



**BIBLE STUDY FELLOWSHIP AND  
AFFILIATES**

Consolidated and Combined  
Financial Statements  
With Independent Auditors' Report

August 31, 2024 and 2023

# **BIBLE STUDY FELLOWSHIP AND AFFILIATES**

## **Table of Contents**

	<u>Page</u>
Independent Auditors' Report	1
Consolidated and Combined Financial Statements	
Consolidated and Combined Statements of Financial Position	3
Consolidated and Combined Statements of Activities	4
Consolidated and Combined Statements of Functional Expenses	5
Consolidated and Combined Statements of Cash Flows	6
Notes to Consolidated and Combined Financial Statements	7
Supplementary Information	
Independent Auditors' Report on Supplementary Information	21
Consolidating and Combining Statement of Financial Position–2024	22
Consolidating and Combining Statement of Activities–2024	23

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Bible Study Fellowship and Affiliates  
San Antonio, Texas

### ***Opinion***

We have audited the accompanying consolidated and combined financial statements of Bible Study Fellowship and Affiliates, which comprise the consolidated and combined statements of financial position as of August 31, 2024 and 2023, and the related consolidated and combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated and combined financial statements.

In our opinion, the consolidated and combined financial statements referred to above present fairly, in all material respects, the consolidated and combined financial position of Bible Study Fellowship and Affiliates as of August 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated and Combined Financial Statements* section of our report. We are required to be independent of Bible Study Fellowship and Affiliates 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 and Combined Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated and combined 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 and combined financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of Directors  
Bible Study Fellowship and Affiliates  
San Antonio, Texas

***Auditors' Responsibilities for the Audit of the Consolidated and Combined Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated and combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 and combined financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated and combined 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 and combined 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 Bible Study Fellowship and Affiliates' 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 and combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bible Study Fellowship and Affiliates' 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.

*Capin Crouse LLP*

Irving, Texas  
December 13, 2024

**BIBLE STUDY FELLOWSHIP  
AND AFFILIATES**

**Consolidated and Combined Statements of Financial Position**

	August 31,	
	2024	2023
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 12,965,159	\$ 10,412,929
Cash in foreign bank accounts/classes	3,297,681	5,433,310
Investments	29,902,201	30,421,420
Pledges and estate receivables–net	661,965	141,732
Area advisor advances and other receivables	726,252	425,538
Prepaid expenses and other assets	947,186	755,328
Operating lease right-of-use assets	528,280	173,534
Beneficial interest in trust agreements	148,276	137,046
Assets held for sale	6,645,627	-
Property, plant, and equipment–net	6,147,721	15,785,525
<b>Total Assets</b>	<b>\$ 61,970,348</b>	<b>\$ 63,686,362</b>
<b>LIABILITIES AND NET ASSETS:</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 1,152,951	\$ 1,270,887
Operating lease liabilities	573,875	173,534
<b>Total liabilities</b>	<b>1,726,826</b>	<b>1,444,421</b>
<b>Net assets:</b>		
Net assets without donor restrictions	59,365,000	61,743,991
<b>Net assets with donor restrictions:</b>		
Restricted by purpose or time	871,652	491,080
Restricted in perpetuity	6,870	6,870
	878,522	497,950
<b>Total net assets</b>	<b>60,243,522</b>	<b>62,241,941</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 61,970,348</b>	<b>\$ 63,686,362</b>

