do not have the resources needed of a specific student, First Baptist allows for tutors to be brought in to help with specific needs throughout the day.

We are fortunate to have a full time counselor available to those students who have Asperger's, ADHA, and other learning disabilities. The counselor provides social coaching and provides emotional support for these students who need it. For the 2018-2019 school year the full time counselor will work throughout the week on both campuses. Some of the students are on a weekly schedule to meet with the counselor, whereas others are on a "as needed" to see basis.

First Baptist School administers standardized testing each spring. One-on-one testing is provided for students who need the support.

It has been an honor for First Baptist School to be a part of the ECENC Program in the past. It has benefited families who have students with needs. First Baptist School would like to be considered once again for acceptance into this program for the 2018-2109 school year.

Thank you,



Robin Riggs

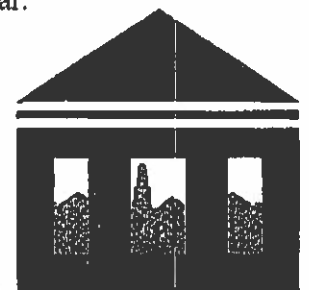
Lower School Administrator

Truth • Values • Knowledge

(p) 843-722.6646

(f) 843-720.2521 | upper school

(f) 843-720-2510 | lower school



48 Meeting Street
Charleston, SC 29401
www. fbschool.org

**Document B
Grants Received**

**Application for Continued Participation
Educational Credit for Exceptional Needs Children (ECENC) Program
2018-2019**

Independent School Name: First Baptist School of Charleston

An independent school continuing to participate in the Educational Credit for Exceptional Needs Children for Fiscal Year 2018-19 is required to submit the following information:

Total number of grants and total amount of grants received in the preceding fiscal year, from July 1, 2017 through June 30, 2018.

Please complete the following chart. If no grants for any qualifying student were received from Exceptional SC in Fiscal Year 2017-18, please indicate with "0" grants received and "\$0" in total amount of grants received.

Total Number of Grants Received	Total Amount of Grants Received
3	\$3,192.64

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 \$11,000.

Document C
Student Assessment Data

Application for Continued Participation
Educational Credit for Exceptional Needs Children (ECENC) Program
2018-2019

Independent School Name: First Baptist School of Charleston

An independent school applying for continued participation in the Educational Credit for Exceptional Needs Children Program for Fiscal Year 2018-19 is required to submit the following information **by December 31, 2018**:

Student test scores, by category, on national achievement or state standardized tests, or both, for all grades tested and administered by the school receiving or entitled to receive scholarship grants pursuant to this section in the previous school year. The school shall also provide individual student test scores on national achievement or state standardized tests, or both, for any student in grades one through twelve who received a grant from the program during the prior school year. The information must be used to provide program level reports to determine whether students participating in the program have experienced measurable improvement. Students with disabilities for whom standardized testing is not appropriate are exempt from this requirement.

Section 12-6-3790(E)(1)(b)

The information will be used to issue an annual report.

Annually, the Education Oversight Committee shall issue a report to the General Assembly documenting the impact of the Educational Credit for Exceptional Needs Children Program on student achievement. In addition, the report must include information on individual schools if at least fifty-one percent of the total enrolled students in the private school participated in the Educational Credit for Exceptional Needs Children Program in the prior school year. The report must be according to each participating private school, and for participating students, in which there are at least thirty participating students who have scores for tests administered. If the Education Oversight Committee determines that the thirty participating-student cell size may be reduced without disclosing personally identifiable information of a participating student, the Education Oversight Committee may reduce the participating-student cell size, but the cell size may not be reduced to less than ten participating students.

Section 12-6-3790(E)(6)

Schools applying for continued participation in the ECENC Program must provide the following:

- 1. School-level assessment results** for school year 2017-18 on national achievement tests for all grades tested in the school and for each grade with at least 10 students tested. Information should be provided for English language arts (reading) and mathematics achievement of students in the grade. Examples include: *TerraNova, Stanford 10, Iowa Test of Basic Skills, etc.* For grades 9-12, the school may provide average PSAT, SAT, ACT, or other scores as appropriate.

For schools that specifically exist to meet the needs of only exceptional needs students with documented disabilities, the EOC will work with the schools to provide information (including formative assessments, portfolios, etc.) that document the students' academic and social development.

How many students were enrolled in your school in 2017-18? 468

The following is a **template** that you may use for reporting purposes. For questions, contact the EOC office.

2017-18 School Year Results for (NAME OF ASSESSMENT)
National Percentiles, Mean (Average) Scale Scores, Grade Equivalents, etc.

Grade	English language arts (Reading)	Mathematics
1		
2		
3		
4		
5		
6		

→ see next page

- 2. Individual student test scores** on national achievement tests for any child who received a grant from the program during the 2017-18 school year. No personally identifiable information will be published; instead, the information will be aggregated at the school or state level as stipulated in law.

