2022 ANNUAL REPORT

CONTENTS

FORWARD TOGETHER FOR IMPACT:
LETTER FROM BOARD CHAIRS AND CEO


Jikyeong Kang


McRae C. Banks


Caryn Beck-Dudley

Business education, business, and society at large are in a new era of change. Business as usual is a concept of the past. The future we create will be one characterized by responsible business practices, climate action, social justice, and global equality. As leaders, we must seize this opportunity to make the transformations we know are needed for a more thriving and inclusive society.

AACSB's vision to transform business education globally for positive societal impact is lofty, as visions should be, but with our network of dedicated business school and organizational leaders, we are already making great strides toward achieving that vision. We are encouraged by the activities we see around us: innovations in business curriculum and programming are transcending traditional models that no longer serve the workforce; collaborations between academia and industry are resulting in more relevant preparation of future leaders; and a greater focus on responsible research and industry practices is shaping a new understanding of what business education can, and should, be: a force for good in the world.

Such progress would not be possible without contributions from our board, volunteers, members, and numerous collaborators who have been willing to share their triumphs, as well as their trials. Recognizing the critical support we receive from our members, we in turn have continued to invest in members through enhanced technology platforms, new learning and development offerings, virtual and in-person networking opportunities, increased regional activities, ongoing volunteer training, and further implementation of the 2020 business accreditation standards.

Perhaps the most exciting change in this past year has been the ability to connect with so many of you in person again. At our International Conference and Annual Meeting (ICAM) in New Orleans, Louisiana, we convened over 1,200 business school educators and administrators, industry leaders, and AACSB staff—all eager to network, learn, and reconnect face to face. Regional conferences, seminars, and accreditation visits also took place in person once again, with continued virtual and hybrid options offering flexibility and accessibility, in homage to our new normal.

We are experiencing an age of positive change prompted by continual innovation in our business models, educational offerings, and strategic visions. To continue this forward momentum, it is critical that we strengthen our connections and grow our network, share what we're learning, and create space for new ideas to flourish to advance business education and deliver value to the businesses and global communities we serve.

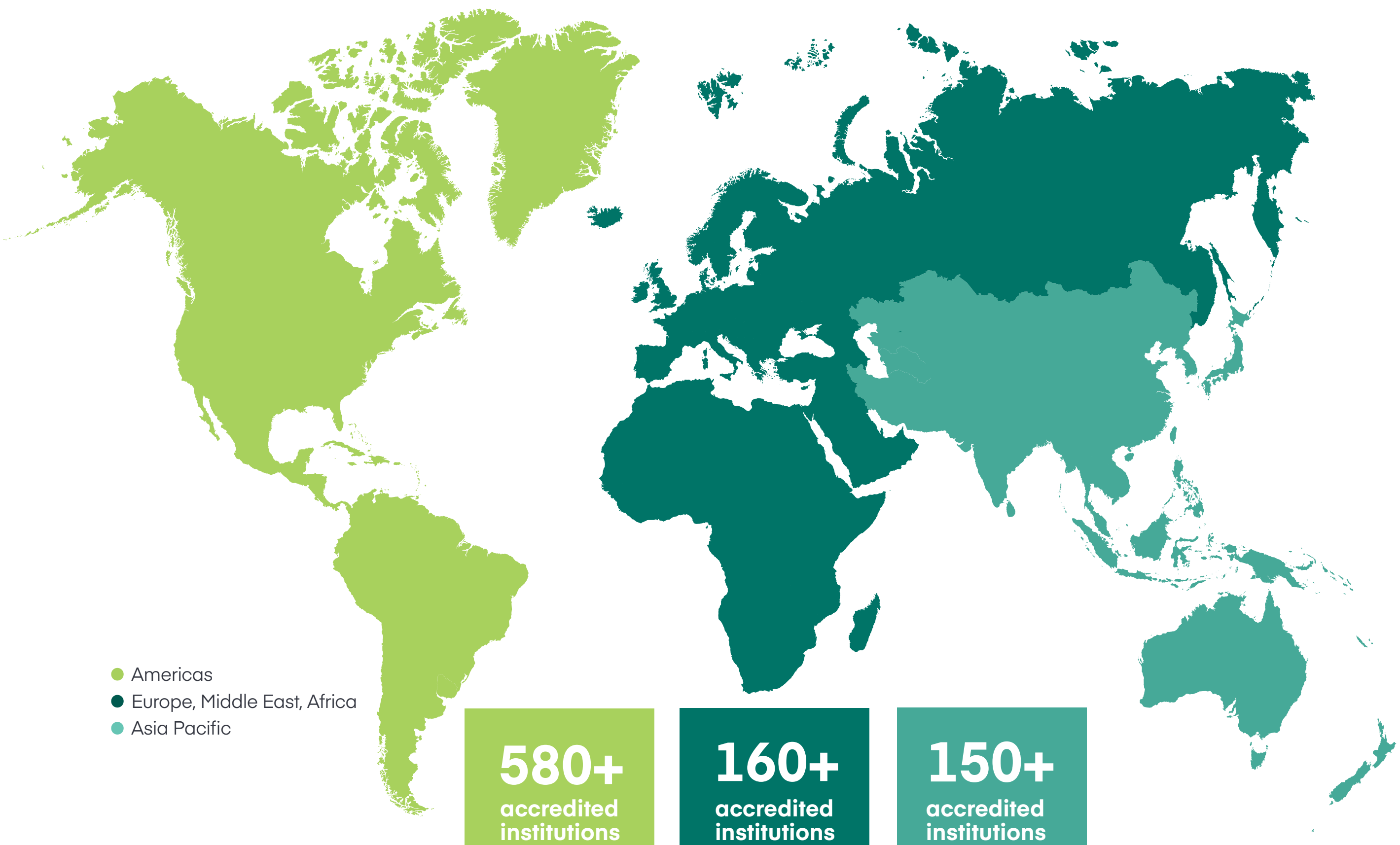
Jikyeong Kang
Chair, 2021–22 AACSB Board of Directors
President, Dean, and MVP Chair in Marketing
Asian Institute of Management

McRae C. Banks
Vice Chair-Chair Elect, 2021-22 AACSB Board of Directors
Dean, Bryan School of Business and Economics
University of North Carolina Greensboro

Caryn Beck-Dudley
President and CEO
AACSB International

AACSB AT A GLANCE

OUR NETWORK, CONNECTED.



