



**ASBURY** *theological*  
SEMINARY

---

THE WHOLE BIBLE FOR THE WHOLE WORLD

CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

JUNE 30, 2025 AND 2024

# ASBURY THEOLOGICAL SEMINARY

## TABLE OF CONTENTS JUNE 30, 2025 AND 2024

---

	Page
<b>Report of Independent Auditors .....</b>	<b>1</b>
<b>Financial Statements</b>	
Consolidated Statements of Financial Position .....	4
Consolidated Statements of Activities .....	6
Consolidated Statements of Cash Flows .....	8
Notes to the Consolidated Financial Statements.....	10
<b>Supplementary Information</b>	
Consolidating Statement of Financial Position .....	36
Consolidating Statement of Activities .....	37
Schedule of Expenditures of Federal Awards .....	38
Notes to the Schedule of Expenditures of Federal Awards .....	39
Financial Responsibility Composite Score .....	40
<b>Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....</b>	<b>43</b>
<b>Report of Independent Auditors on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance .....</b>	<b>45</b>
<b>Schedule of Findings and Questioned Costs.....</b>	<b>48</b>
<b>Schedule of Prior Year Findings .....</b>	<b>50</b>

---



Blue & Co., LLC / 250 West Main Street, Suite 2900 / Lexington, KY 40507  
main 859.253.1100 fax 859.253.1384 email blue@blueandco.com

## REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees  
Asbury Theological Seminary  
Wilmore, Kentucky

### Report on the Audit of Financial Statements

#### *Opinion*

We have audited the accompanying consolidated financial statements of Asbury Theological Seminary (the Seminary), a nonprofit organization, which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Seminary as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the year then ended are in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Seminary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

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

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

To the Board of Trustees  
Asbury Theological Seminary  
Wilmore, Kentucky

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Seminary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Seminary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

To the Board of Trustees  
Asbury Theological Seminary  
Wilmore, Kentucky

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information in the schedule of consolidating statement of financial position and consolidating statement of activities on pages 36 and 37 is presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual entities, and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, on pages 38 and 39 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The financial responsibility composite score supplemental schedule on pages 40 through 42 is also presented for purposes of additional analysis as required by the U.S. Department of Education and is not a required part of the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2025, on our consideration of the Seminary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Seminary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Seminary's internal control over financial reporting and compliance.

*Blue & Co., LLC*

Lexington, Kentucky  
October 22, 2025

## ASBURY THEOLOGICAL SEMINARY

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION JUNE 30, 2025 AND 2024

<b>ASSETS</b>		2025	2024
<b>Current assets</b>			
Cash and cash equivalents	\$	6,626,263	\$ 9,170,951
Accrued income receivable		1,160,562	1,361,152
Accounts receivable, less allowance of \$100,000		2,992,935	2,809,404
Contributions receivable, less allowance of \$50,000		296,292	410,234
Student loans receivable		4,500	-0-
Inventories		811,478	915,629
Prepaid expenses		701,198	575,882
Property held for sale		-0-	4,005,217
Total current assets		12,593,228	19,248,469
<b>Non-current assets</b>			
Contributions receivable		188,430	286,438
Student loans receivable		200,044	260,701
Investments		281,521,988	269,079,009
Funds held in trusts by others		3,614,907	3,468,205
Property, plant, and equipment, net		79,578,301	80,440,986
Total non-current assets		365,103,670	353,535,339
Total assets	\$	377,696,898	\$ 372,783,808

See accompanying notes to consolidated financial statements.

# ASBURY THEOLOGICAL SEMINARY

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION JUNE 30, 2025 AND 2024

<b>LIABILITIES AND NET ASSETS</b>		
	2025	2024
<b>Current liabilities</b>		
Accounts payable and payroll liabilities	\$ 2,632,086	\$ 2,170,188
Student deposits and agency funds	896,526	969,369
Other liabilities	505,686	427,595
Total current liabilities	4,034,298	3,567,152
<b>Non-current liabilities</b>		
Annuities payable	1,357,966	1,566,463
Trust obligations	853,980	840,155
Total non-current liabilities	2,211,946	2,406,618
Total liabilities	6,246,244	5,973,770
<b>Net assets</b>		
Without donor restrictions		
Undesignated	12,620,936	17,524,683
Board designated	11,033,894	11,437,117
Net investment in plant	79,572,019	80,434,702
Total net assets without donor restrictions	103,226,849	109,396,502
With donor restrictions		
Time restricted for future periods	435,465	391,920
Purpose restricted	130,656,891	125,398,745
Perpetual in nature	137,131,449	131,622,871
Total net assets with donor restrictions	268,223,805	257,413,536
Total net assets	371,450,654	366,810,038
Total liabilities and net assets	\$ 377,696,898	\$ 372,783,808

See accompanying notes to consolidated financial statements.

# ASBURY THEOLOGICAL SEMINARY

## CONSOLIDATED STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues from services and goods</b>			
Tuition and fees	\$ 17,809,420	\$ -0-	\$ 17,809,420
Less scholarship allowances	(11,963,529)	-0-	(11,963,529)
Tuition and fees, net	5,845,891	-0-	5,845,891
Publishing	3,131,444	-0-	3,131,444
Sales and service of auxiliary enterprises	2,546,974	492,324	3,039,298
Conference registration	423,750	-0-	423,750
Total revenues from services and goods	11,948,059	492,324	12,440,383
<b>Support and other revenue, operating:</b>			
Investment return designated for operations	136,246	10,566,455	10,702,701
Private gifts and grants, operating	3,876,754	6,222,181	10,098,935
Other revenue, operating	2,804,903	37,302	2,842,205
Loss on sale of property	(1,219,709)	-0-	(1,219,709)
Total support and other revenue, operating	5,598,194	16,825,938	22,424,132
Transfer of funds based on donor intent	(2,709,552)	2,709,552	-0-
Net assets released from restrictions	18,134,041	(18,134,041)	-0-
Total revenues, operating	32,970,742	1,893,773	34,864,515
<b>Expenses</b>			
<b>Program services</b>			
Instruction	11,382,606	-0-	11,382,606
Academic support	3,645,359	-0-	3,645,359
Student services	4,433,155	-0-	4,433,155
Public service	2,596,567	-0-	2,596,567
Publishing and conference	4,568,228	-0-	4,568,228
Auxiliary enterprises	5,370,793	-0-	5,370,793
Total program services	31,996,708	-0-	31,996,708
<b>Supporting services</b>			
Management and general	6,503,575	-0-	6,503,575
Fundraising and development	1,521,540	-0-	1,521,540
Total expenses	40,021,823	-0-	40,021,823
Changes in net assets from operating activities	(7,051,081)	1,893,773	(5,157,308)
<b>Other revenue, nonoperating:</b>			
Investment return (loss), nonoperating	335,282	6,185,001	6,520,283
Private gifts and grants, nonoperating	32,429	2,211,452	2,243,881
Annuity and life income agreements	352,099	387,163	739,262
Other revenue (expense)	147,796	-0-	147,796
Change in value of funds held in trust by others	13,822	132,880	146,702
Total other revenue, nonoperating	881,428	8,916,496	9,797,924
Changes in net assets	(6,169,653)	10,810,269	4,640,616
Net assets , beginning of year	109,396,502	257,413,536	366,810,038
Net assets , end of the year	\$ 103,226,849	\$ 268,223,805	\$ 371,450,654

See accompanying notes to consolidated financial statements.



# ASBURY THEOLOGICAL SEMINARY

## CONSOLIDATED STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues from services and goods</b>			
Tuition and fees	\$ 17,453,792	\$ -0-	\$ 17,453,792
Less scholarship allowances	(10,011,359)	-0-	(10,011,359)
Tuition and fees, net	7,442,433	-0-	7,442,433
Publishing	4,038,878	-0-	4,038,878
Sales and service of auxiliary enterprises	2,252,348	472,864	2,725,212
Conference registration	591,372	-0-	591,372
Total revenues from services and goods	14,325,031	472,864	14,797,895
<b>Support and other revenue, operating:</b>			
Private gifts and grants, operating	16,820,297	3,429,707	20,250,004
Investment return designated for operations	57,289	9,117,907	9,175,196
Other revenue, operating	2,840,070	18,844	2,858,914
Total support and other revenue, operating	19,717,656	12,566,458	32,284,114
Transfer of funds based on donor intent	(3,387,738)	3,387,738	-0-
Net assets released from restrictions	17,456,079	(17,456,079)	-0-
Total revenues, operating	48,111,028	(1,029,019)	47,082,009
<b>Expenses</b>			
<b>Program services</b>			
Instruction	11,363,185	-0-	11,363,185
Academic support	3,538,113	-0-	3,538,113
Student services	4,130,565	-0-	4,130,565
Public service	2,232,202	-0-	2,232,202
Publishing and conference	5,245,592	-0-	5,245,592
Auxiliary enterprises	5,240,081	-0-	5,240,081
Total program services	31,749,738	-0-	31,749,738
<b>Supporting services</b>			
Management and general	6,949,621	-0-	6,949,621
Fundraising and development	1,377,296	-0-	1,377,296
Total expenses	40,076,655	-0-	40,076,655
Changes in net assets from operating activities	8,034,373	(1,029,019)	7,005,354
<b>Other revenue, nonoperating:</b>			
Private gifts and grants, other	22,440	3,743,979	3,766,419
Annuity and life income agreements	666,639	25,360	691,999
Other revenue (expense)	330,340	(406)	329,934
Change in value of funds held in trust by others	-0-	159,361	159,361
Investment return (loss), non-operating	202,634	(486,577)	(283,943)
Total other revenue, nonoperating	1,222,053	3,441,717	4,663,770
Changes in net assets	9,256,426	2,412,698	11,669,124
Net assets , beginning of year	100,140,076	255,000,838	355,140,914
Net assets , end of the year	<u>\$ 109,396,502</u>	<u>\$ 257,413,536</u>	<u>\$ 366,810,038</u>

See accompanying notes to consolidated financial statements.