Each school will have access to a secure data portal to upload individual student assessment results, which will include personally identifiable information. The portal will capture, at a minimum, the following information:

- Name of the student who received a grant from Exceptional SC in the prior school year along with data including date of birth, sex, grade level, etc. to ensure that the assessment results can be matched to the individual student who received a grant;
- For each student who received a grant, the results of a national assessment or assessments in 2017-18 and if possible, in 2016-17 as well to document academic growth. The name of the assessment as well as scale scores for students or national percentile ranks must be included; and
- If a student received a grant but due to the student's exceptional needs was not able to be assessed with a national assessment, the school must provide an explanation by student of the reason why a national assessment was not administered and how the school is measuring academic and personal growth for each student not assessed.

Please identify one staff person from your school who will provide the individual student test scores from this school:

Name: Debbie Mack
Title: Director of Admissions
Telephone Number: 843-722-6646, ext 1021
Email Address: mackd@fbschool.org

**2017-2018 School Year Results for the Stanford Achievement Assessment for
Grades 1st through 9th
Grades 10th and 11th Results for the PSAT**

**National Percentiles Are Being Reported for 1st through 9th Grades
Mean Scores Are Being Reported for 10th and 11th Grades**

Grade	English/Language Arts	Mathematics
1st	71%	90%
2nd	82%	81%
3rd	77%	65%
4th	80%	76%
5th	80%	80%
6th	73%	81%
7th	67%	60%
8th	75%	61%
9th	66%	67%
10th	Verbal-492	Math-479
11th	Verbal-553	Math-528

**Document D
Compilation, Review or Compliance Audit**

**Application for Continued Participation
Educational Credit for Exceptional Needs Children (ECENC)
2018-2019**

Independent School Name: First Baptist School of Charleston

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

"a copy of a compilation, review, or compliance audit of the organization's financial statements as relating to the grants received, 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 from Exceptional SC any grants in the prior fiscal year, between July 1, 2017 and June 30, 2018?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If Yes , will your school submit to the EOC a compilation, review, or compliance audit of the school's financial statements as relating to the grants received during the prior fiscal year and conducted by a certified public accounting firm by December 30, 2018 ? Failure to provide the compilation, review or compliance audit will result in your school's removal as an eligible school under the ECENC program.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If No , will your school submit to the EOC a compilation, review, or compliance audit of the school's financial statements as relating to the grants received and conducted by a certified public accounting firm by June 30, 2019 to the EOC if you receive grants from Exceptional SC this fiscal year between July 1, 2018 and June 30, 2019? Failure to provide the compilation, review or compliance audit will result in your school's removal as an eligible school under the ECENC program.	<input type="checkbox"/>	<input type="checkbox"/>

**FIRST BAPTIST SCHOOL and
FIRST BAPTIST SCHOOL
FOUNDATION**

**Consolidated Financial Statements
With Independent Auditors' Report**

May 31, 2018 and 2017

**FIRST BAPTIST SCHOOL and
FIRST BAPTIST SCHOOL FOUNDATION**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
First Baptist School and First Baptist School Foundation
Charleston, South Carolina

We have audited the accompanying consolidated financial statements of First Baptist School and First Baptist School Foundation (collectively, the Organization), which comprise the consolidated statements of financial position as of May 31, 2018 and 2017, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Directors
First Baptist School and First Baptist School Foundation
Charleston, South Carolina

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of First Baptist School and First Baptist School Foundation as of May 31, 2018 and 2017, and the changes in its consolidated net assets and consolidated 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
September 28, 2018

**FIRST BAPTIST SCHOOL and
FIRST BAPTIST SCHOOL FOUNDATION**

Consolidated Statements of Financial Position

	May 31,	
	2018	2017
ASSETS:		
Cash and cash equivalents	\$ 500,756	\$ 1,089,562
Investments	269,824	398,165
Accounts and other receivables—net	168,975	156,100
Contributions receivable—net	97,260	277,585
Assets held for endowment	280,982	192,418
Property and equipment—net	12,479,553	674,585
Other assets	-	15,243
	\$ 13,797,350	\$ 2,803,658
Total Assets	\$ 13,797,350	\$ 2,803,658
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 319,756	\$ 58,410
Accrued salaries and deferred compensation	381,819	417,583
Deferred tuition and fees	321,065	280,350
Construction loan payable	1,696,675	-
	2,719,315	756,343
Net assets:		
Unrestricted	9,667,256	959,449
Temporarily restricted	1,255,717	937,421
Permanently restricted	155,062	150,445
	11,078,035	2,047,315
Total Liabilities and Net Assets	\$ 13,797,350	\$ 2,803,658