See notes to consolidated and combined financial statements

# BIBLE STUDY FELLOWSHIP AND AFFILIATES

## Consolidated and Combined Statements of Activities

	Year Ended August 31,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions:						
United States	\$ 25,490,584	\$ 1,668,757	\$ 27,159,341	\$ 25,937,944	\$ 251,974	\$ 26,189,918
International	3,100,703	1,033,123	4,133,826	3,416,623	1,062,876	4,479,499
Investment income, net	1,996,957	-	1,996,957	200,928	-	200,928
Loss on disposal of property plant and equipment	(682,322)	-	(682,322)	(199,571)	-	(199,571)
Other income (loss)	15,659	-	15,659	(15,293)	-	(15,293)
<b>Total Support and Revenue</b>	<b>29,921,581</b>	<b>2,701,880</b>	<b>32,623,461</b>	<b>29,340,631</b>	<b>1,314,850</b>	<b>30,655,481</b>
<b>NET ASSETS RELEASED:</b>						
Purpose restrictions	2,167,076	(2,167,076)	-	1,392,519	(1,392,519)	-
Time restrictions	154,232	(154,232)	-	267,942	(267,942)	-
<b>Total Net Assets Released</b>	<b>2,321,308</b>	<b>(2,321,308)</b>	<b>-</b>	<b>1,660,461</b>	<b>(1,660,461)</b>	<b>-</b>
<b>EXPENSES:</b>						
Program services:						
Global in-depth Bible studies:						
United States	27,024,997	-	27,024,997	21,958,448	-	21,958,448
International	1,999,113	-	1,999,113	1,942,879	-	1,942,879
	29,024,110	-	29,024,110	23,901,327	-	23,901,327
Supporting activities:						
Administration	5,597,770	-	5,597,770	5,803,309	-	5,803,309
<b>Total Expenses</b>	<b>34,621,880</b>	<b>-</b>	<b>34,621,880</b>	<b>29,704,636</b>	<b>-</b>	<b>29,704,636</b>
Change in Net Assets	(2,378,991)	380,572	(1,998,419)	1,296,456	(345,611)	950,845
Net Assets, Beginning of Year	61,743,991	497,950	62,241,941	60,447,535	843,561	61,291,096
Net Assets, End of Year	<b>\$ 59,365,000</b>	<b>\$ 878,522</b>	<b>\$ 60,243,522</b>	<b>\$ 61,743,991</b>	<b>\$ 497,950</b>	<b>\$ 62,241,941</b>

See notes to consolidated and combined financial statements

## BIBLE STUDY FELLOWSHIP AND AFFILIATES

### Consolidated and Combined Statements of Functional Expenses

	Year Ended August 31,					
	2024			2023		
	Program Services	Supporting Activities		Program Services	Supporting Activities	
	Global in-depth Bible Studies	Administration	Total	Global in-depth Bible Studies	Administration	Total
Salaries and benefits	\$ 8,906,834	\$ 2,596,165	\$ 11,502,999	\$ 8,267,510	\$ 2,720,266	\$ 10,987,776
Information technology	3,997,481	494,194	4,491,675	3,440,265	700,494	4,140,759
Depreciation	3,609,628	755,615	4,365,243	2,727,385	735,652	3,463,037
Church facilities	3,584,620	-	3,584,620	3,402,906	-	3,402,906
Retreat lodging, meals, and other related expenses	2,864,836	100	2,864,936	319,731	200	319,931
Professional services	933,010	739,800	1,672,810	714,253	387,672	1,101,925
Area advisor expenses	1,578,738	-	1,578,738	1,270,615	-	1,270,615
Class/office supplies and expenses	652,265	500,470	1,152,735	586,235	722,495	1,308,730
Facilities	655,856	138,634	794,490	798,980	186,424	985,404
Staff training	489,611	77,003	566,614	406,691	59,545	466,236
Travel	450,819	107,647	558,466	768,109	30,702	798,811
Curriculum	439,559	-	439,559	299,737	764	300,501
Shipping and printing	369,121	7,428	376,549	455,070	7,999	463,069
Insurance	192,905	161,638	354,543	231,508	236,618	468,126
Screening volunteers	234,410	-	234,410	155,994	-	155,994
Children's supplies	48,768	-	48,768	44,015	-	44,015
Miscellaneous	15,649	19,076	34,725	12,323	14,478	26,801
<b>Total Expenses</b>	<b>\$ 29,024,110</b>	<b>\$ 5,597,770</b>	<b>\$ 34,621,880</b>	<b>\$ 23,901,327</b>	<b>\$ 5,803,309</b>	<b>\$ 29,704,636</b>

See notes to consolidated and combined financial statements

# BIBLE STUDY FELLOWSHIP AND AFFILIATES

## Consolidated and Combined Statements of Cash Flows

	Year Ended August 31,	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (1,998,419)	\$ 950,845
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	4,365,243	3,463,037
Net realized and unrealized (gain) loss on investments	(664,764)	343,724
Loss on disposal of property, plant, and equipment	682,322	199,571
Changes in operating assets and liabilities:		
Pledges and estate receivables	(531,463)	116,417
Area advisor advances and other receivables	(300,714)	336,338
Prepaid expenses and other assets	(191,858)	11,451
Operating leases	45,595	-
Accounts payable and accrued expenses	(5,936)	(226,332)
Net Cash Provided by Operating Activities	1,400,006	5,195,051
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	1,183,983	4,850,873
Proceeds from sale of property, plant, and equipment	23,358	-
Purchase of investments	-	(5,959,326)
Purchase of property, plant, and equipment	(2,190,746)	(2,398,305)
Net Cash Used by Investing Activities	(983,405)	(3,506,758)
<b>Net Change in Cash and Cash Equivalents and Cash in Foreign Bank Accounts/Classes</b>		
	416,601	1,688,293
<b>Cash and Cash Equivalents and Cash in Foreign Bank Accounts/Classes, Beginning of Year</b>		
	15,846,239	14,157,946
<b>Cash and Cash Equivalents and Cash in Foreign Bank Accounts/Classes, End of Year</b>		
	\$ 16,262,840	\$ 15,846,239
<b>Cash and cash equivalents and cash in foreign bank accounts/classes consist of the following:</b>		
Cash and cash equivalents	\$ 12,965,159	\$ 10,412,929
Cash in foreign bank accounts/classes	3,297,681	5,433,310
	\$ 16,262,840	\$ 15,846,239
<b>NON-CASH DISCLOSURE:</b>		
Property, plant, and equipment acquired with accounts payable	\$ -	\$ 112,000
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 595,313	\$ 313,421
Property, plant, and equipment moved to held for sale	\$ 6,645,627	\$ -