# ASBURY THEOLOGICAL SEMINARY

## CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
<b>Cash Flows from Operating Activities</b>		
Changes in net assets	\$ 4,640,616	\$ 11,669,124
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation	3,145,317	3,011,250
Actuarial adjustment to annuity and trust obligations	(21,485)	117,142
Change in value of funds held in trust held by others	(146,702)	(159,361)
Net unrealized and realized gains on investments	(13,701,734)	(7,569,359)
Loss on sale of property	1,219,709	-0-
Cash contributions restricted for capital improvements and endowment investment	(2,243,881)	(3,766,419)
Contribution of property held for sale	-0-	(4,005,217)
Noncash contributions received	(193,429)	(380,201)
Proceeds from sale of donated securities	194,571	378,433
Net change in operating assets and liabilities:		
Accrued income receivable	200,590	(631,436)
Accounts receivable	(183,531)	(286,733)
Contributions receivable	211,950	1,239,288
Inventories	104,151	(108,907)
Prepaid expenses	(125,316)	(235,578)
Accounts payable and payroll liabilities	461,898	314,794
Deposits and agency funds	(72,843)	(144,056)
Other liabilities	78,091	(398,364)
Trust obligations	13,825	8,752
Net cash flows from operating activities	(6,418,203)	(946,848)
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(273,531,926)	(140,005,609)
Proceeds from sales and maturities of investments	274,789,539	139,548,955
Purchase of property, plant, and equipment	(2,282,632)	(2,358,475)
Proceeds from sale of property	2,785,508	-0-
Student loans	(25,100)	1,863
Student loan repayments	81,257	75,267
Net cash flows from investing activities	1,816,646	(2,737,999)

See accompanying notes to consolidated financial statements.

# ASBURY THEOLOGICAL SEMINARY

## CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
<b>Cash Flows from Financing Activities</b>		
Cash contributions restricted for capital improvements and endowment investment	2,243,881	3,766,419
Proceeds received on annuity agreements	27,571	52,685
Contractual payments on annuity obligations	(214,583)	(219,886)
Net cash flows from financing activities	2,056,869	3,599,218
Net change in cash and cash equivalents	(2,544,688)	(85,629)
Cash and cash equivalents, beginning of year	9,170,951	9,256,580
Cash and cash equivalents, end of year	\$ 6,626,263	\$ 9,170,951
<u>Noncash investing and financing activities:</u>		
Donated securities	\$ 193,429	\$ 380,201

See accompanying notes to consolidated financial statements.

# ASBURY THEOLOGICAL SEMINARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

---

### 1. NATURE OF ACTIVITIES

Asbury Theological Seminary (the Seminary) is an interdenominational graduate school of theology. The Seminary was established in 1923 and is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools and the Association of Theological Schools to award master's and doctoral degrees. The Seminary operates its main campus in Wilmore, Kentucky, along with instructional sites in Orlando and Tampa, Florida; Memphis, Tennessee; Tulsa, Oklahoma, and Colorado Springs, Colorado, as well as a robust online presence, all of which allow the Seminary to serve a diverse student body from around the world.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis and have been prepared with a focus on the entity as a whole. Net assets, support, revenues, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, the net assets of the Seminary are classified and reported as follows:

Net assets without donor restrictions: Net assets that are currently available for operating purposes under the direction of the board or designated by the board for specific use.

Net assets with donor restrictions: Net assets subject to donor stipulations for specific operating purposes or time restrictions. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with investment return available for operations or specific purposes.

#### Basis of Consolidation

The consolidated financial statements include those of Asbury Theological Seminary (Asbury), Asbury Foundation for Theological Education, Inc. (Foundation), and Seedbed, Inc. (Seedbed), which are collectively referred to as the Seminary. The Foundation and Seedbed are both wholly owned subsidiaries of Asbury. Intercompany transactions and balances are eliminated upon consolidation.

Asbury Foundation for Theological Education, Inc. (the Foundation) was formed in November 1988 exclusively for the benefit of Asbury and to support its mission and activities. The Foundation is authorized to perform the functions of planned giving, wills and estates, trusts, and other charitable activities that benefit the Seminary.

Seedbed, Inc. (Seedbed) was formed in April 2021 to gather, connect, and resource Christian people for the purpose of discipleship to sow for a great awakening. Seedbed's revenue is primarily generated from publishing sales of resource materials related to this purpose, conference registrations and contributions.

# ASBURY THEOLOGICAL SEMINARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

---

### 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 the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Cash and Cash Equivalents

Cash equivalents are stated at cost, which approximates market value. Cash equivalents consist of short term, highly liquid investments with original maturities of three months or less.

### Accounts Receivable

Accounts receivable include student accounts receivable and other receivables. Student accounts receivable represent unsecured amounts due for tuition, fees, and room and board from currently enrolled and former students. The balance of accounts receivable, net, was \$2,522,671 at July 1, 2023.

### Student Loans Receivable

Student loans receivable consists of amounts loaned to students based on demonstrated financial need. These loans receivable are carried at unpaid principal balances, less an allowance for uncollectible loans. Management's periodic evaluation of the adequacy of the allowance is based primarily on the Seminary's past loan loss experience, specific impaired loans, and adverse situations that may affect the borrower's ability to repay. Loans are considered impaired if full principal or interest payments are not anticipated in accordance with contractual terms. The allowance represents an amount which in management's judgment, is sufficient to absorb loans that may ultimately be written off. No allowance for uncollectible loans is reflected in the accompanying financial statements as of and for the years ended June 30, 2025 and 2024. Management has determined that such an allowance would not be material. The balance of student loans receivable, net, was \$6,650 at July 1, 2023.

The Seminary's practice is to write off any loan or portion of a loan when the loan is determined by management to be uncollectible due to the borrower's failure to meet repayment terms, the borrower's deteriorating or deteriorated financial condition, or for other reasons. As the Seminary determines that loans are uncollectible, the loans are written off.

Loans are placed on nonaccrual when management believes, after considering economic conditions, business conditions, and collection efforts, that the loans are impaired, or collection of interest is doubtful. Uncollected interest previously accrued is charged off. Interest income on nonaccrual loans is recognized only to the extent cash payment is received.

---

## **ASBURY THEOLOGICAL SEMINARY**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024**

---

Interest on loans is recognized over the term of the loan and is calculated using the simple interest method on principal amounts outstanding.

#### Allowance for Credit Losses

Management estimates an allowance for credit losses based on historical experience, the current economic environment, and management's expectations of future economic conditions based on reasonable and supportable forecasts. The Seminary also applies adjustments for specific factors and current economic conditions, as needed, at each reporting date.

Management utilizes aging schedules for estimating expected credit losses. In evaluating loss rates, accounts receivable are pooled into categories based on days past due. Significantly aged receivables are evaluated individually by historical experience. Account balances are written off against the allowance when management deems the amount is uncollectible.

#### Inventories

Inventories consist of literature, maintenance, and other supply items and are stated at the lower of cost or net realizable value, with cost being primarily average cost.

#### Investments

Investments in certificates of deposits are stated at original deposit plus accrued interest. Investments in marketable equity and fixed income securities are valued at the closing price reported on the active market on which the individual securities are traded. For certain thinly-traded equity and fixed income securities, market prices are obtained from the Seminary's investment managers. Mutual and exchange traded funds are carried at fair values based on the daily closing price as reported by the funds.

Alternative investments, which are not readily marketable, are carried at net asset value (NAV) of the units of the investment, as provided by the investment manager, as a practical expedient to estimate fair value.

Investments in real estate are stated at the lower of cost or market as determined by appraisals or management estimates. Investments in rental real estate are stated at the lower of carrying value or market as determined by appraisals or management estimates. Other investments are recorded at cost, or in the case of gifts, at fair value at the date of acquisition.

#### Investment Pools

The Seminary maintains pooled investment accounts for its donor-restricted and board-designated endowments. Realized and unrealized gains and losses from investments in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the

---

# ASBURY THEOLOGICAL SEMINARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

---

market value of each endowment to the total market value of the pooled investment accounts, as adjusted for additions to or deductions from those accounts.

### Funds Held in Trust by Others

Funds held in trust by others include investments held in irrevocable trusts and administered by trustees, which are neither in the possession of nor under the control of the Seminary. Certain of these trusts are held under an arrangement where the Seminary receives income earned on the trust assets in perpetuity but will never receive the assets held in trust. These investments are recorded at management's estimate of the present value of the future cash flows, which represents the fair value of the trust assets.