See notes to consolidated financial statements

**FIRST BAPTIST SCHOOL and
FIRST BAPTIST SCHOOL FOUNDATION**

Consolidated Statement of Activities

	Year Ended May 31, 2018			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
OPERATING ACTIVITIES:				
Support and revenue:				
Tuition and fees—net	\$ 4,164,430	\$ -	\$ -	\$ 4,164,430
Extra curricular income	552,562	-	-	552,562
Contributions	2,991	336,331	2,050	341,372
Investment income	35,085	3,998	2,567	41,650
Other income	81,967	-	-	81,967
Total Operating Support and Revenue	4,837,035	340,329	4,617	5,181,981
Reclassifications:				
Satisfaction of purpose restrictions	22,033	(22,033)	-	-
Expenses:				
Program services:				
Academic and instructional	3,538,110	-	-	3,538,110
Student services	235,457	-	-	235,457
Athletics	310,308	-	-	310,308
	<u>4,083,875</u>	<u>-</u>	<u>-</u>	<u>4,083,875</u>
Supporting activities:				
Administration	701,129	-	-	701,129
Development	176,257	-	-	176,257
	<u>877,386</u>	<u>-</u>	<u>-</u>	<u>877,386</u>
Total Operating Expenses	4,961,261	-	-	4,961,261
Change in Operating in Net Assets	(102,193)	318,296	4,617	220,720
NONOPERATING ACTIVITIES:				
Noncash contribution from related party	8,810,000	-	-	8,810,000
Change in Net Assets	8,707,807	318,296	4,617	9,030,720
Net Assets, Beginning of Year	959,449	937,421	150,445	2,047,315
Net Assets, End of Year	\$ 9,667,256	\$ 1,255,717	\$ 155,062	\$ 11,078,035

See notes to consolidated financial statements

**FIRST BAPTIST SCHOOL and
FIRST BAPTIST SCHOOL FOUNDATION**

Consolidated Statement of Activities

	Year Ended May 31, 2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
OPERATING ACTIVITIES:				
Support and revenue:				
Tuition and fees—net	\$ 4,199,216	\$ -	\$ -	\$ 4,199,216
Extra curricular income	561,057	-	-	561,057
Contributions	-	995,129	2,000	997,129
Investment income	10,226	2,083	-	12,309
Other income	111,116	-	-	111,116
Total Operating Support and Revenue	4,881,615	997,212	2,000	5,880,827
Reclassifications:				
Satisfaction of purpose restrictions	378,098	(378,098)	-	-
Expenses:				
Program services:				
Academic and instructional	3,637,338	-	-	3,637,338
Student services	271,793	-	-	271,793
Athletics	311,292	-	-	311,292
	<u>4,220,423</u>	<u>-</u>	<u>-</u>	<u>4,220,423</u>
Supporting activities:				
Administration	797,211	-	-	797,211
Development	232,766	-	-	232,766
	<u>1,029,977</u>	<u>-</u>	<u>-</u>	<u>1,029,977</u>
Total Operating Expenses	5,250,400	-	-	5,250,400
Change in Operating Net Assets	9,313	619,114	2,000	630,427
Net Assets, Beginning of Year	950,136	318,307	148,445	1,416,888
Net Assets, End of Year	\$ 959,449	\$ 937,421	\$ 150,445	\$ 2,047,315

See notes to consolidated financial statements

**FIRST BAPTIST SCHOOL and
FIRST BAPTIST SCHOOL FOUNDATION**

Consolidated Statements of Cash Flows

	May 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 9,030,720	\$ 630,427
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Depreciation	149,578	59,286
Contributions received for long-term purposes	(2,050)	(2,000)
Noncash contributions	(8,810,000)	-
Provision for bad debts	35,821	1,737
Net realized and unrealized gains on investments	(30,266)	(7,293)
Net change in:		
Accounts receivable	(48,696)	30,144
Contributions receivable	180,325	(277,585)
Prepaid expenses	15,243	(15,243)
Accounts payable and accrued expenses	261,346	(7,912)
Accrued salaries and deferred compensation	(35,764)	6,260
Deferred tuition and fees	40,715	(26,309)
Net Cash Provided by Operating Activities	786,972	391,512
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(1,447,871)	(255,653)
Purchase of investments	(161,059)	(5,270)
Proceeds from sale of investments	231,102	103,955
Net Cash Used in Investing Activities	(1,377,828)	(156,968)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for long-term purposes	2,050	2,000
Net Cash Provided in Financing Activities	2,050	2,000
Net Change in Cash and Cash Equivalents	(588,806)	236,544
Cash and Cash Equivalents, Beginning of Year	1,089,562	853,018
Cash and Cash Equivalents, End of Year	\$ 500,756	\$ 1,089,562
NON CASH INVESTING ACTIVITIES:		
Property and equipment purchased through accounts payable	\$ -	\$ 30,150
Property and equipment purchased through construction loan payable	\$ 1,715,350	\$ -

See notes to consolidated financial statements

FIRST BAPTIST SCHOOL and FIRST BAPTIST SCHOOL FOUNDATION

Notes to Consolidated Financial Statements

May 31, 2018 and 2017

1. NATURE OF ORGANIZATION:

First Baptist School (School), established in 1949, is an educational organization with grades one through twelve and is dedicated to spreading the gospel and the Baptist faith through educating young people within Charleston, South Carolina, and the surrounding communities. On June 1, 2009, the School was incorporated as First Baptist School and granted non-profit status. The School supports itself primarily through tuition payments.