580+ accredited institutions

160+ accredited institutions

150+ accredited institutions

1,850+ member organizations in **100+** countries and territories

2.8M+ annual website visitors from **200+** countries and territories

1,500+ volunteers in **55+** countries and territories

data as of June 30, 2022

OUR PRESENCE, AROUND THE WORLD.

3	GLOBAL OFFICES
70+	STAFF MEMBERS
20+	LANGUAGES SPOKEN
170+	LEARNING AND DEVELOPMENT OPPORTUNITIES ANNUALLY

MISSION
We foster engagement, accelerate innovation, and amplify impact in business education.

VISION
Transforming business education globally for positive societal impact.

VALUES
Quality • Diversity, Equity, Inclusion, and Belonging • Global Mindset • Ethics • Social Responsibility • Community

DELIVERING VALUE TO THE BUSINESS EDUCATION ALLIANCE

MEMBER CONNECTIONS

With transformation at the forefront of business education this past year, AACSB saw more Business Education Alliance members connect to explore new possibilities for improving education, driving impact, and redefining the future of work.

42 networking communities—composed of **15 affinity groups**, **8 regional networks**, and **19 virtual communities**—exchanged ideas and best practices.

105 new member schools from **41 countries and territories** joined AACSB.

34 new business members joined AACSB from **12 different industries**.

LEARNING AND PROFESSIONAL DEVELOPMENT

To enable leaders to discover new paths forward, AACSB's expanded learning and development offerings facilitated connections, spurred innovative ideas, and provided opportunities to collaborate.

140 events supporting **thousands of members** around the world.

Over **400 speakers and facilitators** shared their expertise and insight through conferences, seminars, digital learning events, and meetups.

6 new learning opportunities:
1 conference,
3 online courses,
1 seminar, and
1 on-demand offering.

VOLUNTEER LEADERSHIP

Driven by passion and purpose, AACSB volunteers provide expertise, vision, and service to ensure that business education is fulfilling its promise to society to develop the leaders of tomorrow.

More than **1,500 volunteers** supported quality assurance efforts, networking activities, advisory councils, governance committees, and thought leadership production.

Over **600 volunteers** provided mentorship and consultative support as members of peer review teams.

ACCREDITATION ACTIVITIES

Quality in business education matters more than ever, and we are grateful to have so many dedicated volunteers who recognize the power of accreditation in creating positive impact in business and society.

Initial accreditation visits conducted:

19 Face-to-face
23 Virtual
11 Hybrid

Continuous improvement review accreditation visits conducted:

49 Face-to-face
96 Virtual
18 Hybrid

ADVOCACY AND THOUGHT LEADERSHIP

AACSB advocates for the value of business education and AACSB accreditation. We promote business schools as a force for good and transform our industry by sharing innovative practices and actionable insights.

40 CEO presentations to organizations around the world.

214 articles produced on *AACSB Insights*.

7,377 mentions of AACSB in the media globally.

10,109 new followers/friends on social media.

12,462 downloads of thought leadership reports.

YEAR IN REVIEW: POSITIVE IMPACT THROUGH CHANGE

PROMOTING SOCIETAL IMPACT

As a key tenet embedded throughout the 2020 business accreditation standards, societal impact has remained a priority area for AACSB and member organizations. By coming together to exchange ideas about creating positive change, we get further than we ever could alone. AACSB started an exciting accelerator model that will help define the competencies needed for tomorrow's societal impact leaders.

We also saw the power of the collective in a new, joint webinar series with the Principles for Responsible Management Education (PRME), on Business Schools Driving Societal Impact. Business school and industry leaders shared their knowledge and insights on how educators, businesses, and learners all play important and interconnected roles in shaping a brighter future. To ensure broader awareness of the critical messages conveyed in the webinars, we captured key takeaways in three thought leadership briefs made available to all.

Along these same lines, AACSB's Innovation Committee, composed of the board of directors and additional leaders from business, convened in conjunction with the Deans Conference in February

and ICAM in April. The committee meetings this year focused on two critical areas of change in business education: technology in business education and societal impact leadership. The rich discussions from these meetings resulted in two new thought papers, respectively titled *The Evolving Role of Technology in the Business Education Experience* and *Accelerating a Framework for Societal Impact Leadership*. This work shows how the combined efforts of individuals committed to change are shaping the landscape of a more positive, connected, and innovative future.

ADVANCING DIVERSITY, EQUITY, INCLUSION, AND BELONGING

Everyone has a role to play in creating positive change in society, and as business educators and leaders, we are defining new courses of action to ensure a more equitable future for all. This year, AACSB solidified its stance on DEIB in a position paper titled *Our Commitment to Diversity, Equity, Inclusion, and Belonging*. From our global lens, we encourage an understanding of diversity that varies across different regions and cultures around the world. In this spirit, we created new, region-focused DEIB conferences to serve the unique needs of members in their own contexts.

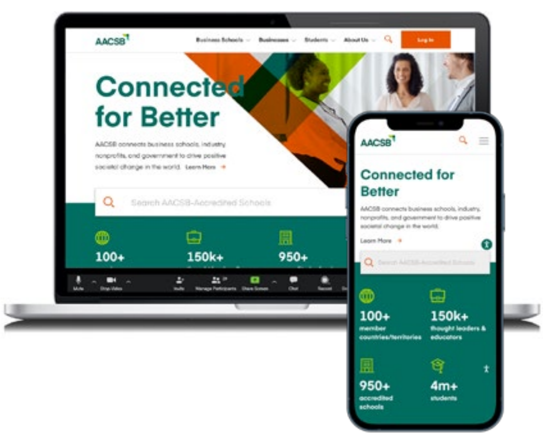
In addition to spotlighting ways that business schools are contributing to a more diverse and inclusive world through alumni leaders and innovative practices, we have continued a fruitful partnership with The PhD Project. We worked collaboratively on a rebranding project, bringing even more awareness to the organization's efforts to increase workplace diversity by supporting greater diversity of business school faculty.