### Annuities Payable and Trust Obligations

Assets recorded under split interest agreements are recorded at fair value of the investments held under such agreements, which represents management's estimate of the present value of expected future cash flows. Annuity and trust obligations are calculated and recorded using discount rates and actuarial assumptions as supplied by the American Council on Gift Annuities, which represents the fair value of expected future cash flows from the Seminary to beneficiaries.

### Property, Plant, and Equipment

Property, plant, and equipment are stated at cost net of accumulated depreciation. Items with a cost of greater than \$1,000 and a useful life in excess of one year are capitalized. Contributed property and equipment is recorded at fair value at the date of donation. The contributions are recorded as restricted support if a donor stipulates how long the assets must be used. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions.

Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Buildings, residences, and other structures	50 - 100 years
Equipment	10 years
Library books	10 years
Computers and software	5 years

### Interest Capitalized

The Seminary follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment during construction.

# ASBURY THEOLOGICAL SEMINARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

---

### Revenue Recognition

The Seminary recognizes tuition revenue over the applicable period of instruction. The Seminary enters contracts with students covering a semester or courses. Revenue recognition begins once a student starts attending a course. The Seminary has no costs that are capitalized to obtain or to fulfill a contract with customers. Auxiliary revenues include room and board revenues that are recognized over the period the services are provided.

The Seminary's receivables (contract receivables) represent unconditional rights to consideration from its contracts with students; accordingly, the revenue recognition process commences when they start attending their courses. Students are invoiced and payment is due prior to the start of the term. Included in each invoice to the student are all educational related items, including tuition net of scholarships and fees. The Seminary's contract liabilities are reported as other liabilities in the statement of financial position. Contract liabilities and student deposits in any period represent the excess of tuition, fees, and other student payments received as compared to amounts recognized as revenue on the statements of activities.

The Seminary identifies a performance obligation associated with the provision of its educational instruction and auxiliary services and uses the output measure for recognition as the period of time over which the services are provided to its students. The Seminary maintains an institutional tuition refund policy, which provides for all or a portion of tuition to be refunded if a student withdraws during stated refund periods. These amounts are immaterial for the fiscal years ended June 30, 2025 and 2024. The Seminary did not record revenue on amounts that may be refunded. However, for students that take out financial aid to pay their tuition, and for which a return of such money to the Department of Education under Title IV is required as a result of his or her withdrawal, the Seminary reassesses collectability.

### *Tuition and Fees*

Tuition and fees, as set annually by the Board of Trustees, represent revenue from contracts with customers. They are recognized in the applicable enrollment period which includes revenue deferred in a prior academic year. Because the Seminary has not incurred any additional cost in providing financial aid to students, institutional scholarship allowances are recorded as a reduction of tuition and fees rather than as an expense of the Seminary.

### *Contributions*

Contributions, including unconditional promises to give, are recorded as received. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met. Federal and state contracts and grants are conditioned upon certain performance requirements and/or the

---



# ASBURY THEOLOGICAL SEMINARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

---

incurrence of allowable qualifying expenses. A donor's indication of an intention to give at a future date is not recognized as revenue until the intention is communicated as an unconditional promise to give. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received, less an allowance for uncollectible receivables.

### *Publishing*

Revenue from publishing sales is recognized at a point in time when control has transferred to the customer. Generally, revenue recognition requirements are met when title to the product has transferred to the customer.

### *Conference Registration*

Conference registrations are recognized in the period in which the event is held. Each registration is generally accounted for as a single unit of account (a single performance obligation) and are not grouped together. Registrations generally open a few months prior to an event and any amount received prior to an event is recognized as a contract liability on the statement of financial position.

### Expiration of Donor Restrictions

The expiration of a donor restriction for contributions or endowment investment income is recognized in the period in which the restriction expires, and at that time the related resources are reclassified to net assets without donor restriction. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Seminary follows the policy of reporting donor restricted contributions and donor restricted investment income as donor restricted support or income and then released from restriction if the restriction is met in the same period as received or earned.

### Reclassifications

Certain amounts have been reclassified from the prior year to conform with the current year presentation. Previously reported assets, liabilities, net assets, and change in net assets were not impacted by these reclassifications.

### Subsequent Events

The Seminary evaluates events occurring subsequent to the date of the consolidated financial statements in determining the accounting for and disclosure of transactions and events that affect the consolidated financial statements. Subsequent events have been evaluated through October 22, 2025, which is the date the consolidated financial statements were available to be issued.

## ASBURY THEOLOGICAL SEMINARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

---

#### 3. CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following at June 30:

	2025	2024
Amounts due in less than one year	\$ 296,292	\$ 410,234
Amounts due from one to five years	275,404	406,141
	<u>571,696</u>	<u>816,375</u>
Less allowance for uncollectible pledges	50,000	50,000
Less unamortized discount	36,974	69,703
Net contributions receivable	<u>\$ 484,722</u>	<u>\$ 696,672</u>

#### 4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

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

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Seminary has the ability to access.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

---

## ASBURY THEOLOGICAL SEMINARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

---

*Money market mutual funds:* Generally, transact subscription and redemption activity at a \$1 stable net asset value (NAV), however, on a daily basis the funds are valued at their daily NAV calculated using the amortized cost of the securities held in the fund.

*Common stocks:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Mutual and exchange traded funds:* Valued at the daily closing price as reported by the fund. Mutual and exchange traded funds held by the Seminary are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The funds held by the Seminary are deemed to be actively traded.

*Other investments:* Valued using pricing models maximizing the use of observable inputs for similar assets and securities.

*Alternative investments:* Valued at the NAV of units of the investee. The NAV, as provided by the investment manager, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the investee less its liabilities. Due to the nature of the investments held by the investee, changes in market conditions and the economic environment may significantly impact the net asset value of the investee and, consequently, the fair value of the Seminary's interests in the investee.

*Funds held in trust by others:* Valued at fair value as reported by the trustee, which represents the Seminary's pro rata interest in the net assets of the trust, substantially all of which are valued on a mark-to-market basis.

*Annuity and trust obligations:* Calculated and recorded using discount rates and actuarial assumptions as supplied by the American Council on Gift Annuities, which represents the fair value of expected future cash flows from the Seminary to beneficiaries.

*U.S. government securities* - Valued using pricing models maximizing the use of observable inputs for similar securities.

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

The following tables set forth by level within the fair value hierarchy investment assets and liabilities as of June 30, 2025 and 2024, and the changes in fair value of the Seminary's Level 3 investments assets for the years then ended.

# ASBURY THEOLOGICAL SEMINARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

Fair value measurements as of June 30, 2025:

	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Assets				
Money market mutual funds	\$ -0-	\$ 19,377,700	\$ -0-	\$ 19,377,700
Mutual and exchange traded funds (ETF):				
Equity				
Large	38,011,130	-0-	-0-	38,011,130
Small/mid	35,731,754	-0-	-0-	35,731,754
Other	3,765,731	-0-	-0-	3,765,731
Fixed Income				
Intermediate	6,793,379	-0-	-0-	6,793,379
U.S. government securities	-0-	37,440,674	-0-	37,440,674
ETF				
Large	6,814,214	-0-	-0-	6,814,214
Intermediate	1,209,035	-0-	-0-	1,209,035
Other investments	-0-	886,272	-0-	886,272
Funds held in trust by others	-0-	-0-	3,614,907	3,614,907
Total investments and funds held in trust by others at fair value	<u>\$ 92,325,243</u>	<u>\$ 57,704,646</u>	<u>\$ 3,614,907</u>	153,644,796
Alternative investments*				130,435,117
Other				1,063
Cash				1,055,919
Total investments and funds held in trust by others				<u>\$ 285,136,895</u>
Liabilities				
Annuities payable	\$ -0-	\$ 1,357,966	\$ -0-	\$ 1,357,966
Trust obligations	-0-	853,980	-0-	853,980
Total liabilities at fair value	<u>\$ -0-</u>	<u>\$ 2,211,946</u>	<u>\$ -0-</u>	<u>\$ 2,211,946</u>

\*Certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The carrying amounts presented in the above tables are intended to permit reconciliation of the fair value to the line items presented in the consolidated statement of financial position.

# ASBURY THEOLOGICAL SEMINARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

Fair value measurements as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
<b>Recurring fair value measurements</b>				
<b>Assets</b>				
Money market mutual funds	\$ -0-	\$ 53,458,160	\$ -0-	\$ 53,458,160
Mutual and exchange traded funds (ETF):				
Equity				
Large	25,356,199	-0-	-0-	25,356,199
Small/mid	27,588,410	-0-	-0-	27,588,410
Other	3,057,019	-0-	-0-	3,057,019
Fixed Income				
Intermediate	12,826,149	-0-	-0-	12,826,149
U.S. government securities	-0-	20,187,394	-0-	20,187,394
ETF				
Large	5,509,960	-0-	-0-	5,509,960
Intermediate	1,422,398	-0-	-0-	1,422,398
Other investments	-0-	531,888	-0-	531,888
Funds held in trust by others	-0-	-0-	3,468,205	3,468,205
Total investments and funds held in trust by others at fair value	<u>\$ 75,760,135</u>	<u>\$ 74,177,442</u>	<u>\$ 3,468,205</u>	153,405,782
Alternative investments*				118,078,784
Other				1,063
Cash				1,061,585
Total investments and funds held in trust by others				<u>\$ 272,547,214</u>
<b>Liabilities</b>				
Annuities payable	\$ -0-	\$ 1,566,463	\$ -0-	\$ 1,566,463
Trust obligations	-0-	840,155	-0-	840,155
Total liabilities at fair value	<u>\$ -0-</u>	<u>\$ 2,406,618</u>	<u>\$ -0-</u>	<u>\$ 2,406,618</u>
<b>Nonrecurring fair value measurements</b>				
<b>Assets</b>				
Property held for sale	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 4,005,217</u>	<u>\$ 4,005,217</u>

\*Certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The carrying amounts presented in the above tables are intended to permit reconciliation of the fair value to the line items presented in the consolidated statement of financial position.