First Baptist School Foundation (Foundation) was formed in 2009 but was not active as a supporting organization of the School until the year ended May 31, 2013. The purpose of the Foundation is to promote and further the interests of the School.

The School and Foundation (collectively, the Organization) are nonprofit corporations exempt from income tax under section 501(c)(3) of the Internal Revenue Code (Code) and comparable state law. Contributions to the Organization are tax deductible within the limitations prescribed by the Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. A summary of significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

PRINCIPLES OF CONSOLIDATION

These consolidated financial statements include the balances and financial activities for the School and its supporting organization, the Foundation. All inter-entity accounts and transactions have been eliminated.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of checking and money market accounts held at financial institutions. These accounts may, at times, exceed federally insured limits. As of May 31, 2018 and 2017, financial instruments which potentially expose the Organization to concentrations of credit risk include cash in excess of insured balances in financial institutions, which approximated \$251,000 and \$590,000, respectively. The Organization has not experienced any losses in such accounts.

**FIRST BAPTIST SCHOOL and
FIRST BAPTIST SCHOOL FOUNDATION**

Notes to Consolidated Financial Statements

May 31, 2018 and 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS AND ASSETS HELD FOR ENDOWMENT

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 consolidated statements of activities. Other investments are reported at cost and consist of certificates of deposit. Donated investments are recorded at market value at the date of donation and thereafter carried in conformity with the stated policy.

ACCOUNTS AND OTHER RECEIVABLES

Accounts receivable represent tuition and fees, which have been billed to families of students in accordance with the Organization's policy, and are reported net of any anticipated losses due to uncollectible accounts. The Organization assesses a \$25 charge on past due receivables.

The allowance for doubtful accounts receivable is maintained at a level that, in management's judgment, is adequate to absorb probable losses. The amount is based upon an analysis of overall receivables by management. Management's evaluation of the allowance for doubtful accounts includes, but is not limited to, the historical experience of payment patterns from the student, financial condition of the family, other known facts and circumstances, and general economic conditions. This process is based on estimates and ultimate losses may vary from current estimates. As changes in estimates occur, adjustments to the level of the allowance are recorded in the provision for doubtful accounts in the period in which they become known. The allowance for doubtful accounts was \$168,975 and \$159,467 at May 31, 2018 and 2017, respectively.

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 consolidated statements of financial position date.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, if purchased, or at fair value at the date of the gift, if donated, less accumulated depreciation. The cost of property and equipment purchased in excess of \$5,000 is capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	39 years
Textbooks	3 years
Furniture and equipment	5-7 years
Vehicles	5 years

**FIRST BAPTIST SCHOOL and
FIRST BAPTIST SCHOOL FOUNDATION**

Notes to Consolidated Financial Statements

May 31, 2018 and 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

DEFERRED TUITION AND FEE REVENUE

Deferred tuition and fee revenue are deposits received in advance for the following school year. Revenue from these deposits is recognized in the year earned.

NET ASSETS

The consolidated financial statements report amounts by class of net assets:

Unrestricted net assets are currently available at the discretion of the board for use in the Organization's operations, resources designated for a capital maintenance fund and interest reserve fund, and resources invested in property and equipment.

Temporarily restricted net assets are stipulated by donors for specific operating purposes, capital projects, or time restrictions.

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

All contributions are considered available for unrestricted use unless specifically restricted by the donor or subject to legal restrictions.

SUPPORT, REVENUE, AND EXPENSES

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Organization. Noncash gifts are recorded as support at the estimated fair market value on the date of the gift.

The Organization records in-kind support services for professional services received if those services either create or enhance long-lived assets, or are provided by individuals who possess specialized skills, and would typically need to be purchased if not provided by donation.

Many individuals volunteered their time and performed a variety of tasks that assist the Organization with operations, special events, and school programs. The volunteer time is not reflected in the accompanying consolidated financial statements since these services do not meet the criteria for recognition as contributed services.