See notes to consolidated and combined financial statements



# **BIBLE STUDY FELLOWSHIP AND AFFILIATES**

## **Notes to Consolidated and Combined Financial Statements**

August 31, 2024 and 2023

1. NATURE OF ORGANIZATION:

Bible Study Fellowship (the Organization) is a not-for-profit corporation conducting Bible study classes in the United States and throughout the world.

### **PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements include BSF International, LLC, BSF Global Impact Corporation, and BSF International Properties Corporation. The Organization is the sole-owner of these entities. BSF International, LLC operates all classes outside the United States, and organizes and maintains registrations with similar exemptions under local laws in other countries in order to facilitate international operations. Current registrations include Hong Kong, Indonesia, Kenya, Uganda, Nigeria, Philippines, and Taiwan. Control and economic interest in these foreign affiliated organizations is maintained by common board membership and/or oversight of all operations resulting from Bible Study Fellowship's provision of all copyrighted materials and related policies required to conduct Bible Study Fellowship classes, tracking of all resulting financial activity, and ensuring compliance with requirements of local regulatory and tax laws.

BSF Global Impact Corporation was formed for the purpose of holding and conducting the endowment and investment activities on behalf of and for the sole benefit of the Organization.

BSF International Properties Corporation was formed for the purpose of holding title to property and conducting related activities on behalf of and for the sole benefit of the Organization.

Bible Study Fellowship, BSF International, LLC, and BSF Global Impact Corporation are nonprofit organizations exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (the Code) and are not private foundations under Section 509(a) of the Code. BSF International Properties Corporation is a Texas corporation organized as a nonprofit holding company under Section 501(c)(2).

### **PRINCIPLES OF COMBINATION**

The accompanying financial statements include the accounts of BSF International (Australia) Limited, BSF International (New Zealand) Limited, Bible Study Fellowship (Singapore), BSF International (U.K.) Limited, and Bible Study Fellowship (Canada). These five organizations are affiliates that are operated independently with their own separate board of directors and work together collaboratively to achieve their respective charitable purposes. Due to the lack of common board control, these affiliates are not required to be consolidated with the Organization. However, given the collaborative nature of this structure, combined financial statements are presented for these affiliates. The combined affiliates of BSF that are organized outside of the United States are tax-exempt based on the various laws of the country in which they operate. These affiliates are generally not subject to any Federal or State income tax including any tax liabilities due to unrelated business income.

The consolidated and combined affiliates (collectively, BSF) are part of the financial statements. All material intercompany accounts and transactions have been eliminated in the consolidated and combined financial statements.

# **BIBLE STUDY FELLOWSHIP AND AFFILIATES**

## **Notes to Consolidated and Combined Financial Statements**

August 31, 2024 and 2023

1. NATURE OF ORGANIZATION, continued:

BSF currently operates 1,488 classes plus 8,506 satellite discussion groups where members meet weekly for in-depth Bible study. These classes and groups meet in 67 different countries. In addition, BSF hosts 3,007 online discussion groups that allow class members in 191 different countries to participate in weekly small group discussions over their computer or connected devices. These online discussion groups have grown out of BSF's strategic investment in technology and digital options as they seek to reach people of all ages, races, countries, and cultures with in-depth Bible study. The organization's mission is: global, in-depth Bible classes producing passionate commitment to Christ, His Word, and His Church. Their vision is to magnify God and mature His people.

BSF's primary source of support and revenue is contributions from individual donors and those attending their classes around the world. BSF does not charge class members for participating in their Bible classes.

BSF maintains its accounts and prepares its consolidated and combined financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. BSF uses estimates and assumptions in preparing consolidated and combined financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of any contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the consolidated and combined financial statements. The significant accounting policies followed are described below to enhance the usefulness of the consolidated and combined financial statements to the reader.