## ASBURY THEOLOGICAL SEMINARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

The following is a reconciliation of activity for assets measured on a recurring basis at fair value based upon significant unobservable inputs (level 3) for the years ended June 30:

	2025	2024
Beginning balance	\$ 3,468,205	\$ 2,263,022
Investment return/(loss), net	146,702	1,205,183
Total	<u>\$ 3,614,907</u>	<u>\$ 3,468,205</u>

Distributions from each of the proprietary funds will be received as the underlying investment of the limited partnership is realized. It is estimated that the underlying assets of the limited partnerships will be realized over the next 1 - 10 years. It is probable that all of the investments in limited partnerships will be sold at an amount different from the net asset value listed due to market and credit risk associated with these investments at the time of disposition.

The following tables summarize alternative investments stated at net asset value by investment category, strategy and redemption frequency:

Alternative investment category, redemption frequency	Funds	2025	2024	Unfunded Commitments
Hedge funds:				
Hedge fund, annually (1)	2	\$ 4,219,674	\$ 15,551,741	\$ -0-
Hedge fund, quarterly (1)	2	324,456	327,363	-0-
Hedge fund, monthly (1)	1	14,576	37,900	-0-
Hedge fund, non-redeemable (1)	1	685,334	-0-	2,327,302
Commingled equity funds (5)	4	36,354,646	14,609,495	-0-
Proprietary funds:				
Private equity fund, monthly (2)	1	2,664,194	3,231,369	750,000
Private equity fund, non-redeemable (2)	17	37,934,159	37,086,272	5,986,008
Real estate fund, quarterly (3)	3	8,024,204	9,352,709	617,774
Real estate fund, non-redeemable (3)	9	21,446,033	20,180,568	6,449,320
Venture capital fund of funds, non-redeemable (4)	5	18,767,841	17,701,367	5,974,508
	<u>45</u>	<u>\$ 130,435,117</u>	<u>\$ 118,078,784</u>	<u>\$ 22,104,912</u>

- (1) This category includes investment in multiple funds. Funds invest in publicly traded equity securities issued by non-U.S. companies. Other funds are feeder funds which invest in a master fund. The master funds employ multiple strategies which include but are not limited to the following: private investments, hedge fund strategies, opportunistic equity, enhanced fixed income, absolute return, and tactical trading. While others seek to generate capital appreciation over the long term through a portfolio having a diversified risk profile with relatively low volatility

## ASBURY THEOLOGICAL SEMINARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

---

and a low correlation with traditional equity and fixed income markets. The fair values of the investments in this category have been estimated using the net asset value per share of the fund.

- (2) This category includes funds which emphasize private equity while also looking to buyouts, venture capital, special situations, distressed securities and other non-traditional categories where there is a belief that the risk adjusted returns or diversification benefits from such categories may be compelling.
- (3) This category includes funds which seek superior returns through investments in undervalued or inappropriately capitalized U.S. and non-U.S. real estate assets and portfolios, and corporate real estate. The underlying real estate investments are valued at fair value which is determined based on the funds allocable share of the underlying entities partner's capital pursuant to the distribution provisions provided for in the underlying joint venture or operating agreements.
- (4) This category includes a venture capital fund of funds which invests primarily in U.S. venture and growth capital funds.
- (5) This category includes funds which invest in multiple equity investments to benefit from a economy of scale.

The Seminary maintains pooled investment accounts for its donor-restricted and board-designated endowments. The carrying value of the pooled investment accounts, at June 30, 2025 and 2024, included in investments above was \$221,232,178 and \$208,671,428, respectively.

The Seminary holds investments which are exposed to various risks such as interest rate, market, and credit risk. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying financial statements.

Property held for sale of \$4,005,217 was measured at fair value on a nonrecurring basis as of June 30, 2024 and reported in level 3 valued at the expected cash flow generated and estimated proceeds net of selling expenses from eventual disposition. The fair value of property held for sale is determined by appraisals referencing market prices and information for similar assets.

## ASBURY THEOLOGICAL SEMINARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

---

#### 5. FUNDS HELD IN TRUSTS BY OTHERS

Funds held in trusts by others consist of the following at June 30:

	2025	2024
Residual interest in trusts held by others:		
Newman and Lena Harris Theological		
Memorial Fund	\$ 280,457	\$ 263,998
Beeson Memorial Scholarship Fund	652,525	626,737
Sallie Maude Jones Fund	315,104	302,240
Viola B. McEwen Trust	1,126,880	1,068,866
The Howard and Zeta Orchard		
Charitable Trust	167,085	160,542
Free Methodist Foundation	1,072,856	1,045,822
Total	<u>\$ 3,614,907</u>	<u>\$ 3,468,205</u>

#### 6. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant, and equipment, net consist of the following at June 30:

	2025	2024
Land	\$ 5,496,710	\$ 5,496,710
Buildings	97,918,169	97,890,847
Furniture, fixtures, and equipment	31,129,092	29,465,444
Library books	13,573,389	12,981,727
	<u>148,117,360</u>	<u>145,834,728</u>
Accumulated depreciation	(68,539,059)	(65,393,742)
Property, plant, and equipment, net	<u>\$ 79,578,301</u>	<u>\$ 80,440,986</u>

#### 7. LINE OF CREDIT

The Seminary has available an unsecured on demand line of credit with a bank which provides for borrowings up to \$7,000,000. The purpose of the line of credit is to provide cash flow for operations. Interest is payable monthly at an optional rate as requested by the Seminary of either LIBOR plus 1.70% or the bank's base rate as further defined in the line of credit agreement. Any outstanding borrowings are due upon demand. No amounts were outstanding at June 30, 2025 and 2024.



# ASBURY THEOLOGICAL SEMINARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

---

### 8. ANNUITIES PAYABLE AND TRUST OBLIGATIONS

Contributions received by the Seminary under gift annuity and life income agreements are recorded at fair value at the date of the contribution. Under the terms of these agreements, the Seminary holds the assets contributed and makes periodic payments of a fixed amount to the annuitant or beneficiary for the remainder of the annuitant's or beneficiary's lifetime. Total assets held under gift annuity agreements at June 30, 2025 and 2024, amount to \$6,384,009 and \$5,666,383, respectively. Total assets recorded under life income agreements at June 30, 2025 and 2024 amount to \$-0-. Annuities payable and trust obligations are carried at fair value measured as the net present value of the obligations and calculated using the applicable federal rates, which range from 4% to 6%, and life expectancy tables. Annuities payable total \$1,357,966 and \$1,566,463 at June 30, 2025 and 2024, respectively. Trust obligations under life income agreements total \$853,980 and \$840,155 at June 30, 2025 and 2024, respectively.

To accept annuities written in the state of Wisconsin, the Seminary is required by state law to limit investments in the common stock of a single corporation to 3% of total investments, and investments in a single issuer and its affiliates other than the government of the United States to 10% of total investments. To accept annuities written in the state of California, the Seminary is required by state law to have a trust company invest those funds in a separate trust account with equity investments limited to 50% of total investments. To accept annuities written in the state of Florida, the Seminary is required by state law to maintain a segregated trust with equity investments (including mutual funds) limited to 50% of total investments with no more than 10% of any one stock or fund. The Seminary believes it is in compliance with the respective investment restrictions as applicable to annuities written in each respective state.

### 9. RETIREMENT PLAN

All regular employees are eligible for participation in a fully funded defined contribution retirement plan (the Plan) that operates under Section 403(b) of the Internal Revenue Code (IRC). Employees are eligible upon hire to defer a portion of their compensation into the Plan. An employee becomes eligible for employer contributions after completing two years of service, defined by the Plan as corresponding with or commencing on the second anniversary date of his or her date of hire during which the employee works a minimum of 1,000 hours. After completing two years of service, the Seminary will contribute 4% of the participant's base compensation to the Plan with no match from the participant required, or the Seminary will contribute 6% of the participant's base compensation to the Plan with a mandatory 2% match required by the participant. Contributions may be invested in traditional and variable annuities provided by the Teachers Insurance and Annuity Association (TIAA) or to buy accumulation units, or shares of participation in investment portfolios provided by the College Retirement Equities Fund (CREF). Seminary contributions to the plan were \$668,157 and \$662,203 for the years ended June 30, 2025 and 2024, respectively.

## **ASBURY THEOLOGICAL SEMINARY**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024**

---

#### **10. INCOME TAXES**

Asbury, the Foundation, and Seedbed are organizations exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code whereby only unrelated business income, as defined by Section 512(a)(1) of the code, is subject to Federal income tax. Asbury, the Foundation, and Seedbed do not file a Form 990, Return of Organization Exempt from Income Tax. Asbury files a Form 990-T, Exempt Organization Business Income Tax Return, for income it receives as a partner or owner in certain taxable entities and other unrelated business income. Asbury has net operating loss carryforwards from its Form 990-T which have not been assessed a value at June 30, 2025 or 2024 due to uncertainty.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Seminary and recognize a tax liability if the Seminary has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Seminary, and has concluded that as of June 30, 2025 and 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements.