THE PhD PROJECT

YEAR IN REVIEW: NEW EXPERIENCES TO MEET MEMBER NEEDS

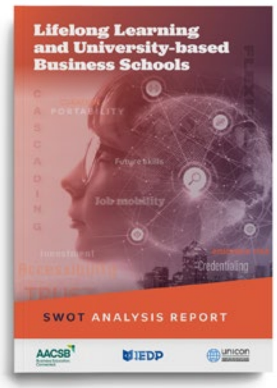
ENHANCING ENGAGEMENT THROUGH TECHNOLOGY

Understanding the impact technology can have on an industry, we invested in upgrading several technology platforms to ensure an optimal member experience. In November, we launched a new AACSB website with features including a mobile-first approach, enhanced member and accredited school search capabilities, greater personalization, a new hub for thought leadership content, and optimized event pages. In addition, we recently unveiled a new Career Connection site to better support business educators in their efforts to seek and fill jobs. Finally, we have made great progress in improving our data infrastructure to ensure that we are collecting and providing data that matters most to the business education community.



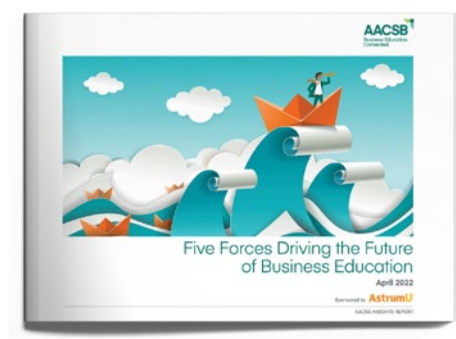
PROVIDING VALUE WITH THOUGHT LEADERSHIP

This year was a landmark year for AACSB thought leadership. In addition to launching the *AACSB Insights* streamlined platform for producing top-quality articles, videos, thought papers, and data reports, we partnered with other leaders in business education on co-created publications. We collaborated with *SAGE* on Research That Matters: An Action Plan for Creating Business School Research That Positively Impacts Society, and we worked together with UNICON and IEDP to develop Lifelong Learning and University-Based Business Schools.



In addition to producing reports from the Innovation Committee, AACSB engaged in research to inform the briefings Developing Societal Impact Leaders, examining competencies needed for leaders and organizations to drive positive societal change, and Microcredentials: Connecting Business Schools and Business Through Lifelong Learning, providing a high-level overview of where microcredentials fit within the lifelong learning and business education ecosystem.

And at ICAM 2022, we released our key thought leadership report, Five Forces Driving the Future of Business Education, discussing how shifts in learner demographics require business schools to revisit their strategic priorities, evaluate risk, and identify opportunities for innovation. The insights and innovative practices shared through this thought leadership content is improving understandings, informing new directions, and inspiring different approaches in business education—leading to the kind of positive change we all aim to create.



We are investing in data collection, warehousing, and new interface tools that will help members inform their strategic planning. We've built the foundation and will be asking members to participate in using and providing feedback on prototypes in the coming year.

EXPANDING OPPORTUNITIES THROUGH LEARNING AND DEVELOPMENT

To help meet the growing needs of business education professionals, AACSB added new offerings to its learning and development portfolio. In addition to launching regionalized DEIB events, we created a new Strategic Planning Seminar with a digital badge of completion, developed an online asynchronous Finance and Accounting for Higher Education Administrators course, scaled up our virtual private seminars, piloted research and culture seminars in the Asia Pacific region, and introduced ICAM on Demand, a virtual experience featuring 15 recorded sessions for viewers to watch at their convenience, anytime, anywhere.

YEAR IN REVIEW: LOCAL SUPPORT FOR A GLOBAL NETWORK

SUPPORTING THE UNIQUE NEEDS OF REGIONS

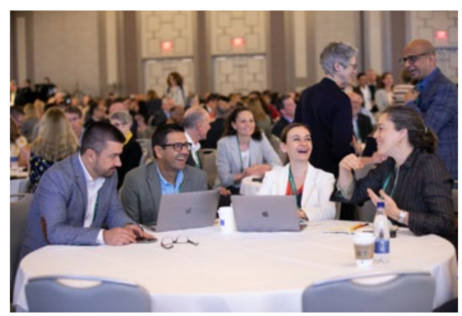
In a continued effort to meet members where they are and appreciate differences in culture and language, AACSB further supported members locally through regionalized events, bilingual seminars, translated membership and accreditation materials, and a newly appointed regional head of the Middle East and Africa, joining other regional heads in the Americas, South Asia, and East Asia.

▲ Caryn Beck-Dudley presents on transformational leadership for MIM Business School's Global Knowledge Hub.

AACSB stands in solidarity with the people of Ukraine. We hope for peace and continue to highlight inspiring stories of strength, inform global readers on recovery initiatives, and support educational efforts in the region.

FACILITATING CONNECTIONS: REUNITED

This year presented several opportunities to slowly and safely return to in-person experiences, including our ICAM conference in New Orleans, Louisiana, where we saw many old friends and new acquaintances just as eager to connect. We also hosted our Asia Pacific and EMEA Annual Accreditation Conferences, the Middle East Conference, and the Innovative Curriculum Conference in person this year. Beyond events, we are pleased that we've been able to resume some accreditation visits on location. As we continue to navigate the pandemic in all parts of the world, we will keep the best interests of our global membership in mind and strive to create the best experiences possible.



THE POWER OF RELATIONSHIPS

ACCELERATING CHANGE

This year, AACSB began work on creating accelerators to bring together diverse groups of leaders in an immersive, online experience over a three-month period. Participants from large multinational corporations, social enterprises, nonprofits, governments, and business schools learn from each other and contribute to a larger body of knowledge and thought leadership to rapidly build a societal impact leadership framework and competency structure. We look forward to sharing the results of this pioneering work in the coming year.