**FIRST BAPTIST SCHOOL and
FIRST BAPTIST SCHOOL FOUNDATION**

Notes to Consolidated Financial Statements

May 31, 2018 and 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND EXPENSES, continued

Contributions are recorded as temporarily restricted if they are received with donor stipulations that limit their use through purpose and/or time restrictions. When donor restrictions expire, that is, when the purpose restriction is fulfilled or the time restriction expires, the net assets are reclassified from temporarily restricted to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

Tuition and fees are recorded as income by the Organization as collected and pertain to the current school year. Tuition collected prior to the current school year is recorded as deferred tuition. The Organization's policy is the parent of the student is responsible for one semester of tuition if the student withdraws.

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs, such as depreciation and facilities costs, have been allocated among the program and supporting activities. Currently, there are no joint costs that have been allocated among program, general and administrative, and development functions.

**FIRST BAPTIST SCHOOL and
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Notes to Consolidated Financial Statements

May 31, 2018 and 2017

3. INVESTMENTS AND ASSETS HELD FOR ENDOWMENT:

Investments and assets held for endowment consist of:

	May 31, 2018		
	Unrestricted	Endowment	Total
At fair value:			
Money market funds	\$ 207,516	\$ 88,355	\$ 295,871
Exchange traded funds:	62,308	187,095	249,403
	269,824	275,450	545,274
Other investments:			
Certificate of deposit	-	5,532	5,532
	<u>\$ 269,824</u>	<u>\$ 280,982</u>	<u>\$ 550,806</u>

	May 31, 2017		
	Unrestricted	Endowment	Total
At fair value:			
Money market funds	\$ 88,153	\$ 136,936	\$ 225,089
Exchange traded funds:	310,012	49,956	359,968
	398,165	186,892	585,057
Other investments:			
Certificate of deposit	-	5,526	5,526
	<u>\$ 398,165</u>	<u>\$ 192,418</u>	<u>\$ 590,583</u>

Investment income consists of:

	May 31,	
	2018	2017
Interest and dividends	\$ 11,384	\$ 5,016
Realized losses	-	(22,457)
Unrealized gains	30,266	29,750
	<u>\$ 41,650</u>	<u>\$ 12,309</u>

**FIRST BAPTIST SCHOOL and
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Notes to Consolidated Financial Statements

May 31, 2018 and 2017

4. ACCOUNTS AND OTHER RECEIVABLES–NET:

Accounts and other receivables–net consist of the following:

	May 31,	
	2018	2017
Tuition and fees	\$ 337,950	\$ 311,478
Other receivables	-	4,089
	337,950	315,567
Less allowance for uncollectible accounts	(168,975)	(159,467)
	\$ 168,975	\$ 156,100

5. CONTRIBUTIONS RECEIVABLE–NET:

Contributions receivable–net includes the following unconditional promises:

	May 31,	
	2018	2017
Contributions receivable within one year	\$ 110,260	\$ 134,684
Contributions receivable within two years	-	145,604
	110,260	280,288
Less allowance for uncollectible accounts	(13,000)	-
Less unamortized discount	-	(2,703)
	\$ 97,260	\$ 277,585

As of May 31, 2018, the remaining contribution receivables are expected to be collected within one year. A discount rate of 1.2% was used to estimate the present value of contributions receivable at May 31, 2017.

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Notes to Consolidated Financial Statements

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6. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consist of the following:

	May 31,	
	2018	2017
Buildings and improvements	\$ 6,750,454	\$ 180,454
Land and land improvements	2,410,934	105,424
Textbooks	113,774	113,773
Furniture and equipment	359,456	359,456
Vehicles	340,411	340,411
	9,975,029	1,099,518
Less accumulated depreciation	(812,228)	(662,650)
	9,162,801	436,868
Construction in progress	3,316,752	237,717
	\$ 12,479,553	\$ 674,585

7. CONSTRUCTION LOAN PAYABLE—NET:

During December 2017, the Organization entered into an agreement with a financial institutional for a construction loan payable to be used for the construction of an academic facility for the James Island Campus. Under the terms of the agreement, the Organization may borrow up to \$3,000,000 for the construction project through June 1, 2019. The outstanding principal of the loan bears interest at LIBOR plus 2%, (4.073% as of May 31, 2018) and the accrued interest is due monthly. The loan is secured by the property of the Organization. Upon completion of the construction project, the repayment terms will be established, and the Organization will begin repayment of the principal balance. Construction loan payable—net consists of the following:

	May 31,	
	2018	2017
Construction loan payable	\$ 1,715,350	\$ -
Less debt issuance costs	(18,675)	-
	\$ 1,696,675	\$ -

The Organization is required to comply with various covenants related to the construction loan payable. The Organization was in compliance with these requirements as of May 31, 2018.