The Seminary has filed its federal income tax returns for periods through June 30, 2024 and is subject to routine audits by taxing jurisdictions. However, as of the date the financial statements were issued, there were no audits for any tax periods in progress. These returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions).

## ASBURY THEOLOGICAL SEMINARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

---

#### 11. NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30:

	2025	2024
Subject to the passage of time:		
Gifts	\$ 435,465	\$ 391,920
Subject to expenditure for specified purpose:		
Unspent endowment fund gains and term endowments restricted for:		
Financial aid	46,205,680	42,286,912
Operations	27,458,977	26,202,149
Academic chairs	10,059,644	9,081,277
Capital projects	494,675	464,155
Other purpose restrictions:		
Financial aid	22,098,243	22,076,527
Operations	23,706,140	24,629,453
Academic chairs	37,172	-0-
Capital projects	596,360	658,272
	<u>130,656,891</u>	<u>125,398,745</u>
Subject to restriction in perpetuity:		
Endowment funds restricted in perpetuity:		
Financial aid	76,656,511	71,074,784
Operations	33,977,575	33,974,500
Academic chairs	21,479,407	21,479,407
Capital projects	500,000	500,000
Other funds perpetual in nature:		
Student loans	1,230,348	1,229,629
Annuity funds	177,216	177,216
Life income funds	568,341	764,952
Trust funds	2,542,051	2,422,383
	<u>137,131,449</u>	<u>131,622,871</u>
Total net assets with donor restrictions	<u>\$ 268,223,805</u>	<u>\$ 257,413,536</u>

## ASBURY THEOLOGICAL SEMINARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

The Board of Trustees at the Seminary has several standing board policies or approved board resolutions that affect the presentation of board-designated net assets. Net assets without donor restriction including board-designated net assets consist of the following as of June 30:

	2025	2024
Net assets without donor restrictions:		
Undesignated	\$ 12,620,936	\$ 17,524,683
Board-designated		
Annuity and life income	3,729,929	3,414,038
Capital reserves	1,746,827	1,715,099
Seedbed	1,200,000	1,200,000
Student services	1,168,998	1,148,291
New initiatives	773,397	1,174,902
Development reserves	708,351	708,351
Rental sinking funds	669,596	703,090
Quasi-endowment	538,561	647,346
Investing in people	348,235	476,000
Insurance reserves	150,000	150,000
Executive services	-0-	100,000
Net investment in plant and equipment	79,572,019	80,434,702
Total	<u>\$ 103,226,849</u>	<u>\$ 109,396,502</u>

The Seminary operates its physical campus in Wilmore, KY, which requires long-term planning to maintain this sizable asset. As a result, the Board of Trustees established a capital reserve fund with a goal to consistently resource these reserves with sufficient dollars to ensure that the Seminary's buildings are well maintained for the long-term.

A new initiatives fund was established to pilot initiatives that are determined to have the potential for positive operating results and that support the Seminary's strategic plan and help create the Seminary of the future.

A development (operations) reserve pool was established so that the Board of Trustees may draw upon the funds in event of an immediate operations need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

A rental sinking fund was established by an agreement with a donor to segregate a percentage of annual rents to assist with capital repairs in the housing units built by funds from that donor.

A quasi-endowment fund was established by the Board of Trustees into which they may designate special gifts or operating surpluses for future use as the Board may determine.

## ASBURY THEOLOGICAL SEMINARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

An investing in people fund was established to provide funding for salaries and/or targeted bonuses for staff and faculty.

An insurance reserves fund was established to support the Seminary's high deductible property insurance coverage and handle smaller incidents to avoid filing a claim and potentially impacting future rate increases.

#### 12. LIQUIDITY AND FUNDS AVAILABLE FOR OPERATIONS

The Seminary has financial assets and other liquidity resources of \$34,378,877 available within one year. This balance is more than current liabilities with the excess of \$30,346,669 sufficient to cover 76% of the 2025 fiscal year's operating expense level of \$40,021,823.

The Seminary's experience with the collections of accounts receivable from students (\$2,951,191 on June 30, 2025), has been strong with an allowance for credit loss of only \$100,000. Asbury's experience with the collection of contributions receivable from donor's (\$209,219 as of June 30, 2025) has been strong with an allowance for uncollectible pledges of only \$50,000. The allowances have proven sufficient for several years.

Cash inflows from students is concentrated in September and February and approximates \$10,000,000 annually. In addition, purpose-restricted gifts available for annual operations averaged about \$5,500,000 in 2024 and 2025.

The Seminary's financial assets available within one year at June 30, 2025 and 2024 for general expenditures are as follows:

	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 6,626,263	\$ 9,170,951
Accrued income receivable	1,160,562	1,361,152
Student accounts receivable	2,992,935	2,809,404
Contributions receivable due for payment in next fiscal year	296,292	410,234
Funds functioning as endowment available for operations	350,000	221,166
Purpose restricted gifts previously received and available to support operations	5,901,291	4,519,675
Endowment payout for the next fiscal year approved by the Board of Trustees	10,051,534	9,577,270
Financial assets available in one year	27,378,877	28,069,852
Bank line of credit (no current amounts outstanding)	7,000,000	7,000,000
Total financial assets and other liquidity resources	\$ 34,378,877	\$ 35,069,852

# ASBURY THEOLOGICAL SEMINARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

---

### 13. ENDOWMENTS

The Seminary's endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor restrictions.

#### Interpretation of Relevant Law

In approving endowment, spending and related policies, as part of the prudent and diligent discharge of its duties, the Seminary's Board of Trustees as authorized by Kentucky law, has relied upon the actions, reports, information, advice and counsel taken or provided by its duly constituted committees and the duly appointed officers of the Seminary, including Seminary counsel, and in doing so has interpreted the law to require the preservation of the historic dollar value of donor-restricted endowment funds, absent explicit donor direction to the contrary.

As a result of this interpretation, for accounting and financial statement purposes, the Seminary classifies as donor restricted net assets the historic dollar value of assets held as donor restricted endowment, including any subsequent gifts and any accumulations to donor restricted endowments made in accordance with the direction of the applicable gift instruments.

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor restrictions. Donor-restricted endowments are classified as net assets with donor restriction and board designated endowments are classified as net assets without donor restrictions consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Fund Act (UPMIFA).

The Seminary has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measure required under the law. Additionally, in accordance with UPMIFA, the Seminary 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 purpose of the Seminary 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 Seminary,
- (7) The investment policies of the Seminary.

# **ASBURY THEOLOGICAL SEMINARY**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024**

---

### Underwater Endowment Funds

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 UPMIFA requires the Seminary to retain as a fund of perpetual duration. During the 2025 and 2024, there were no deficiencies of this nature.

### Return Objectives and Risk Parameters

The Seminary has adopted investment and spending policies for endowment assets to allow the endowment funds to grow and offset any normal inflationary impact and, at the same time, provide reasonable and prudent spending income generated by the endowment funds. To accomplish this, the Seminary's investment objectives have been established to preserve purchasing power, achieve a balance between income returns and growth of principal and to seek long term growth of principal.

### Strategies Employed for Achieving Objectives

The Seminary has established a strategic asset allocation which provides for diversification among asset classes and the achievement of its investment objectives within the Seminary's established risk tolerance parameters.

Pursuant to a total return investment policy, the Seminary has approved an appropriation of net investment appreciation in an amount determined to be prudent considering the Seminary's long and short term needs, present and anticipated financial requirements, and expected total return on investments, price level trends, and general economic conditions.

### Spending Policy and How Investment Objectives Relate to Spending Policy

Under the Seminary's current endowment spending policy, a board approved percentage of the moving average of the fair value during the previous three years is made available to support current operations. Annual distributions are made in accordance with donor requirements and policy guidelines. For the years ended June 30, 2025 and 2024, the Seminary approved a spending policy of 5.0% of the moving average of the fair value during the previous three years. Certain endowment funds are subject to donor required spending policy limits which range from 4.8% to 5.0% of the moving average of the fair value during the previous three years.

In establishing this policy, the Seminary considered the long-term expected return on its assets held for endowment. Accordingly, over the long term, the Seminary expects the current spending policy to allow its endowment to grow at an average of 4.0% to 5.0% annually. This is consistent with the Seminary's objective to maintain the purchasing power of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return.