2021–22 accelerator participants include leaders and changemakers from the following organizations:

Google
Interface
Médecins Sans Frontières
(Doctors Without Borders)
Government of Wales
B Academics
Enactus United States
Ashoka
Educational Testing Service
CWG Plc
FEMA
Wiley
Heineken

ENGAGING INDUSTRY LEADERS

We are grateful to our sustaining and executive business members for their support of our programs and the industry insights they bring to our network.

Sustaining Business Members

American Accounting Association
Barco
Capsim Management Simulations Inc.®
Coursera
Educational Testing Service
Everspring
Graduate Management Admission Council™
KPMG
McKinsey & Company
Peregrine Global Services
PricewaterhouseCoopers
Wiley

Executive Business Members

ACADEM / RimaOne
ARMOUR Capital Management
Association of Chartered Certified Accountants
Bisk Education
Cabells
Cesim Business Simulations
Deloitte LLP
Dow Jones & Company/The Wall Street Journal
Ernst & Young Foundation LLP
Grant Thornton LLP
McGraw Hill
QED: The Accreditation Experts
SAGE Business
Studyportals

BOARD OF DIRECTORS

(year ended June 30, 2022)

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Asian Institute of Management

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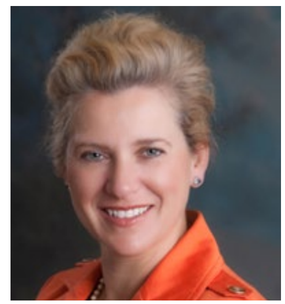

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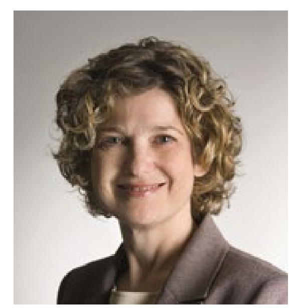
Irineu G. Gianesi
Insper Instituto de Ensino e Pesquisa

Tracey Golden
Association of International Certified Professional Accountants (AICPA) and American Institute of CPAs

Robert Helsley
University of British Columbia

Alicia J. Jackson
Albany State University

Sherif H. Kamel
The American University in Cairo



Idalene (Idie) Kesner
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Rowan University

Stefanie A. Lenway
University of St. Thomas-Minnesota

Moez Limayem
University of South Florida

Xiongwen Lu
Fudan University

Nikolaj Malchow-Møller
Copenhagen Business School

Eileen McAuliffe
Birmingham City University

Tanuja Singh
Loyola University New Orleans

Karen Spens
Hanken School of Economics

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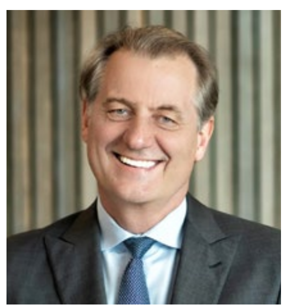
Alexander J. Triantis
Johns Hopkins Carey Business School

Fan Wang
Sun Yat-sen University



Gregory J. Whitwell
The University of Sydney

Marilyn K. Wiley
University of North Texas

Independent Auditors' Report and Consolidated Financial Statements

AACSB INTERNATIONAL – THE ASSOCIATION TO ADVANCE COLLEGIATE SCHOOLS OF BUSINESS, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

AACSB INTERNATIONAL – THE ASSOCIATION TO ADVANCE COLLEGIATE SCHOOLS OF BUSINESS, INC. AND SUBSIDIARY

TABLE OF CONTENTS

YEARS ENDED JUNE 30, 2022 AND 2021

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
AACSB International - The Association to Advance
Collegiate Schools of Business, Inc. and Subsidiary
Tampa, Florida

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and Subsidiary (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, 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 AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and Subsidiary as of June 30, 2022 and 2021, and the change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and Subsidiary 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 Consolidated 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 AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and Subsidiary's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 consolidated 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 AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and Subsidiary'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and Subsidiary'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.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the contents of the annual report but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

Board of Directors
AACSB International - The Association to Advance
Collegiate Schools of Business, Inc. and Subsidiary

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
September 13, 2022

AACSB INTERNATIONAL – THE ASSOCIATION TO ADVANCE COLLEGIATE SCHOOLS OF BUSINESS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 2,668,635	$ 3,306,635
Accounts Receivable, Net of Allowance	273,344	51,666
Prepaid Expenses and Other Assets, Current Portion	580,833	451,422
Investments	29,247,352	29,588,339
Total Current Assets	32,770,164	33,398,062
PROPERTY AND EQUIPMENT		
Software, Course Content, and Equipment	4,122,293	3,197,101
Office Furniture and Fixtures	721,195	721,195
Leasehold Improvements	1,919,444	1,919,443
Software and Improvements in Progress	275,106	338,075
Total Property and Equipment	7,038,038	6,175,814
Less: Accumulated Depreciation and Amortization	(3,693,002)	(2,708,025)
Property and Equipment, Net	3,345,036	3,467,789
OTHER ASSETS		
Prepaid Expenses and Other Assets, Net of Current Portion	103,650	153,650
Total Assets	$ 36,218,850	$ 37,019,501
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	$ 1,109,846	$ 586,993
Accrued Expenses	1,147,666	698,162
Other Liabilities	32,781	134,060
Deferred Revenue	10,910,841	11,737,371
Accrued Rent	1,323,060	1,400,068
Debt	-	1,368,890
Total Liabilities	14,524,194	15,925,544
NET ASSETS		
Without Donor Restrictions	21,694,656	21,093,957
Total Liabilities and Net Assets	$ 36,218,850	$ 37,019,501

See accompanying Notes to Consolidated Financial Statements.