Day-to-day foreign operations have been converted to United States Dollars (USD) for purposes of presenting consolidated and combined financial statements. Foreign assets and liabilities are translated at the spot rate at year-end. Foreign income and expenses are translated at the current rate of exchange at the time of the transaction for the years ending August 31, 2024 and 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

**CASH AND CASH EQUIVALENTS AND CASH IN FOREIGN BANK ACCOUNTS/CLASSES**

Cash and cash equivalents and cash in foreign bank accounts/classes includes checking, savings, interest-bearing money market accounts, and highly liquid investments with original maturities less than 90 days. These balances, at times, may exceed federally insured limits. As of August 31, 2024 and 2023, BSF had approximately \$8,400,000 and \$14,000,000 of cash balances on deposit that exceeded federally insured limits, respectively.

# **BIBLE STUDY FELLOWSHIP AND AFFILIATES**

## **Notes to Consolidated and Combined Financial Statements**

August 31, 2024 and 2023

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### **INVESTMENTS**

Investments consist of certificates of deposit with maturities of 90 days or greater, which are reported at cost plus accrued interest. Investments also include mutual funds, which are reported at fair value based on quoted market prices, U.S. Treasury securities, which are based on determined based on yields currently available on securities of issuers with similar credit ratings, as well as real estate investment trusts, and regulated investment companies which are reported at estimated fair market value as measured by their net asset value as reported by fund managers. Donated securities are liquidated upon receipt and recorded based on the net proceeds, which approximates the fair market value of the gift. Interest and dividends are recognized as investment income in the period earned. Unrealized gains and losses are reported in the consolidated and combined statements of activities as investment income in the year in which they occur.

#### **PLEDGES, ESTATE, AND OTHER RECEIVABLES**

Pledges and other receivables consist of unconditional promises to give from donors, as well as other miscellaneous receivables. Substantially, all pledges are due in one year, and any long-term pledges are not material. As such, no discount has been recorded. At August 31, 2024 and 2023, all pledges and other receivables are considered to be fully collectible. As such, no allowance has been recorded.

#### **OPERATING LEASES—RIGHT-OF-USE ASSETS AND LIABILITIES**

Right-of-use assets and related liabilities are recognized at commencement date based on the net present value of lease payments over the lease term discounted using a risk-free rate. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise the option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The additional lease disclosures can be found in Note 8.

#### **ASSETS HELD FOR SALE**

During the year ended August 31, 2024, the board of directors voted to sell its San Antonio headquarters. Assets held for sale are reflected on the consolidated and combined statements of financial position at the lower of carrying amount or fair value, less estimated selling costs. As of August 31, 2024, there is no contract on the assets held for sale.

#### **PROPERTY, PLANT, AND EQUIPMENT**

Property, plant, and equipment are capitalized at cost or, if donated, at fair market value at the date of the gift. Depreciation is recorded using the straight-line method over the estimated useful lives, which range from 3 to 40 years. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in revenue for the period. Purchases of property, plant, and equipment valued at \$5,000 or more with a useful life of greater than one year are capitalized.

# BIBLE STUDY FELLOWSHIP AND AFFILIATES

## Notes to Consolidated and Combined Financial Statements

August 31, 2024 and 2023

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### NET ASSETS

The net assets of BSF are reported in the following categories:

*Net assets without donor restrictions* include resources that are available for current operations, including those resources board-designated for unusual or extraordinary expenses and those resources invested in property, plant, and equipment—net.

*Net assets with donor restrictions* include donor-restricted contributions for various projects and programs. Some donor-imposed restrictions are temporary in nature, such as those that will be met by passage of time or other events specified by the donor. These include donor restrictions requiring the net assets be held in perpetuity. The disclosures required by the *Reporting Endowment Funds* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) have not been included in these consolidated and combined financial statements due to immateriality.

#### SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash and other assets are received or unconditionally promised. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated amounts. When a donor restriction expires, that is, when a time restriction ends or purpose restriction is satisfied, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated and combined statements of activities as net assets released from restrictions. All contributions are considered available for use without donor restrictions unless specifically restricted by the donor or grantor.

For the year ended August 31, 2024, BSF produced a Leader Event that served to inspire, unite, and mobilize BSF's global leadership team. BSF incurred all costs to produce, host, and deliver this Leader Event in various venues around the world. This event brought together BSF's global leaders for a week of teaching and inspiration. BSF donors contribute to the Leader Events Fund to support hosting, travel, and production of BSF Leader Events. Any such gifts are considered restricted for these Leader Events. For the year ended August 31, 2023, BSF did not host a global Leader Event.