## ASBURY THEOLOGICAL SEMINARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

Composition of endowment net assets at June 30, 2025 was as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Board-designated endowment funds	\$ 538,561	\$ -0-	\$ 538,561
Donor designated endowment funds			
Original donor-restricted gift amounts			
held in perpetuity	-0-	132,613,493	132,613,493
Accumulated investment gains	-0-	84,218,976	84,218,976
Total endowment funds	<u>\$ 538,561</u>	<u>\$ 216,832,469</u>	<u>\$ 217,371,030</u>

Changes in endowment net assets for the year ended June 30, 2025 were as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 647,346	\$ 205,063,184	\$ 205,710,530
Private gift, grants and board designation	-0-	2,201,676	2,201,676
Investment return, net	-0-	16,363,015	16,363,015
Appropriation of endowment assets for operations	250,000	(6,795,406)	(6,545,406)
Distribution from board-designated endowment pursuant to policy	(358,785)	-0-	(358,785)
Endowment net assets, end of year	<u>\$ 538,561</u>	<u>\$ 216,832,469</u>	<u>\$ 217,371,030</u>

Composition of endowment net assets at June 30, 2024 was as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Board-designated endowment funds	\$ 647,346	\$ -0-	\$ 647,346
Donor designated endowment funds			
Original donor-restricted gift amounts			
held in perpetuity	-0-	127,028,691	127,028,691
Accumulated investment gains	-0-	78,034,493	78,034,493
Total endowment funds	<u>\$ 647,346</u>	<u>\$ 205,063,184</u>	<u>\$ 205,710,530</u>



## ASBURY THEOLOGICAL SEMINARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

---

Changes in endowment net assets for the year ending June 30, 2024 were as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 685,906	\$ 197,679,398	\$ 198,365,304
Private gift and grants	-0-	3,669,743	3,669,743
Investment return, net	-0-	8,525,798	8,525,798
Appropriation of endowment assets for operations	250,000	(4,811,755)	(4,561,755)
Distribution from board-designated endowment pursuant to policy	(288,560)	-0-	(288,560)
Endowment net assets, end of year	<u>\$ 647,346</u>	<u>\$ 205,063,184</u>	<u>\$ 205,710,530</u>

# ASBURY THEOLOGICAL SEMINARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

### 14. FUNCTIONAL CLASSIFICATION OF OPERATING EXPENSES

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Seminary. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and occupancy, which are both allocated based on square footage, as well as salary and benefits, which are allocated based on estimates of time and effort.

Expenses, summarized by functional classifications for the year ended June 30, 2025, are as follows:

	Program Services						Supporting Services		Total Expenses
	Instruction	Academic Support	Student Services	Public Service	Publishing & Conference	Auxiliary Enterprises	Management & General	Fundraising & Development	
Salaries & wages	\$ 7,027,998	\$ 1,585,648	\$ 2,455,861	\$ 1,500	\$ 2,129,358	\$ 1,217,491	\$ 2,900,883	\$ 765,706	\$ 18,084,445
Distributions of donor advised funds	-0-	-0-	-0-	2,584,266	-0-	-0-	-0-	-0-	2,584,266
Pension plan	338,708	66,452	75,924	-0-	-0-	34,059	121,203	31,811	668,157
Other benefits	887,236	232,219	274,315	-0-	-0-	170,014	411,507	49,329	2,024,620
Payroll taxes	452,363	100,055	159,485	-0-	-0-	69,077	186,050	49,639	1,016,669
Legal	1,138	-0-	-0-	-0-	232,567	-0-	84,876	-0-	318,581
Accounting	-0-	-0-	-0-	-0-	-0-	-0-	76,250	-0-	76,250
Advertising & promotion	1,577	491	-0-	-0-	66,707	2,251	284,845	800	356,671
Office expenses	1,531,052	1,198,291	1,028,954	6,608	60,704	1,294,330	924,807	331,139	6,375,885
Information technology	-0-	-0-	-0-	-0-	-0-	-0-	218	-0-	218
Occupancy	156,893	79,021	62,020	-0-	-0-	787,921	81,742	-0-	1,167,597
Travel	363,680	10,634	125,327	4,193	59,526	3,509	100,457	65,322	732,648
Interest	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Depreciation	550,587	300,874	232,845	-0-	-0-	1,749,776	311,235	-0-	3,145,317
Insurance	-0-	-0-	-0-	-0-	-0-	-0-	463,474	-0-	463,474
Other expenses	71,374	71,674	18,424	-0-	2,019,366	42,365	556,028	227,794	3,007,025
Total expenses by function	\$ 11,382,606	\$ 3,645,359	\$ 4,433,155	\$ 2,596,567	\$ 4,568,228	\$ 5,370,793	\$ 6,503,575	\$ 1,521,540	\$ 40,021,823

# ASBURY THEOLOGICAL SEMINARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

Expenses, summarized by functional classifications for the year ended June 30, 2024, are as follows:

	Program Services					Supporting Services			
	Instruction	Academic Support	Student Services	Public Service	Publishing & Conference	Auxiliary Enterprises	Management & General	Fundraising & Development	Total Expenses
Salaries & wages	\$ 6,991,163	\$ 1,555,787	\$ 2,350,228	\$ 1,500	\$ 1,951,012	\$ 1,227,253	\$ 2,785,150	\$ 671,427	\$ 17,533,520
Distributions of donor advised funds	-0-	-0-	-0-	2,221,000	-0-	-0-	-0-	-0-	2,221,000
Pension plan	321,272	65,829	68,073	-0-	-0-	34,942	136,569	35,518	662,203
Other benefits	833,876	206,844	262,566	-0-	-0-	148,507	450,162	54,398	1,956,353
Payroll taxes	462,772	103,173	151,326	19	-0-	73,959	175,926	49,153	1,016,328
Legal	6,988	-0-	-0-	-0-	383,376	-0-	64,578	-0-	454,942
Accounting	-0-	-0-	-0-	-0-	-0-	-0-	76,599	-0-	76,599
Advertising & promotion	27,652	-0-	-0-	-0-	48,618	1,604	142,404	800	221,078
Office expenses	1,447,188	1,173,646	849,874	6,461	87,492	1,237,314	1,920,103	422,926	7,145,004
Information technology	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Occupancy	150,675	75,787	59,735	-0-	78,308	781,944	78,397	-0-	1,224,846
Travel	518,264	14,731	115,783	3,222	53,616	5,615	125,436	84,392	921,059
Interest	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Depreciation	527,119	288,049	222,921	-0-	-0-	1,675,193	297,968	-0-	3,011,250
Insurance	750	-0-	-0-	-0-	-0-	-0-	369,364	-0-	370,114
Other expenses	75,466	54,267	50,059	-0-	2,643,170	53,750	326,965	58,682	3,262,359
Total expenses by function	<u>\$ 11,363,185</u>	<u>\$ 3,538,113</u>	<u>\$ 4,130,565</u>	<u>\$ 2,232,202</u>	<u>\$ 5,245,592</u>	<u>\$ 5,240,081</u>	<u>\$ 6,949,621</u>	<u>\$ 1,377,296</u>	<u>\$ 40,076,655</u>

# **ASBURY THEOLOGICAL SEMINARY**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024**

---

### **15. CONCENTRATIONS OF CREDIT RISK**

In the normal course of business, the Seminary maintains cash balances of certain operating accounts with banks. As of June 30, 2025 and 2024 and at times during the course of the years then ended, the balances on some of these accounts exceeded the \$250,000 insurance protection provided by the Federal Deposit Insurance Corporation (FDIC) for interest bearing transaction accounts. The Seminary has not experienced any losses on such accounts and does not believe that it is subject to significant credit risk related to the accounts.

The Seminary has significant investments in common stocks, mutual funds, exchange traded funds, and alternative investments and is, therefore, subject to concentrations of credit risk. Investment decisions are made by investment managers engaged by the Seminary and the investments are monitored by the Board of Trustees. Although the market value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Seminary.

Included in accounts receivable are student accounts receivable that potentially subject the Seminary to credit risk. The Seminary extends unsecured credit to students and parents of dependent students in connection with their studies. As of June 30, 2025 and 2024, the carrying amount of accounts receivable that are past due by ninety days or more totals \$1,105,327 and \$988,517, respectively.

### **16. RELATED PARTY TRANSACTIONS**

During the year ended June 30, 2025, the Seminary received contributions of \$346,849 from the Board of Trustee members and the President and his Cabinet. Additionally, \$82,000 are included within contribution receivables at June 30, 2025 from these parties. During the year ended June 30, 2024, the Seminary received contributions of \$257,146 from Board of Trustee members and the President and his Cabinet. Additionally, \$19,000 are included within contribution receivables at June 30, 2024, from these parties.

## ASBURY THEOLOGICAL SEMINARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

---

#### 17. FINANCIAL RESPONSIBILITY

The table below is provided to comply with Department of Education regulations regarding additional disclosures deemed necessary to calculate certain ratios for determining sufficient financial responsibility under Federal Title IV regulations.