AACSB INTERNATIONAL – THE ASSOCIATION TO ADVANCE COLLEGIATE SCHOOLS OF BUSINESS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
OPERATING REVENUES WITHOUT RESTRICTIONS		
Member Dues	$ 5,997,025	$ 5,706,675
Accreditation Fees	9,277,154	8,788,702
Learning and Development – Registration Fees	4,661,498	3,426,361
Sponsorships, Exhibits, and Advertising	1,197,924	548,205
Other Revenues	116,833	140,242
Total Operating Revenues Without Restrictions	21,250,434	18,610,185
EXPENSES		
Program Services	14,880,641	11,704,409
General and Administrative	5,300,003	5,290,968
Total Expenses	20,180,644	16,995,377
CHANGES IN NET ASSETS FROM OPERATIONS	1,069,790	1,614,808
OTHER REVENUES WITHOUT RESTRICTIONS		
Investment Return (Loss), Net	(1,852,621)	4,599,533
Pandemic Relief	1,383,530	1,425,704
Total Other Revenues Without Restrictions	(469,091)	6,025,237
CHANGES IN NET ASSETS	600,699	7,640,045
Net Assets - Beginning of Year	21,093,957	13,453,912
NET ASSETS - END OF YEAR	$ 21,694,656	$ 21,093,957

See accompanying Notes to Consolidated Financial Statements.

AACSB INTERNATIONAL – THE ASSOCIATION TO ADVANCE COLLEGIATE SCHOOLS OF BUSINESS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022

	Program Services	General and Administrative	Total Expenses
Salaries and Benefits	$ 8,053,716	$ 2,612,787	$ 10,666,503
Advocacy and Awareness	-	431,908	431,908
Advertising and Promotion	-	440,948	440,948
Marketing	100,509	13,015	113,524
Meetings and Events	1,707,585	242,744	1,950,329
Travel	343,845	38,332	382,177
Professional Services	1,094,074	127,586	1,221,660
Occupancy	794,311	278,766	1,073,077
Information Technology	2,103,572	734,985	2,838,557
Depreciation and Amortization	619,182	365,794	984,976
Miscellaneous	63,847	13,138	76,985
Total Expenses	$ 14,880,641	$ 5,300,003	$ 20,180,644

See accompanying Notes to Consolidated Financial Statements.

AACSB INTERNATIONAL – THE ASSOCIATION TO ADVANCE
COLLEGIATE SCHOOLS OF BUSINESS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	Program Services	General and Administrative	Total Expenses
Salaries and Benefits	$ 7,057,881	$ 3,472,834	$ 10,530,715
Advocacy and Awareness	-	425,115	425,115
Advertising and Promotion	-	93,607	93,607
Marketing	243,500	-	243,500
Meetings and Events	573,565	13,309	586,874
Travel	4,255	13,874	18,129
Professional Services	1,037,267	146,177	1,183,444
Occupancy	746,731	323,167	1,069,898
Information Technology	1,436,897	596,798	2,033,695
Depreciation and Amortization	548,888	192,940	741,828
Miscellaneous	55,425	13,147	68,572
Total Expenses	$ 11,704,409	$ 5,290,968	$ 16,995,377

See accompanying Notes to Consolidated Financial Statements.

AACSB INTERNATIONAL – THE ASSOCIATION TO ADVANCE COLLEGIATE SCHOOLS OF BUSINESS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	$ 600,699	$ 7,640,045
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Bad Debt Recovery	-	(24,580)
Depreciation and Amortization	984,976	741,828
Realized and Unrealized (Gains) Losses on Investments, Net	2,190,715	(4,300,559)
Forgiveness of Paycheck Protection Program Loan	(1,368,890)	(1,356,097)
Accrued Rent	(77,008)	(51,051)
(Increase) Decrease in Assets:		
Accounts Receivable	(221,678)	130,293
Prepaid Expenses and Other Assets	(79,411)	(29,684)
Increase (Decrease) in Liabilities:		
Accounts Payable	522,853	193,286
Accrued Expenses	449,504	(321,241)
Other Liabilities	(101,279)	134,060
Deferred Revenue	(826,530)	2,669,814
Net Cash Provided by Operating Activities	2,073,951	5,426,114
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(862,223)	(790,033)
Purchases of Investments	(9,649,326)	(18,527,061)
Proceeds from Disposition of Investments	7,799,598	14,217,196
Net Cash Used by Investing Activities	(2,711,951)	(5,099,898)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program Loan	-	1,368,890
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(638,000)	1,695,106
Cash and Cash Equivalents - Beginning of Year	3,306,635	1,611,529
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,668,635	$ 3,306,635
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	$ -	$ 1,601
NONCASH FINANCING ACTIVITIES		
Forgiveness of Paycheck Protection Program Loan	$ 1,368,890	$ 1,356,097

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

AACSB International - The Association to Advance Collegiate Schools of Business, Inc. is a nonprofit organization whose mission is to foster engagement, accelerate innovation, and amplify impact in business education. AACSB maintains three global office locations: the Americas headquarters in Tampa, Florida, USA; the Asia Pacific headquarters in Singapore; and the Europe, Middle East, and Africa headquarters in Amsterdam, The Netherlands. The regional office in Singapore is a separate incorporated entity operating as AACSB International - The Association to Advance Collegiate Schools of Business, LTD. The Amsterdam office operates as a representative office of the Organization and is not a separately incorporated entity. All three offices are staffed with individuals that primarily provide support and service to AACSB members in a) the Americas, b) Asia Pacific (AP), and c) the Europe, Middle East, and Africa (EMEA), respectively. AACSB's revenues and other support are derived principally from member dues and fees, which includes sponsorships from members and other outside organizations. Its activities serve a global network of educational institutions, corporate, and nonprofit organizations.

Basis of Presentation

TThe consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. There are no donor-imposed restrictions on the net assets of AACSB; therefore, the changes in net assets are classified and reported as net assets without donor restrictions.

Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

> *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions, including restricted contributions whose restrictions are met in the same reporting period.
>
> *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. The Organization has no net assets with donor restrictions at June 30, 2022 and 2021.

Principles of Consolidation

The consolidated financial statements include the accounts of AACSB International - The Association to Advance Collegiate Schools of Business, Inc. and AACSB International - The Association to Advance Collegiate Schools of Business, LTD (collectively referred to hereafter as AACSB or the Organization). The organizations have been consolidated due to the presence of common control and economic interest as required under GAAP. All significant inter-entity balances and transactions have been eliminated in consolidation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates and those differences could be material.