	<u>Year Ended August 31,</u>	
	<u>2024</u>	<u>2023</u>
Individual contributions restricted for the Leader Event fund	<u>\$ 849,259</u>	<u>\$ 41,771</u>
Total Leader Event expenses	<u>\$ (3,388,882)</u>	<u>\$ (3,655)</u>

# **BIBLE STUDY FELLOWSHIP AND AFFILIATES**

## **Notes to Consolidated and Combined Financial Statements**

August 31, 2024 and 2023

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### ALLOCATION OF EXPENSES

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The consolidated and combined financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of BSF. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and occupancy-related costs, which are allocated on a square footage basis, as well as salaries and benefits, information technology, administrative support, and travel, which are allocated on the basis of estimates of time and effort. Costs of other categories were allocated based on program services and supporting activities benefited.

#### FOREIGN OPERATIONS

In connection with its foreign operations, BSF has assets and liabilities outside the United States. The account balances relating to foreign operations are reflected in the consolidated and combined financial statements in USD. As of August 31, 2024 and 2023, assets in other countries totaled \$3,772,675 and \$5,813,149, respectively, and liabilities in other countries totaled \$199,655 and \$445,125 respectively. Support and revenue received from foreign sources totaled \$4,133,826 and \$4,479,499 for the years ended August 31, 2024 and 2023, respectively.

Net gains and losses resulting from foreign exchange translations are included in the consolidated and combined statements of activities. BSF recognized a net unrealized foreign exchange loss of \$29,769 and \$92,565 during the years ended August 31, 2024 and 2023, respectively, which is reported in the consolidated and combined statements of activities as other income (loss).

# BIBLE STUDY FELLOWSHIP AND AFFILIATES

## Notes to Consolidated and Combined Financial Statements

August 31, 2024 and 2023

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects BSF's financial assets as of the consolidated and combined statements of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year.

	August 31,	
	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 12,965,159	\$ 10,412,929
Cash in foreign bank accounts/classes	3,297,681	5,433,310
Investments	29,902,201	30,421,420
Pledges and estate receivables-net	661,965	141,732
Area advisor advances and other receivables	726,252	425,538
Beneficial interest in trust agreements	148,276	137,046
Financial assets, at year-end	47,701,534	46,971,975
Less those not available for general expenditure within one year:		
Perpetual endowment	(6,870)	(6,870)
Restrictions by donor with time or purpose restrictions	(61,411)	(212,302)
Beneficial interest in trusts	(148,276)	(137,046)
Board-designated reserves	(15,968,967)	(15,938,016)
	(16,185,524)	(16,294,234)
Financial assets available to meet cash needs for general expenditures within one year	\$ 31,516,010	\$ 30,677,741

As part of BSF's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. BSF has \$7,943,967 and \$7,913,016 in board-designated funds as of August 31, 2024 and 2023, respectively, that are designated as contingency funds and could be used to support general expenditures within one year.

# BIBLE STUDY FELLOWSHIP AND AFFILIATES

## Notes to Consolidated and Combined Financial Statements

August 31, 2024 and 2023

4. INVESTMENTS:

Investments consist of:

	August 31,	
	2024	2023
Certificates of deposit	\$ -	\$ 2,750,222
U.S. Treasury securities	15,873,799	25,528,749
Mutual funds	13,211,955	1,233,421
Real estate investment trusts	450,379	485,877
Regulated investment companies	366,068	423,151
	\$ 29,902,201	\$ 30,421,420

BSF maintains several investment accounts with different financial institutions holding the security positions listed above. Investments are not protected against potential declines in value from normal or adverse market conditions. In management's opinion, account holdings, and investment allocations are in accordance with policies established by BSF intended to minimize such risk of loss.

5. PROPERTY, PLANT, AND EQUIPMENT—NET:

Property, plant, and equipment—net consist of:

	August 31,	
	2024	2023
Land	\$ -	\$ 1,533,073
Building and improvements	-	18,102,657
Software and equipment	19,105,477	16,149,989
Printing equipment	-	15,028
Automobiles	85,465	169,533
Training library books	13,040	159,947
	19,203,982	36,130,227
Less accumulated depreciation	(13,373,835)	(22,635,608)
	5,830,147	13,494,619
Construction in process	317,574	2,290,906
	\$ 6,147,721	\$ 15,785,525

# BIBLE STUDY FELLOWSHIP AND AFFILIATES

## Notes to Consolidated and Combined Financial Statements

August 31, 2024 and 2023

6. NET ASSETS:

Net assets without donor restrictions:

	August 31,	
	2024	2023
Undesignated net assets	\$ 43,396,033	\$ 45,805,975
Board-designated net assets:		
Contingency reserves	7,943,967	7,913,016
Building fund	8,000,000	8,000,000
Other	25,000	25,000
	15,968,967	15,938,016
	\$ 59,365,000	\$ 61,743,991

Net assets with donor restrictions:

The following tables reflect the net asset with donor restrictions activity during the years ended August 31, 2024 and 2023:

	August 31, 2023	Support and Revenue	Net assets released from restriction	August 31, 2024
Translations/multilingual fund	\$ 120,331	\$ 175,183	\$ (295,514)	\$ -
Building fund	-	126,247	(126,247)	-
Leader Event fund	38,116	849,259	(887,375)	-
Pledges and estate receivables	141,732	674,465	(154,232)	661,965
Beneficial interest in trust agreements	137,046	11,230	-	148,276
Israel scholarship fund	53,855	7,556	-	61,411
International fund	-	857,940	(857,940)	-
	\$ 491,080	\$ 2,701,880	\$ (2,321,308)	\$ 871,652



# BIBLE STUDY FELLOWSHIP AND AFFILIATES

## Notes to Consolidated and Combined Financial Statements

August 31, 2024 and 2023

6. NET ASSETS, continued:

Net assets with donor restrictions, continued:

	August 31, 2022	Support and Revenue	Net assets released from restriction	August 31, 2023
Translations/multilingual fund	\$ 387,698	\$ 134,122	\$ (401,489)	\$ 120,331
Building fund	-	36,561	(36,561)	-
Leader Event fund	-	41,771	(3,655)	38,116
Pledges and estate receivables	267,942	141,732	(267,942)	141,732
Beneficial interest in trust agreements	127,253	9,793	-	137,046
Israel scholarship fund	53,798	22,117	(22,060)	53,855
International fund	-	928,754	(928,754)	-
	<u>\$ 836,691</u>	<u>\$ 1,314,850</u>	<u>\$ (1,660,461)</u>	<u>\$ 491,080</u>

Building fund:

BSF maintains a building fund which supports BSF Global Headquarters with needed expansion of and improvements and renovations to its building and grounds. The following table reflects the building fund's activity during the years ended August 31, 2024 and 2023:

	August 31, 2023	Contributions	Net assets released from restriction or designation	August 31, 2024
Board-designated	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000
With donor restrictions	-	126,247	(126,247)	-
	<u>\$ 8,000,000</u>	<u>\$ 126,247</u>	<u>\$ (126,247)</u>	<u>\$ 8,000,000</u>

	August 31, 2022	Contributions	Net assets released from restriction or designation	August 31, 2023
Board-designated	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000
With donor restrictions	-	36,561	(36,561)	-
	<u>\$ 8,000,000</u>	<u>\$ 36,561</u>	<u>\$ (36,561)</u>	<u>\$ 8,000,000</u>

# BIBLE STUDY FELLOWSHIP AND AFFILIATES

## Notes to Consolidated and Combined Financial Statements

August 31, 2024 and 2023

6. NET ASSETS, continued:

Net assets subject to restriction in perpetuity:

	August 31,	
	2024	2023
Endowment	\$ 6,870	\$ 6,870

7. FAIR VALUE MEASUREMENTS:

BSF has adopted the provisions of the *Fair Value Measurements and Disclosure* topic of the FASB Accounting Standards Codification. These standards define fair value, establish a framework for measuring fair value and enhance disclosures about fair value measurements. Fair value is defined under the standards as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market between market participants on the measurement date.

The fair values of investments are based on the framework established in the standards which establishes a three-level hierarchy for determining fair value. The valuations for each of these levels are determined as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

# BIBLE STUDY FELLOWSHIP AND AFFILIATES

## Notes to Consolidated and Combined Financial Statements

August 31, 2024 and 2023

7. FAIR VALUE MEASUREMENTS, continued:

The tables below presents the level within the fair value hierarchy at which investments were measured at August 31, 2024 and 2023:

	Total	August 31, 2024		
		Level 1	Level 2	Level 3
Investments:				
Investments at fair value:				
Mutual funds:				
Money market mutual funds	\$ 13,133,599	\$ 13,133,599	\$ -	\$ -
Bond mutual funds	15,599	15,599	-	-
Equity mutual funds	62,757	62,757	-	-
U.S. Treasury securities	15,873,799	-	15,873,799	-
	29,085,754	\$ 13,211,955	\$ 15,873,799	\$ -
Investments held at net asset value:				
Real estate investment trusts	450,379			
Regulated investment companies	366,068			
	816,447			
Investments held at cost:				
Certificates of deposit	-			
Total investments	\$ 29,902,201			
Beneficial interest in trust agreements	\$ 148,276	\$ -	\$ -	\$ 148,276