<b>Property, Plant, and Equipment net,</b>	<b>Amount</b>
Pre-implementation property, plant, and equipment	
Ending balance of last financial statements submitted to the Department of Education, June 30, 2024	\$ 72,673,353
Subsequent depreciation and disposals	(2,286,351)
Property, plant, and equipment pre-implementation	<u>70,387,002</u>
 Property, plant, and equipment post-implementation without outstanding debt for original purpose	
Ending balance of last financial statements submitted to the Department of Education, June 30, 2024	7,767,633
Additions subsequent to year-end	2,282,632
Subsequent depreciation and disposals	(858,966)
Post-implementation property, plant, and equipment	<u>9,191,299</u>
Property, plant, and equipment, net, June 30, 2025	<u><u>\$ 79,578,301</u></u>

## SUPPLEMENTARY INFORMATION

# ASBURY THEOLOGICAL SEMINARY

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION JUNE 30, 2025

ASSETS	Asbury Theological Seminary	Seedbed	Foundation	Eliminations	Consolidated
<b>Current assets</b>					
Cash and cash equivalents	\$ 3,914,606	\$ 677,396	2,034,261	\$ -0-	\$ 6,626,263
Accrued income receivable	1,153,099	-0-	7,463	-0-	1,160,562
Accounts receivable, less allowance of \$100,000 and \$50,000, respectively	2,951,192	41,743	-0-	-0-	2,992,935
Contributions receivable, less allowance of approximately \$50,000 in each year for ATS	296,292	-0-	-0-	-0-	296,292
Student loans receivable	4,500	-0-	-0-	-0-	4,500
Inventories	42,470	769,008	-0-	-0-	811,478
Prepaid expenses	588,088	113,110	-0-	-0-	701,198
Total current assets	8,950,247	1,601,257	2,041,724	-0-	12,593,228
<b>Non-current assets</b>					
Contributions receivable	188,430	-0-	-0-	-0-	188,430
Student loans receivable	200,044	-0-	-0-	-0-	200,044
Investments	279,100,656	2,421,332	-0-	-0-	281,521,988
Funds held in trusts by others	3,614,907	-0-	-0-	-0-	3,614,907
Property, plant, and equipment, net	79,578,301	-0-	-0-	-0-	79,578,301
Investment in subsidiaries	3,388,474	-0-	-0-	(3,388,474)	-0-
Total non-current assets	366,070,812	2,421,332	-0-	(3,388,474)	365,103,670
Total assets	\$ 375,021,059	\$ 4,022,589	\$ 2,041,724	\$ (3,388,474)	\$ 377,696,898
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current liabilities</b>					
Accounts payable and payroll liabilities	\$ 1,333,296	\$ 298,790	1,000,000	\$ -0-	\$ 2,632,086
Student deposits and agency funds	896,526	-0-	-0-	-0-	896,526
Other liabilities	170,361	335,325	-0-	-0-	505,686
Total current liabilities	2,400,183	634,115	1,000,000	-0-	4,034,298
<b>Non-current liabilities</b>					
Annuities payable	1,357,966	-0-	-0-	-0-	1,357,966
Trust obligations	853,980	-0-	-0-	-0-	853,980
Total non-current liabilities	2,211,946	-0-	-0-	-0-	2,211,946
Total liabilities	4,612,129	634,115	1,000,000	-0-	6,246,244
<b>Net assets</b>					
Without donor restrictions					
Undesignated	11,579,212	3,388,474	1,041,724	(3,388,474)	12,620,936
Board designated	11,033,894	-0-	-0-	-0-	11,033,894
Net investment in plant	79,572,019	-0-	-0-	-0-	79,572,019
Total net assets without donor restrictions	102,185,125	3,388,474	1,041,724	(3,388,474)	103,226,849
With donor restrictions					
Time restricted for future periods	435,465	-0-	-0-	-0-	435,465
Purpose restricted	130,656,891	-0-	-0-	-0-	130,656,891
Perpetual in nature	137,131,449	-0-	-0-	-0-	137,131,449
Total net assets with donor restrictions	268,223,805	-0-	-0-	-0-	268,223,805
Total net assets	370,408,930	3,388,474	1,041,724	(3,388,474)	371,450,654
Total liabilities and net assets	\$ 375,021,059	\$ 4,022,589	\$ 2,041,724	\$ (3,388,474)	\$ 377,696,898

See report of independent auditors.

# ASBURY THEOLOGICAL SEMINARY

## CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2025

	Asbury Theological Seminary		Seedbed		Foundation			
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminations	Consolidated
<b>Revenues from services and goods:</b>								
Tuition and fees	\$ 17,809,420	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 17,809,420
Less scholarship allowances	(11,963,529)	-0-	-0-	-0-	-0-	-0-	-0-	(11,963,529)
Tuition and fees, net	5,845,891	-0-	-0-	-0-	-0-	-0-	-0-	5,845,891
Publishing	-0-	-0-	3,131,444	-0-	-0-	-0-	-0-	3,131,444
Sales and service of auxiliary enterprises	2,546,974	492,324	-0-	-0-	-0-	-0-	-0-	3,039,298
Conference registration	-0-	-0-	423,750	-0-	-0-	-0-	-0-	423,750
Total revenues from services and goods	8,392,865	492,324	3,555,194	-0-	-0-	-0-	-0-	12,440,383
<b>Support and other revenue, operating:</b>								
Investment return designated for operations	8,018	10,566,455	-0-	-0-	128,228	-0-	-0-	10,702,701
Private gifts and grants, operating	2,571,392	6,222,181	1,226,813	-0-	78,549	-0-	-0-	10,098,935
Other revenue, operating	2,804,903	37,302	-0-	-0-	-0-	-0-	-0-	2,842,205
Loss on sale of property	-0-	-0-	-0-	-0-	(1,219,709)	-0-	-0-	(1,219,709)
Total support and other revenue, operating	5,384,313	16,825,938	1,226,813	-0-	(1,012,932)	-0-	-0-	22,424,132
Transfer of funds based on donor intent	40,000	2,709,552	-0-	-0-	(2,749,552)	-0-	-0-	-0-
Net assets released from restrictions	18,134,041	(18,134,041)	-0-	-0-	-0-	-0-	-0-	-0-
Total revenues, operating	31,951,219	1,893,773	4,782,007	-0-	(3,762,484)	-0-	-0-	34,864,515
<b>Expenses</b>								
<b>Program services:</b>								
Instruction	11,382,606	-0-	-0-	-0-	-0-	-0-	-0-	11,382,606
Academic support	3,645,359	-0-	-0-	-0-	-0-	-0-	-0-	3,645,359
Student services	4,433,155	-0-	-0-	-0-	-0-	-0-	-0-	4,433,155
Public service	12,301	-0-	-0-	-0-	2,584,266	-0-	-0-	2,596,567
Publishing and conference	-0-	-0-	4,568,228	-0-	-0-	-0-	-0-	4,568,228
Auxiliary enterprises	5,370,793	-0-	-0-	-0-	-0-	-0-	-0-	5,370,793
Total program services	24,844,214	-0-	4,568,228	-0-	2,584,266	-0-	-0-	31,996,708
<b>Supporting services:</b>								
Management and general	6,224,326	-0-	275,564	-0-	3,685	-0-	-0-	6,503,575
Fundraising and development	1,292,817	-0-	228,723	-0-	-0-	-0-	-0-	1,521,540
Total expenses	32,361,357	-0-	5,072,515	-0-	2,587,951	-0-	-0-	40,021,823
Changes in net assets from operating activities	(410,138)	1,893,773	(290,508)	-0-	(6,350,435)	-0-	-0-	(5,157,308)
<b>Other revenue, nonoperating:</b>								
Investment return (loss), nonoperating	-0-	6,185,001	316,021	-0-	19,261	-0-	-0-	6,520,283
Private gifts and grants, nonoperating	32,429	2,211,452	-0-	-0-	-0-	-0-	-0-	2,243,881
Annuity and life income agreements	352,099	387,163	-0-	-0-	-0-	-0-	-0-	739,262
Other revenue (expense)	131,398	-0-	16,398	-0-	-0-	-0-	-0-	147,796
Change in value of funds held in trust by others	13,822	132,880	-0-	-0-	-0-	-0-	-0-	146,702
Income (loss) from subsidiaries	41,911	-0-	-0-	-0-	-0-	-0-	(41,911)	-0-
Total other revenue, nonoperating	571,659	8,916,496	332,419	-0-	19,261	-0-	(41,911)	9,797,924
Changes in net assets	161,521	10,810,269	41,911	-0-	(6,331,174)	-0-	(41,911)	4,640,616
Net assets, beginning of year	102,023,604	257,413,536	3,346,563	-0-	7,372,898	-0-	(3,346,563)	366,810,038
Net assets, end of the year	\$ 102,185,125	\$ 268,223,805	\$ 3,388,474	\$ -0-	\$ 1,041,724	\$ -0-	\$ (3,388,474)	\$ 371,450,654

See report of independent auditors.



**ASBURY THEOLOGICAL SEMINARY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

---

<b>Federal Grantor / Pass-through entity Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Passed-through to Subrecipients</b>	<b>Total Federal Expenditures</b>
Student Financial Assistance - Cluster <i>U.S. Department of Education</i>			
Federal Direct Student Loans	84.268	\$ -0-	\$ 3,816,971
<b>Total Federal programs expended</b>		<b>\$ -0-</b>	<b>\$ 3,816,971</b>

---

See report of independent auditors and accompanying notes to the schedule.

# **ASBURY THEOLOGICAL SEMINARY**

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2025**

---

### **1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Asbury Theological Seminary (the "Seminary") under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Seminary, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Seminary.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **3. INDIRECT COST RATE**

The Seminary did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

### **4. PASSED THROUGH FUNDS**

The Seminary did not pass any federal funds to subrecipients for the year ended June 30, 2025

### **5. FEDERAL DIRECT STUDENT LOANS**

For the year ended June 30, 2025, the Seminary processed loans of \$3,816,971 (net of loan and origination fees) of new loans under the Federal Direct Student Loans Program (Assistance Listing Number (AL) No. 84.268) which includes unsubsidized and Plus loans for Graduate Students. The Seminary is responsible only for the performance of certain administrative duties with respect to the Federal Direct Student Loan Program. Accordingly, it is not practical to determine the balance of loans outstanding to students and former students of the Seminary under the program at June 30, 2025.