Cash and Cash Equivalents

AACSB considers all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount billed to members. The accounts receivable included in the accompanying consolidated statements of financial position represent the contract assets as of June 30, 2022 and 2021. The contract assets as of June 30, 2020, amounted to approximately $157,000. AACSB provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Accounts past due more than 90 days are considered delinquent and may be written off based on individual credit evaluation and specific circumstances of the member. AACSB extends unsecured credit to its members. The allowance for doubtful accounts is approximately $5,000 and $12,000 as of June 30, 2022 and 2021, respectively.

Prepaid Expenses and Other Assets

Prepaid expenses consist of amounts paid in advance for expenses related to events that have not yet taken place and other operating costs. This policy allows for the proper matching of expenses and the related revenues. The expenses are recognized in the consolidated statements of activities upon completion of each scheduled event or the Organization incurring operating costs.

Investments and Investment Return

Investments in equity securities with readily determinable fair values and all investments in fixed income securities are reported at fair value with unrealized gains and losses included in the consolidated statements of activities.

Investment return, net is composed of interest, dividends, realized gains and losses, and unrealized gains and losses on investments and related investment expense.

Investment return, net is considered nonoperating income and is reported as other revenues in the accompanying consolidated statements of activities.

Fair Value of Financial Instruments

Fair value measurements for assets and liabilities required to be carried at fair value on a recurring basis are determined based upon a framework prescribed by GAAP. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements):

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

Level 1 – Financial instruments with unadjusted quoted prices for identical assets listed in active market exchanges.

Level 2 – Financial instruments determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 – Financial instruments not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instrument. The prices are determined using significant unobservable inputs or valuation techniques.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Organization uses the net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

Property and Equipment

AACSB records property and equipment additions over $15,000, course content development over $20,000, and software over $25,000 at cost with an estimated useful life of three years or more. Depreciation and amortization are computed using the straight-line method over the estimated useful life of each asset class; with the exception of leasehold improvements which are amortized over the shorter of their lease term or their estimated useful lives. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the consolidated statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. Software and improvements in progress are not amortized or depreciated until placed in service, at which time it is reclassified into the appropriate asset class. The estimated useful lives of AACSB's long-lived asset classes are as follows:

Software, Course Content, and Equipment	3 to 5 Years
Office Furniture and Fixtures	3 to 7 Years
Leasehold Improvements	3 to 12 Years

The Organization capitalizes the direct costs associated with the development of software products. Initial costs are charged to operations as research prior to the development of a detailed program design or a working model. Costs incurred subsequent to the product release, and research and development performed under contract are charged to operations.

Revenue Recognition and Deferred Revenue

Program service fees include membership dues, accreditation fees, learning and development registration fees, sponsorships, exhibits, and advertising. Program service fees and related receivables are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services to their program participants. Revenue is recognized as performance obligations are satisfied.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition and Deferred Revenue (Continued)

Membership Dues

Membership dues include annual memberships. Annual membership dues are renewed each fiscal year starting July 1 and are recognized in revenue evenly over the membership period. With membership dues, members have access to the online exchange network system, a large database of global business education data, access to thought leadership pieces around business education topics, discounts to learning and development programs, and the right to apply for AACSB's business and accounting accreditation. Unearned membership revenue is reflected as deferred revenue in the consolidated statements of financial position.

Accreditation Fees

An AACSB member institution offering undergraduate and/or graduate degrees in business may voluntarily apply for AACSB's business and accounting accreditation. The AACSB accreditation process includes self-evaluation, peer-review elements, and fees at milestones while an institute is seeking accreditation and during the maintenance of their accreditation achievement.

The process begins with the submission and approval of an eligibility application. Eligibility application review fees are recognized at a point in time in which a school is included on the agenda of the review committee. Once a school's eligibility application has been approved, it will be assessed the one-time initial accreditation process acceptance fee that is recognized at a point in time when the committee gives an affirmative vote to accept the school into the accreditation process.

The applicant schools that have successfully aligned themselves with the accreditation standards will qualify for a peer review team visit and will incur a one-time fee recognized over the term of the visit, generally two to three days.

While a school is in process, or after the school has been ratified, it will pay an annual fee recognized over the applicable fiscal year starting July 1. Fees that are paid prior to the applicable fiscal year will be reflected as deferred revenue in the consolidated statements of financial position.

The deferral visit fee or continuing review fee are one-time fees for schools placed on either a deferral review during the initial accreditation process, or a continuing review for schools already accredited. Both review fees are recognized over the time of the review, generally one to two days.

Learning and Development – Registration Fees

Registration fees for multi-day learning and development events are recognized over time during the duration of the event. Registration fees for one-day digital workshops are recognized at the point in time of the event. Advance registration payments received are held in deferred revenue until the period in which the event is delivered.

Sponsorships, Exhibits, and Advertising

Sponsorship agreements comprise an exchange element based on the value of benefits provided, and a contribution element for the difference between the total sponsorship price and the exchange element. The exchange element can include admission, exhibits, and advertising which the Organization recognizes when the performance obligation is met. The admission and exhibit elements are recognized over the term of the event being sponsored. The advertising element is recognized

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition and Deferred Revenue (Continued)

Sponsorships, Exhibits, and Advertising (Continued)

at the point in time when the advertisement is delivered to the audience. The exchange element totaled approximately $264,000 and $238,000 for the years ended June 30, 2022 and 2021, respectively.

Conditional Contributions—those with a measurable performance or other barrier and a right of return—are not recognized until the conditions of the event being offered have been met. The contribution element is recognized over time as the events are held. The contribution element totaled approximately $447,000 and $172,000 for the years ended June 30, 2022 and 2021, respectively.

Sponsorship contracts can contain multiple performance obligations. The Organization allocates revenue to the separate performance obligations based on relative standalone selling prices and estimated commensurate value.