**FIRST BAPTIST SCHOOL and
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Notes to Consolidated Financial Statements

May 31, 2018 and 2017

8. **NET ASSETS:**

Net assets consist of the following:

	May 31,	
	2018	2017
Unrestricted:		
Undesignated	\$ (1,358,694)	\$ (181,077)
Board-designated	243,072	465,941
Equity in property and equipment	10,782,878	674,585
	9,667,256	959,449
Temporarily restricted:		
Auction fund	50,779	14,210
Hurricane Association	18,469	21,484
Loyalty fund	13,683	26,382
Computer fund	10,615	40,123
Capital campaign	876,115	672,039
Other donations	237,928	119,053
Unappropriated endowment earnings	48,128	44,130
	1,255,717	937,421
Permanently restricted:		
Scholarship funds	105,062	100,445
Teachers' Endowment	48,000	48,000
JE Long scholarship fund	2,000	2,000
	155,062	150,445
	\$ 11,078,035	\$ 2,047,315

**FIRST BAPTIST SCHOOL and
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Notes to Consolidated Financial Statements

May 31, 2018 and 2017

9. COMMITMENTS:

The Organization has leasing arrangements for office equipment and broadband services. For the years ended May 31, 2018 and 2017, rental expense amounted to approximately \$48,078 and \$57,564, respectively.

Years Ending May 31,	Amounts
2019	\$ 6,057
2020	6,057
2021	6,057
2022	5,811
	\$ 23,982

The Organization has entered into a construction contract related to the James Island high school campus. The project began in September 2017, and as of May 31, 2018, unexpended commitments were approximately \$1,199,533.

The Organization is involved in a lawsuit, and while the amount claimed is significant, the ultimate liability cannot be determined because of the considerable uncertainties that exist.

10. EMPLOYEE BENEFIT PLAN:

Effective June 1998, the School implemented a 403(b) type employee benefit plan for all full-time employees. The School contributes 10% of the administrative wages and 2% of the faculty and staff wages (3% for those with service of three years or more). Contributions to the plan for the years ended May 31, 2018 and 2017, were \$66,664 and \$79,434, respectively.

**FIRST BAPTIST SCHOOL and
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Notes to Consolidated Financial Statements

May 31, 2018 and 2017

11. FAIR VALUE MEASUREMENTS:

The *Fair Value Measurements and Disclosure* topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization 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.

The following table presents the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy at May 31, 2018 and 2017:

	Fair Value Measurements at			
	May 31, 2018			
	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	\$ 295,871	\$ -	\$ -	\$ 295,871
Exchange traded funds:				
US broad market	191,807	-	-	191,807
US dividend equity	57,596	-	-	57,596
Investments and assets held for endowment, at fair value	<u>\$ 545,274</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 545,274</u>

**FIRST BAPTIST SCHOOL and
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Notes to Consolidated Financial Statements

May 31, 2018 and 2017

11. FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements at May 31, 2017			
	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	\$ 225,089	\$ -	\$ -	\$ 225,089
Exchange traded funds:				
US broad market	309,405	-	-	309,405
US dividend equity	50,563	-	-	50,563
Investments and assets held for endowment, at fair value	<u>\$ 585,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 585,057</u>

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

Money market funds—The money market funds consist of multiple individual money market accounts which reduce risk and provide a consistent rate of income. The money market funds are reported at fair value based on the current balance in the accounts.

Exchange traded funds—The exchange traded funds consist of diversified investment funds which blend a variety of domestic equity instruments to reduce market risk. The exchange traded funds are reported at fair value based on the quoted market price of the instrument or the net asset value of its holdings.

Change in valuation techniques—None.

**FIRST BAPTIST SCHOOL and
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Notes to Consolidated Financial Statements

May 31, 2018 and 2017

12. ENDOWMENT FUNDS:

The Organization's endowments consist of approximately 6 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the board of directors. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of the Organization has interpreted the South Carolina 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 Organization 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 Organization in a manner consistent with the standard of prudence prescribed by SCUPMIFA.

In accordance with SCUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of 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 Organization
7. The investment policies of the Organization

Endowment net asset composition by type of fund as of May 31, 2018:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 48,128	\$ 155,062	\$ 203,190
Board-designated funds	158,894	-	-	158,894
Total endowment funds	\$ 158,894	\$ 48,128	\$ 155,062	\$ 362,084

**FIRST BAPTIST SCHOOL and
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Notes to Consolidated Financial Statements

May 31, 2018 and 2017

12. ENDOWMENT FUNDS, continued:

Changes in endowment net assets for the year ended May 31, 2018:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, May 31, 2017	\$ 136,971	\$ 44,130	\$ 150,445	\$ 331,546
Contributions	-	-	2,050	2,050
Investment return:				
Interest and dividends	4,054	1,592	-	5,646
Net gains (realized and unrealized)	17,869	2,406	2,567	22,842
Total investment return	21,923	3,998	2,567	28,488
Appropriation of endowment assets for expenditure	-	-	-	-
Endowment net assets, May 31, 2018	\$ 158,894	\$ 48,128	\$ 155,062	\$ 362,084