# ASBURY THEOLOGICAL SEMINARY

## FINANCIAL RESPONSIBILITY COMPOSITE SCORE YEAR ENDED JUNE 30, 2025

"Financial Responsibility Supplemental Schedule"				
Line		Primary Reserve Ratio:		
Number				
1.	Statement of Financial Position - Total net assets without donor restrictions	Net assets without donor restrictions		103,226,849
2.	Statement of Financial Position - Total net assets with donor restrictions	Net assets with donor restrictions		268,223,805
3.	None	Secured and Unsecured related party receivable		
4.	None	Unsecured related party receivable		
5.	Statement of Financial Position - Property, plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	79,578,301	
6.	Footnote 17 - Pre-implementation property, plant, and equipment	Property, plant and equipment pre-implementation		70,387,002
7.	None	Property, plant and equipment post-implementation with outstanding debt for original purchase		
8.	Footnote 17 - Post-implementation property, plant, and equipment	Property, plant and equipment post-implementation without outstanding debt for original purchase		9,191,299
9.	None	Construction in progress		
10.	None	Lease right-of-use asset, net		
11.	None	Lease right-of-use asset, pre-implementation		
12.	None	Lease right-of-use asset, post-implementation		
13.	None	Intangible assets		
14.	None	Post-employment and pension liabilities		
15.	None	Long-term debt - for long term purposes		
16.	None	Long-term debt - for long term purposes pre-implementation		
17.	None	Long-term debt - for long term purposes post-implementation		
18.	None	Line of Credit for Construction in progress		
19.	None	Lease right-of-use asset liability		
20.	None	Pre-implementation right-of-use asset liability		
21.	None	Post-implementation right-of-use asset liability		
22.	Note to the financial statement, Note 11, line Annuity funds	Annuities with donor restrictions		177,216
23.	None	Term endowments with donor restrictions		
24.	Note to the financial statement, Note 11, line Life Income funds	Life income funds with donor restrictions		568,341
25.	Statement of Financial Position - Perpetual in Nature less Life income funds and Annuity funds from above.	Net assets with donor restrictions: restricted in perpetuity		136,385,892
		<b>Total Expenses and Losses:</b>		
26.	Statement of Activities - Total Expenses	Total expenses without donor restrictions - taken directly from Statement of Activities		40,021,823
27.	None	Non-Operating and Net Investment (loss)		
28.	None	Net investment losses		
29.	Statement of Activities - Pension-related changes other than periodic pension*	Pension -related changes other than net periodic costs		

See report of independent auditors.

# ASBURY THEOLOGICAL SEMINARY

## FINANCIAL RESPONSIBILITY COMPOSITE SCORE YEAR ENDED JUNE 30, 2025

Line		Equity Ratio:		
Number		<u>Modified Net Assets:</u>		
30.	Statement of Financial Position - Net Assets without Donor Restrictions		Net assets without donor restrictions	103,226,849
31.	Statement of Financial Position - Total Net Assets with Donor Restriction		Net assets with donor restrictions	268,223,805
32.	None		Intangible assets	
33.	None		Secured and Unsecured related party receivables	
34.	None		Unsecured related party receivables	
		<u>Modified Assets:</u>		
35.	Statement of Financial Position - Total assets		Total assets	377,696,898
36.	None		Lease right-of-use asset pre-implementation	
37.	None		Pre-implementation right-of-use asset liability	
38.	None		Intangible assets	
39.	None		Secured and Unsecured related party receivables	
40.	None		Unsecured related party receivables	
		<u>Net Income Ratio:</u>		
41.	Statement of Activities - Change in Net Assets Without Donor Restrictions		<u>Change in Net Assets Without Donor Restrictions</u>	(6,169,653)
42.	Statement of Activities - Without donor restriction column total revenues less Investment return designated for operations		<u>Total Revenues and Gains</u>	33,715,924

See report of independent auditors.

# ASBURY THEOLOGICAL SEMINARY

## FINANCIAL RESPONSIBILITY COMPOSITE SCORE YEAR ENDED JUNE 30, 2025

Calculating the Composite Score				
	Lines from Schedule	Amount	Ratio	
*Primary Reserve Ratio = Expendable Net Assets	=1+2-22-24-25-6-8+16	154,740,904	3.8664	
/ Total expenses and Losses Without Donor Restrictions	=26	40,021,823		
Equity Ratio = Modified Net Assets	=30+31	371,450,654	0.9835	
/ Modified assets	=35	377,696,898		
Net Income Ratio = Change in Net Assets without Donor Restrictions	=41	(6,169,653)	-0.1830	
/ Total Revenue and Gains Without Donor Restrictions	=42	33,715,924		
Step 1: Calculate the strength factor score for each ratio by using the following algorithms:				
Primary Reserve strength factor score = 10 x the primary reserve ratio result				
Equity strength factor score = 6 x the equity ratio result				
Negative net income ratio result:	Net Income strength factor = 1 + (25 x net income ratio result)			
Positive net income ratio result:	Net income strength factor = 1 + (50 x net income ratio result)			
Zero result for net income ratio:	Net income strength factor = 1			
If the strength factor score for any ratio is greater than or equal to 3, the strength factor score for the ratio is 3.				
If the strength factor score for any ratio is less than or equal to -1, the strength factor score for the ratio is -1.				
Step 2: Calculate the weighted score for each ratio and calculate the composite score by adding the three weighted scores				
Primary Reserve weighted score = 40% x the primary reserve strength factor score				
Equity weighted score = 40% x the equity strength factor score				
Net Income weighted score = 20% x the net income strength factor score				
Composite Score = the sum of all weighted scores				
Round the composite score to one digit after the decimal point to determine the final score				
RATIO	Ratio	Strength Factor	Weight	Composite Scores
Primary Reserve Ratio	3.8664	3.0000	40%	1.2
Equity Ratio	0.9835	3.0000	40%	1.2
Net Income Ratio	(0.1830)	-1.0000	20%	-0.2
TOTAL Composite Score - Rounded				2.2

See report of independent auditors.



Blue & Co., LLC / 250 West Main Street, Suite 2900 / Lexington, KY 40507  
main 859.253.1100 fax 859.253.1384 email blue@blueandco.com

**REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees  
Asbury Theological Seminary  
Wilmore, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Asbury Theological Seminary (the Seminary), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 22, 2025.

Internal Control Over Financial Reporting

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

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

To the Board of Trustees  
Asbury Theological Seminary  
Wilmore, Kentucky

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

#### Report on Compliance and Other Matters

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

#### Purpose of this Report

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

**Blue & Co., LLC**

Lexington, Kentucky  
October 22, 2025



Blue & Co., LLC / 250 West Main Street, Suite 2900 / Lexington, KY 40507  
main 859.253.1100 fax 859.253.1384 email blue@blueandco.com

## **REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees  
Asbury Theological Seminary  
Wilmore, Kentucky

### Report on Compliance for Each Major Federal Program

#### *Opinion on Each Major Federal Program*

We have audited Asbury Theological Seminary's (the Seminary) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Seminary's major federal programs for the year ended June 30, 2025. The Seminary's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Seminary complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

#### *Basis for Opinion on Each Major Program*

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

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



To the Board of Trustees  
Asbury Theological Seminary  
Wilmore, Kentucky

### *Responsibilities of Management for Compliance*

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

### *Auditor's Responsibilities for the Audit of Compliance*

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Seminary's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Seminary's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Seminary's internal control over compliance. Accordingly, no such opinion is expressed.

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

To the Board of Trustees  
Asbury Theological Seminary  
Wilmore, Kentucky

Report on Internal Control Over Compliance

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

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

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

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

*Blue & Co., LLC*

Lexington, Kentucky  
December 5, 2025

# ASBURY THEOLOGICAL SEMINARY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2025

---

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued: unmodified opinion

Internal control over financial reporting:

Material weakness(es) identified?	yes	X none reported
Significant deficiency(s) identified not considered to be material weaknesses?	yes	X none reported
Noncompliance material to financial statements noted?	yes	X no

#### Federal Awards

Internal control over major programs:

Material weakness(es) identified?	yes	X none reported
Significant deficiency(s) identified not considered to be material weaknesses?	yes	X none reported

Type of auditor's report issued on compliance for major programs: unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	yes	X no
--	-----	------

# ASBURY THEOLOGICAL SEMINARY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2025

---

Identification of major program:

The program tested as a major federal program for the year ended June 30, 2025, is the United States Department of Education, Student Financial Assistance Cluster of Programs. Individual programs which are included in the Student Financial Assistance Cluster include the following:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
84.268	Federal Direct Student Loans

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee: X yes no

### Section II - Findings - Financial Statement Audit

Our audit disclosed no findings that are required to be communicated under Government Auditing Standards for the year ended June 30, 2025.

### Section III - Findings and Questioned Costs - Major Federal Awards Program Audit

Our audit disclosed no findings that are required to be communicated under Government Auditing Standards for the year ended June 30, 2025.

# **ASBURY THEOLOGICAL SEMINARY**

## **SCHEDULE OF PRIOR YEAR FINDINGS YEAR ENDED JUNE 30, 2024**

---

No findings or questioned costs were reported for the year ended June 30, 2024.