For advertising in the bimonthly *BizEd* magazine, advertisers will specify in which issue(s) they would like their advertisement to appear. Revenues for these services are recognized at a point in time, upon delivery of the specific issue to the audience. The *BizEd* magazine was discontinued in August 2021.

Banner advertising can appear in email notifications or on the website for an agreed-upon period. Advertising on email notifications is recognized at a point in time in which the email is delivered. Advertisements on the website are recognized over the term in which the advertisement is displayed.

The following table shows the Organization's deferred revenue as of June 30:

	2022	2021	2020
Contracts with Customers	$ 10,910,841	$ 11,657,371	$ 8,939,897
Conditional Contributions	-	80,000	127,660
Total	$ 10,910,841	$ 11,737,371	$ 9,067,557

The following table shows the Organization's revenue from contracts with customers for the years ended June 30, disaggregated according to the timing of transfer of goods and services:

	2022	2021
Contracts with Customers Recognized Over Time:		
Member Dues	$ 5,997,025	$ 5,706,675
Accreditation Fees	8,603,554	8,181,202
Learning and Development - Registration Fees	4,661,498	3,426,361
Sponsorships, Exhibits, and Advertising	676,791	291,852
Other Revenues	-	572
Total Contracts with Customers Recognized Over Time	19,938,868	17,606,662
Contracts with Customers Recognized at a Point in Time:		
Accreditation Fees	673,600	607,500
Sponsorships, Exhibits, and Advertising	104	55
Other Revenues	116,833	139,670
Total Contracts with Customers Recognized at a Point in Time	790,537	747,225
Total Revenue from Contracts with Customers	20,729,405	18,353,887
Total Contributions	535,669	256,298
Total Operating Revenues	$ 21,265,074	$ 18,610,185

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and benefits and occupancy expenses are allocated

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses (Continued)

based on the estimated time and effort of personnel. Distribution of all other expenses is based on full time equivalents, actual usage or management's estimates of usage applicable to the various programs and supporting services benefited.

Income Taxes

AACSB is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the Internal Revenue Service (IRS). Under certain circumstances, organizations are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. AACSB has determined that the Organization is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management has evaluated all other tax positions that could have a significant effect on the consolidated financial statements and determined that AACSB had no uncertain income tax positions at June 30, 2022.

Reclassifications

Certain reclassifications have been made to the 2021 consolidated financial statement presentation to correspond to the current year's format. Previously reported net assets and change in net assets were not affected by these reclassifications.

Subsequent Events

AACSB has evaluated subsequent events through September 13, 2022, the date the consolidated financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Organization has the following financial assets available within one year of the consolidated statement of financial position date:

	2022	2021
Cash and Cash Equivalents	$ 2,668,635	$ 3,306,635
Accounts Receivable, Net	273,344	51,666
Investments	29,247,352	29,588,339
Total Financial Assets	32,189,331	32,946,640
Less: Illiquid Investments	(2,046,677)	(1,525,624)
Total Financial Assets Available for General Expenditures Within One Year	$ 30,142,654	$ 31,421,016

None of the assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the financial position date. As more fully described in Note 7, the Organization also has a committed liquidity access line of credit in the amount of $5,000,000, which it could draw upon in the event of an anticipated liquidity need.

NOTE 3 CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject AACSB to concentrations of credit risk consist principally of cash and cash equivalents, and accounts receivable. Credit risk related to accounts receivable is generally diversified due to the large number of entities comprising the customer base.

AACSB places its cash and cash equivalents on deposit with institutions which at times may exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses on its deposits with financial institutions.

NOTE 4 FAIR VALUE MEASUREMENTS

Investment return for the years ended June 30 is summarized as follows:

	2022	2021
Investment Return (Loss), Net:		
Interest and Dividend Income	$ 443,262	$ 428,784
Net Realized Gain on Investments	217,103	1,864,532
Net Unrealized Gain (Loss) on Investments	(2,407,818)	2,436,027
Investment Expense	(105,168)	(129,810)
Total	$ (1,852,621)	$ 4,599,533

Investments were measured as follows at June 30:

	2022	2021
Investments Recorded at Fair Value:		
Equity Securities	$ 10,280,321	$ 11,705,248
Fixed Income Securities	16,546,974	15,862,940
Total Investments Recorded at Fair Value	26,827,295	27,568,188
Investments Recorded at NAV:		
Alternative Investments	2,046,677	1,525,624
Investments Recorded at Cost:		
Cash and Cash Equivalents	373,380	494,527
Total Investments	$ 29,247,352	$ 29,588,339

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient as follows at June 30:

2022	Level 1	Level 2	Level 3	Measured at NAV	Fair Value
Investments:					
Cash and Cash Equivalents	$ 373,380	$ -	$ -	$ -	$ 373,380
Equity Securities	9,419,562	860,759	-	-	10,280,321
Fixed Income Securities	15,320,094	1,226,880	-	-	16,546,974
Alternative Investments	-	-	-	2,046,677	2,046,677
Total Investments	$25,113,036	$ 2,087,639	$ -	$ 2,046,677	$29,247,352

2021	Level 1	Level 2	Level 3	Measured at NAV	Fair Value
Investments:					
Cash and Cash Equivalents	$ 494,527	$ -	$ -	$ -	$ 494,527
Equity Securities	11,151,920	553,328	-	-	11,705,248
Fixed Income Securities	14,476,812	1,386,128	-	-	15,862,940
Alternative Investments	-	-	-	1,525,624	1,525,624
Total Investments	$26,123,259	$ 1,939,456	$ -	$ 1,525,624	$29,588,339

Investments measured at fair value using NAV per share as a practical expedient are as follows at June 30:

2022	Number of Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity Funds	1	$ 857,911	$ -	Illiquid	None
Real Estate Funds	1	1,188,766	-	Illiquid*	90 Days
Total		$ 2,046,677	$ -		

2021	Number of Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity Funds	1	$ 564,605	$ -	Illiquid	None
Real Estate Funds	1	961,019	-	Illiquid*	90 Days
Total		$ 1,525,624	$ -		

*AACSB can request redemptions quarterly which are subject to available liquidity.