Endowment net asset composition by type of fund as of May 31, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	-	\$ 44,130	\$ 150,445	\$ 194,575
Board-designated funds	136,971	-	-	136,971
Total endowment funds	\$ 136,971	\$ 44,130	\$ 150,445	\$ 331,546

**FIRST BAPTIST SCHOOL and
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Notes to Consolidated Financial Statements

May 31, 2018 and 2017

12. ENDOWMENT FUNDS, continued:

Changes in endowment net assets for the year ended May 31, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, May 31, 2016	\$ 135,952	\$ 42,294	\$ 148,445	\$ 326,691
Contributions	-	-	2,000	2,000
Investment return:				
Interest and dividends	1,176	1,089	-	2,265
Net gains (realized and unrealized)	1,085	994	-	2,079
Total investment return	2,261	2,083	-	4,344
Appropriation of endowment assets for expenditure	(1,242)	(247)	-	(1,489)
Endowment net assets, May 31, 2017	\$ 136,971	\$ 44,130	\$ 150,445	\$ 331,546

Description of amounts classified as permanently restricted net assets and temporarily restricted net assets (endowment only):

	May 31,	
	2018	2017
Permanently restricted net assets:		
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulations or by SCUPMIFA	\$ 155,062	\$ 150,445
Temporarily restricted net assets:		
The portion of perpetual endowment funds subject to a time restriction under SCUPMIFA	\$ 48,128	\$ 44,130

**FIRST BAPTIST SCHOOL and
FIRST BAPTIST SCHOOL FOUNDATION**

Notes to Consolidated Financial Statements

May 31, 2018 and 2017

12. ENDOWMENT FUNDS, continued:

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 Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$-0- and \$2,114 as of May 31, 2018 and 2017, respectively.

Return objectives and risk parameters: The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by their endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under the Organization's policy, the endowment assets are invested in a manner that is intended to assume a low level of investment risk. Under the Organization's policy, the endowment assets are invested in money market accounts, exchange traded funds and a certificate of deposit. The endowment assets also include an internal loan receivable for assets that were loaned from the endowment assets to grant funds from the Foundation to the School. The loan receivable is due to the endowment and will be repaid using unrestricted funds from the Foundation. The outstanding balance of the internal loan receivable included in endowment assets was \$81,102 and \$-0- as of May 31, 2018 and 2017, respectively.

Strategies employed for achieving objectives: The Organization relies on current yield (interest and dividends) to satisfy its rate-of-return objectives. The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

13. RELATED PARTY TRANSACTIONS:

The School uses facilities owned by First Baptist Church (Church) and First Baptist Church Foundation (Church Foundation). Joint operating agreements are in place for the facilities used, and the School shares in the operating and maintenance costs of the facilities and properties that it uses.

During the year ended May 31, 2017, the School did not own any of the facilities or real estate, and the School did not have debt related to any of the facilities or properties.

During the year ended May 31, 2018, the First Baptist Church Foundation donated the James Island campus land and building to the School. The donated land and buildings were valued at \$8,810,000.

14. SUBSEQUENT EVENTS:

Subsequent events were evaluated through September 28, 2018, which is the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

SUPPLEMENTAL INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION**

Board of Directors
First Baptist School and First Baptist School Foundation
Charleston, South Carolina

We have audited the consolidated financial statements of First Baptist School and First Baptist School Foundation (collectively, the Organization) as of and for the years ended May 31, 2018 and 2017, and our report thereon dated September 28, 2018, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual organizations and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

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

Capin Crouse LLP

Columbia, South Carolina
September 28, 2018

**FIRST BAPTIST SCHOOL and
FIRST BAPTIST SCHOOL FOUNDATION**

Consolidating Statement of Financial Position

	May 31, 2018			
	First Baptist School	First Baptist School Foundation	Eliminations	Total
ASSETS:				
Cash and cash equivalents	\$ 500,756	\$ -	\$ -	\$ 500,756
Investments	-	269,824	-	269,824
Accounts and other receivables-net	168,975	-	-	168,975
Contributions receivable-net	97,260	-	-	97,260
Assets held for endowment	5,532	275,450	-	280,982
Property and equipment-net	12,479,553	-	-	12,479,553
	\$13,252,076	\$ 545,274	\$ -	\$13,797,350
LIABILITIES AND NET ASSETS:				
Liabilities:				
Accounts payable and accrued expenses	\$ 319,756	\$ -	\$ -	\$ 319,756
Accrued salaries and deferred compensation	381,819	-	-	381,819
Deferred tuition and fees	321,065	-	-	321,065
Construction loan payable	1,696,675	-	-	1,696,675
	2,719,315	-	-	2,719,315
Net assets:				
Unrestricted	9,323,706	343,550	-	9,667,256
Temporarily restricted	1,207,055	48,662	-	1,255,717
Permanently restricted	2,000	153,062	-	155,062
	10,532,761	545,274	-	11,078,035
Total Liabilities and Net Assets	\$13,252,076	\$ 545,274	\$ -	\$13,797,350