# BIBLE STUDY FELLOWSHIP AND AFFILIATES

## Notes to Consolidated and Combined Financial Statements

August 31, 2024 and 2023

7. FAIR VALUE MEASUREMENTS, continued:

	Total	August 31, 2023		
		Level 1	Level 2	Level 3
Investments:				
Investments at fair value:				
Mutual funds:				
Money market mutual funds	\$ 1,172,612	\$ 1,172,612	\$ -	\$ -
Bond mutual funds	6,834	6,834	-	-
Equity mutual funds	53,975	53,975	-	-
U.S. Treasury securities	25,528,749	-	25,528,749	-
	26,762,170	\$ 1,233,421	\$ 25,528,749	\$ -
Investments held at net asset value:				
Real estate investment trusts	485,877			
Regulated investment companies	423,151			
	909,028			
Investments held at cost:				
Certificates of deposit	2,750,222			
Total investments	\$ 30,421,420			
Beneficial interest in trust agreements	\$ 137,046	\$ -	\$ -	\$ 137,046

*Valuation techniques:* Fair values for mutual funds are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values for U.S. Treasury securities are determined based on yields currently available on securities of issuers with similar credit ratings. Fair values for beneficial interest in trust agreements are based on assumptions about the present value of distributions to be received from the trusts.

*Change in valuation techniques:* None.

BSF uses the Net Asset Value (NAV) to determine the fair value for all investments which do not have a readily determinable fair value and prepare their consolidated and combined financial statements consistent with the measurement principles of an investment company or have attributes of an investment company. As of August 31, 2024 and 2023, investments valued using NAV were privately held real estate investment trusts and regulated investment companies. The real estate investment trusts invest primarily in high-quality retail real estate assets. The regulated investment companies engage primarily in debt and income securities of private U.S. energy and power companies and private middle market companies. There are no redemption restrictions, and no unfunded commitments as of August 31, 2024 and 2023.

# BIBLE STUDY FELLOWSHIP AND AFFILIATES

## Notes to Consolidated and Combined Financial Statements

August 31, 2024 and 2023

8. OPERATING LEASE—RIGHT-OF-USE ASSETS AND LIABILITIES:

BSF has four operating leases for office space and equipment expiring through August 2026. The office space leases requires monthly payments totaling \$40,802 per month. The equipment lease has quarterly payments of \$882 per quarter. The discount rates vary for each lease, and represent the risk-free rate using a period comparable with that of the individual lease term on the inception date of the lease. Short-term leases with a term of 12 or fewer months are not reflected on the consolidated and combined statements of financial position, and costs are expensed as incurred.

	August 31, 2024	August 31, 2023
Operating lease—right-of-use assets	\$ 528,280	\$ 173,534
Operating lease liabilities	\$ 573,875	\$ 173,534
Operating lease costs	\$ 249,629	\$ 156,562
Cash paid for amounts included in the measurement of operating lease obligations	\$ 178,263	\$ 156,562
Weighted Average Discount Rate	4.73%	2.33%
Weighted-Average Remaining lease term (years)	1.93	0.97

Future minimum lease payments required under operating and finance leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

Year Ending August 31,	Operating
2025	\$ 312,779
2026	287,008
2027	1,764
	601,551
Less imputed interest	(27,676)
	\$ 573,875

# **BIBLE STUDY FELLOWSHIP AND AFFILIATES**

## **Notes to Consolidated and Combined Financial Statements**

August 31, 2024 and 2023

9. DEFINED CONTRIBUTION RETIREMENT PLAN:

BSF sponsors a 401(k) defined contribution retirement plan (the Defined Contribution Plan) that was adopted on September 1, 2009. All employees meeting certain eligibility requirements are entitled to make contributions to the Defined Contribution Plan. BSF provides for matching contributions to the Defined Contribution Plan as a percentage of contributions. Matching contributions are recommended annually in advance by management, and approved by the board. Employer matching contributions to the Defined Contribution Plan were \$297,040 and \$302,293, for the years ended August 31, 2024 and 2023, respectively.

10. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through December 13, 2024, which represents the date the consolidated and combined financial statements were available to be issued. Subsequent events after that date have not been evaluated.

## **SUPPLEMENTARY INFORMATION**

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION**

Board of Directors  
Bible Study Fellowship and Affiliates  
San Antonio, Texas

We have audited the consolidated and combined financial statements of Bible Study Fellowship and Affiliates as of and for the years ended August 31, 2024 and 2023, and our report thereon dated December 13, 2024, which expresses an unmodified opinion on those consolidated and combined financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated and combined financial statements as a whole. The supplementary information located on pages 22-23 is presented for the purpose of additional analysis and is not a required part of the consolidated and combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated and combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated and combined 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 and combined financial statements or to the consolidated and combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated and combined financial statements as a whole.