Private Equity Funds – The fund focuses on the purchase of globally diversified infrastructure assets, primarily consisting of primary, secondary, and co-investment opportunities. These investments are not readily redeemable; however, distributions may be received as underlying fund assets are liquidated. The fund management has a five-year investment period ending on December 31, 2022, to invest capital into opportunities. AACSB's term for this investment is 12 years ending on December 31, 2029, with three additional one-year extensions at the discretion of the fund management.

Real Estate Funds – The fund focuses on the purchase of geographically diversified real estate properties located in the United States. The fund earns income from real estate investments consisting of contractual rents due under the terms of the leases and reimbursement of certain operating expenses and real estate taxes. The income earned quarterly may be distributed to the investor or reinvested in the fund. The fund is illiquid but AACSB can request redemptions quarterly with 90 days written notice which are subject to available liquidity. If no liquidity at time of redemption notice, AACSB would enter a queue and receive partial liquidations on a quarterly basis as the fund liquidates the real estate holdings.

NOTE 5 PENSION PLAN

Effective January 2022, AACSB's employees are eligible to participate in a retirement plan on the first day of the month following their start date, a change from one year of service. U.S. employees can participate in a plan administered by the Teachers Insurance and Annuity Association (TIAA) and receive an AACSB matching amount up to 5% of their base salary, a change from up to a 10% match until August 1, 2020. Employees in The Netherlands office receive a 2.5% pension allowance that they can choose to include in a retirement plan of their choice, a change from a 5% allowance until August 1, 2020. Employees in the Singapore office receive a statutory contribution rate as specified by Central Provident Fund (CPF) depending on age.

Pension expense for the years ended June 30, 2022 and 2021, totaled approximately $273,000 and $317,000, respectively.

NOTE 6 COMMITMENTS

Operating Leases

AACSB leases office space in Tampa, Singapore, and Amsterdam under separate noncancellable operating leases, which expire through 2030. AACSB also leases certain office equipment under noncancellable operating leases through 2025. Minimum monthly rentals range from approximately $500 to $75,000.

Future minimum lease payments are as follows:

Year Ending June 30,	Amount
2023	$ 1,093,829
2024	1,052,724
2025	1,010,418
2026	1,027,397
2027	977,301
Thereafter	2,751,674
Total	$ 7,913,343

Rent expense for the years ended June 30, 2022 and 2021, totaled approximately $1,073,000 and $1,070,000, respectively.

Event and Service Commitments

As of June 30, 2022, AACSB has signed agreements with various hotels and other venues totaling approximately $3,448,000 over the next two years, representing commitments for meeting space, food, and beverages for events. Of that amount, approximately $1,925,000 is the maximum noncancellable, with some event contracts containing force majeure clauses.

The Organization has entered brand awareness, various software, and supporting service commitments totaling approximately $720,000 over the next three years.

NOTE 7 LIQUIDITY ACCESS LINE

In October 2018, AACSB entered into an agreement for a secured liquidity access line of credit with a financial institution in the amount of $5,000,000. Interest is due monthly at a variable rate equal to 1 Month LIBOR plus 1.75% (3.55% and 1.85% as of June 30, 2022 and 2021, respectively). The line is secured by AACSB investments held under custody of the lender and due on demand. There was no balance on the line as of June 30, 2022 and 2021.

NOTE 8 EMPLOYMENT CONTRACT OBLIGATIONS

AACSB has entered employment contracts with certain key employees. These agreements establish the respective annual salaries and severance agreements. The employment agreements can be terminated at the sole discretion of AACSB without cause, by giving at least 60 days written notice to the respective employee. In that event, AACSB would pay these key employees an agreed-upon amount of salary as severance, provide for certain benefits, and reimburse relocation expenses, as defined by the individual agreements.

NOTE 9 PANDEMIC RELIEF

In the United States, as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, AACSB applied for and received a loan from the U.S. Small Business Administration's (SBA). On April 16, 2020, AACSB received a loan from TD Bank, N.A. in the amount of $1,356,097 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (PPP1 Loan). The PPP1 Loan bears interest at a fixed rate of 1.00% per annum and has a repayment term of 24 months with the first 7 months deferred. The PPP1 Loan is unsecured and guaranteed by the SBA. The PPP Flexibility Act of 2020 (June 5, 2020) and subsequent regulations retroactively modified the terms of the PPP1 Loan. The modifications included an opportunity for the loan to be forgiven subject to compliance with the PPP, the timing and use of these funds, and approval by the SBA. The PPP1 Loan principal amount was forgiven in full by the SBA on June 3, 2021, including $15,520 of accrued interest, which is recorded as pandemic relief under other revenues in the accompanying consolidated statement of activities for the year ended June 30, 2021.

On March 17, 2021, AACSB received funds under a second loan from TD Bank, N.A. in the amount of $1,368,890 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (PPP2 Loan). The PPP2 Loan bears interest at a fixed 1.0% per annum and has a repayment term of five years. The PPP2 Loan is unsecured and guaranteed by the SBA. The PPP2 Loan principal amount was forgiven in full by the SBA on April 6, 2022, including $14,640 of accrued interest, which is recorded as pandemic relief under other revenues in the accompanying consolidated statement of activities for the year ended June 30, 2022.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

NOTE 10 RISK AND UNCERTAINTY

In March 2020, the World Health Organization declared the outbreak of a coronavirus (COVID 19) as a pandemic which continues to cause disruptions in the global economy. During the years ended June 30, 2022 and 2021, AACSB was able to develop and offer many virtual and hybrid in-person/virtual opportunities. As the Organization moves into the new year ending June 30, 2023, many uncertainties will continue to evolve. There continues to be a great demand from its constituents to participate with in-person events and other activities. The Organization did not experience a significant disruption to its membership recruitment or its accreditation applications during the years ended June 30, 2022 and 2021. Management does not expect any significant changes in this participation for the coming year despite the ongoing economic uncertainty.

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