**FIRST BAPTIST SCHOOL and
FIRST BAPTIST SCHOOL FOUNDATION**

Consolidating Statement of Financial Position

	May 31, 2017			
	First Baptist School	First Baptist School Foundation	Eliminations	Total
ASSETS:				
Cash and cash equivalents	\$ 1,089,562	\$ -	\$ -	\$ 1,089,562
Investments	-	398,165	-	398,165
Accounts and other receivables-net	156,100	-	-	156,100
Contributions receivable-net	277,585	-	-	277,585
Assets held for endowment	5,526	186,892	-	192,418
Property and equipment-net	674,585	-	-	674,585
Other assets	15,243	-	-	15,243
	\$ 2,218,601	\$ 585,057	\$ -	\$ 2,803,658
LIABILITIES AND NET ASSETS:				
Liabilities:				
Accounts payable and accrued expenses	\$ 58,410	\$ -	\$ -	\$ 58,410
Accrued salaries and deferred compensation	417,583	-	-	417,583
Deferred tuition and fees	280,350	-	-	280,350
	756,343	-	-	756,343
Net assets:				
Unrestricted	567,482	391,967	-	959,449
Temporarily restricted	892,776	44,645	-	937,421
Permanently restricted	2,000	148,445	-	150,445
	1,462,258	585,057	-	2,047,315
Total Liabilities and Net Assets	\$ 2,218,601	\$ 585,057	\$ -	\$ 2,803,658

**FIRST BAPTIST SCHOOL and
FIRST BAPTIST SCHOOL FOUNDATION**

Consolidating Statement of Activities

	Year Ended May 31, 2018			Total
	First Baptist School	First Baptist School Foundation	Eliminations	
OPERATING ACTIVITIES:				
Support and Revenue				
Tuition and fees—net	\$ 4,164,430	\$ -	\$ -	\$ 4,164,430
Extra curricular income	552,562	-	-	552,562
Contributions	339,322	2,050	-	341,372
Investment income	2,379	39,271	-	41,650
Grant income	81,102	-	(81,102)	-
Other income	81,967	-	-	81,967
Total Operating Support and Revenue	5,221,762	41,321	(81,102)	5,181,981
Expenses				
Program services:				
Academic and instructional	3,538,110	-	-	3,538,110
Student services	235,457	-	-	235,457
Athletics	310,308	-	-	310,308
Grant expense	-	81,102	(81,102)	-
	4,083,875	81,102	(81,102)	4,083,875
Supporting activities:				
Administration	701,129	-	-	701,129
Development	176,257	-	-	176,257
	877,386	-	-	877,386
Total Operating Expenses	4,961,261	81,102	(81,102)	4,961,261
Change in Operating Net Assets	260,501	(39,781)	-	220,720
NONOPERATING ACTIVITIES:				
Noncash contribution from related party	8,810,000	-	-	8,810,000
Change in Net Assets	9,070,501	(39,781)	-	9,030,720
Net Assets, Beginning of Year	1,462,259	585,056	-	2,047,315
Net Assets, End of Year	\$ 10,532,760	\$ 545,275	\$ -	\$ 11,078,035

**FIRST BAPTIST SCHOOL and
FIRST BAPTIST SCHOOL FOUNDATION**

Consolidating Statement of Activities

	Year Ended May 31, 2017			
	First Baptist			Total
	First Baptist School	School Foundation	Eliminations	
OPERATING ACTIVITIES:				
Support and Revenue				
Tuition and fees-net	\$ 4,299,216	\$ -	\$ (100,000)	\$ 4,199,216
Extra curricular income	561,057	-	-	561,057
Contributions	995,129	2,000	-	997,129
Investment income	1,761	10,548	-	12,309
Grant income	3,265	-	(3,265)	-
Other income	111,116	-	-	111,116
Total Operating Support and Revenue	5,971,544	12,548	(103,265)	5,880,827
Expenses				
Program services:				
Academic and instructional	3,737,338	-	(100,000)	3,637,338
Student services	271,793	-	-	271,793
Athletics	311,292	-	-	311,292
Grant expense	-	3,265	(3,265)	-
	4,320,423	3,265	(103,265)	4,220,423
Supporting activities:				
Administration	696,521	100,690	-	797,211
Development	232,766	-	-	232,766
	929,287	100,690	-	1,029,977
Total Operating Expenses	5,249,710	103,955	(103,265)	5,250,400
Change in Operating Net Assets	721,834	(91,407)	-	630,427
Net Assets, Beginning of Year	740,425	676,463	-	1,416,888
Net Assets, End of Year	\$ 1,462,259	\$ 585,056	\$ -	\$ 2,047,315