*Capin Crouse LLP*

Irving, Texas  
December 13, 2024



# BIBLE STUDY FELLOWSHIP AND AFFILIATES

## Consolidating and Combining Statement of Financial Position

August 31, 2024

		BSF	BSF International Properties Corp.	BSF International	BSF Global Impact Corp.	Eliminations	Total
<b>ASSETS:</b>							
Cash and cash equivalents	\$	3,949,538	\$ 35,660	\$ 594,177	\$ 8,385,784	\$ -	\$ 12,965,159
Cash in foreign bank accounts/classes		-	-	3,297,681	-	-	3,297,681
Investments		1,024,989	-	-	28,877,212	-	29,902,201
Pledges and estate receivables-net		661,965	-	-	-	-	661,965
Area advisor advances and other receivables		170,026	-	432,720	123,506	-	726,252
Prepaid expenses and other assets		944,028	-	3,158	-	-	947,186
Intercompany receivables		-	-	9,412,203	1,171,024	(10,583,227)	-
Operating lease-right-of-use assets		528,280	-	-	-	-	528,280
Beneficial interest in trust agreements		148,276	-	-	-	-	148,276
Assets held for sale		6,645,627	-	-	-	-	6,645,627
Property, plant, and equipment-net		5,074,298	1,073,423	-	-	-	6,147,721
<b>Total Assets</b>	<b>\$</b>	<b>19,147,027</b>	<b>\$ 1,109,083</b>	<b>\$ 13,739,939</b>	<b>\$ 38,557,526</b>	<b>\$ (10,583,227)</b>	<b>\$ 61,970,348</b>
<b>LIABILITIES AND NET ASSETS:</b>							
<b>Liabilities:</b>							
Accounts payable and accrued expenses	\$	994,920	\$ -	\$ 158,031	\$ -	\$ -	\$ 1,152,951
Operating lease liabilities		573,875	-	-	-	-	573,875
Intercompany payables		10,556,250	-	26,977	-	(10,583,227)	-
<b>Total liabilities</b>		<b>12,125,045</b>	<b>-</b>	<b>185,008</b>	<b>-</b>	<b>(10,583,227)</b>	<b>1,726,826</b>
<b>Net assets:</b>							
<b>Net assets without donor restrictions:</b>							
Undesignated/board-designated		6,143,460	1,109,083	13,554,931	38,557,526	-	59,365,000
<b>Net assets with donor restrictions:</b>							
Restricted by purpose or time		871,652	-	-	-	-	871,652
Restricted in perpetuity		6,870	-	-	-	-	6,870
		878,522	-	-	-	-	878,522
<b>Total net assets</b>		<b>7,021,982</b>	<b>1,109,083</b>	<b>13,554,931</b>	<b>38,557,526</b>	<b>-</b>	<b>60,243,522</b>
<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b>19,147,027</b>	<b>\$ 1,109,083</b>	<b>\$ 13,739,939</b>	<b>\$ 38,557,526</b>	<b>\$ (10,583,227)</b>	<b>\$ 61,970,348</b>

## BIBLE STUDY FELLOWSHIP AND AFFILIATES

### Consolidating and Combining Statement of Activities

Year Ended August 31, 2024

	BSF	BSF International Properties Corp.	BSF International	BSF Global Impact Corp.	Total
<b>SUPPORT AND REVENUE:</b>					
Contributions	\$ 26,717,619	\$ -	\$ 4,133,826	\$ 441,722	\$ 31,293,167
Investment income	72,624	14	37,217	1,887,102	1,996,957
Loss on disposal of property plant and equipment	(682,322)	-	-	-	(682,322)
Other income (loss)	(118,767)	300,000	(35,907)	(129,667)	15,659
<b>Total Support and Revenue</b>	<b>25,989,154</b>	<b>300,014</b>	<b>4,135,136</b>	<b>2,199,157</b>	<b>32,623,461</b>
<b>EXPENSES:</b>					
Program services:					
Global in-depth Bible studies	27,024,997	-	1,999,113	-	29,024,110
Supporting activities:					
Administration	5,006,280	111,745	476,512	3,233	5,597,770
<b>Total Expenses</b>	<b>32,031,277</b>	<b>111,745</b>	<b>2,475,625</b>	<b>3,233</b>	<b>34,621,880</b>
Change in Net Assets before Intercompany Activity	(6,042,123)	188,269	1,659,511	2,195,924	(1,998,419)
Intercompany transfers	150,000	(150,000)	-	-	-
Change in Net Assets	(5,892,123)	38,269	1,659,511	2,195,924	(1,998,419)
Net Assets, Beginning of Year	12,914,105	1,070,814	11,895,420	36,361,602	62,241,941
Net Assets, End of Year	\$ 7,021,982	\$ 1,109,083	\$ 13,554,931	\$ 38,557,526	\$ 60,243,522