



BIBLE STUDY FELLOWSHIP
AND AFFILIATES

Consolidated and Combined
Financial Statements
With Independent Auditor's Report

August 31, 2025 and 2024

BIBLE STUDY FELLOWSHIP AND AFFILIATES

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INDEPENDENT AUDITOR'S 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, 2025 and 2024, 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, 2025 and 2024, 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 *Auditor's 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

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 LLC

Irving, Texas
December 2, 2025

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Consolidated and Combined Statements of Financial Position

	August 31,	
	2025	2024
ASSETS:		
Cash and cash equivalents	\$ 17,620,566	\$ 13,123,582
Cash in foreign bank accounts/classes	2,981,848	3,297,681
Investments	21,299,689	29,902,201
Estate receivables	918,291	661,965
Area advisor advances and other receivables	549,532	567,829
Prepaid expenses and other assets	1,173,858	947,186
Operating lease right-of-use assets	435,032	528,280
Beneficial interest in trust agreements	170,461	148,276
Assets held for sale	6,645,627	6,645,627
Property, plant, and equipment—net	<u>14,142,382</u>	<u>6,147,721</u>
 Total Assets	 <u><u>\$ 65,937,286</u></u>	 <u><u>\$ 61,970,348</u></u>
 LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 2,100,559	\$ 1,152,951
Operating lease liabilities	<u>477,949</u>	<u>573,875</u>
Total liabilities	<u>2,578,508</u>	<u>1,726,826</u>
 Net assets:		
Net assets without donor restrictions	<u>59,598,984</u>	<u>59,365,000</u>
 Net assets with donor restrictions:		
Restricted by purpose or time	3,752,924	871,652
Restricted in perpetuity	<u>6,870</u>	<u>6,870</u>
	<u>3,759,794</u>	<u>878,522</u>
 Total net assets	 <u><u>63,358,778</u></u>	 <u><u>60,243,522</u></u>
 Total Liabilities and Net Assets	 <u><u>\$ 65,937,286</u></u>	 <u><u>\$ 61,970,348</u></u>

See notes to consolidated and combined financial statements

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Consolidated and Combined Statements of Activities

	Year Ended August 31,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions:						
United States	\$ 27,210,634	\$ 4,782,232	\$ 31,992,866	\$ 25,490,584	\$ 1,668,757	\$ 27,159,341
International	3,535,977	1,578,358	5,114,335	3,100,703	1,033,123	4,133,826
Investment income, net	1,677,772	-	1,677,772	1,996,957	-	1,996,957
Loss on disposal of property plant and equipment	(9,142)	-	(9,142)	(682,322)	-	(682,322)
Other income	273,691	-	273,691	15,659	-	15,659
Total Support and Revenue	<u>32,688,932</u>	<u>6,360,590</u>	<u>39,049,522</u>	<u>29,921,581</u>	<u>2,701,880</u>	<u>32,623,461</u>
NET ASSETS RELEASED:						
Purpose restrictions	2,817,353	(2,817,353)	-	2,167,076	(2,167,076)	-
Time restrictions	661,965	(661,965)	-	154,232	(154,232)	-
Total Net Assets Released	<u>3,479,318</u>	<u>(3,479,318)</u>	<u>-</u>	<u>2,321,308</u>	<u>(2,321,308)</u>	<u>-</u>
EXPENSES:						
Program services:						
Global in-depth Bible studies:						
United States	29,364,884	-	29,364,884	27,024,997	-	27,024,997
International	1,727,262	-	1,727,262	1,999,113	-	1,999,113
	<u>31,092,146</u>	<u>-</u>	<u>31,092,146</u>	<u>29,024,110</u>	<u>-</u>	<u>29,024,110</u>
Supporting activities:						
Administration	4,842,120	-	4,842,120	5,597,770	-	5,597,770
Total Expenses	<u>35,934,266</u>	<u>-</u>	<u>35,934,266</u>	<u>34,621,880</u>	<u>-</u>	<u>34,621,880</u>
Change in Net Assets	233,984	2,881,272	3,115,256	(2,378,991)	380,572	(1,998,419)
Net Assets, Beginning of Year	<u>59,365,000</u>	<u>878,522</u>	<u>60,243,522</u>	<u>61,743,991</u>	<u>497,950</u>	<u>62,241,941</u>
Net Assets, End of Year	<u>\$ 59,598,984</u>	<u>\$ 3,759,794</u>	<u>\$ 63,358,778</u>	<u>\$ 59,365,000</u>	<u>\$ 878,522</u>	<u>\$ 60,243,522</u>

See notes to consolidated and combined financial statements

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Consolidated and Combined Statements of Functional Expenses

Year Ended August 31,						
2025			2024			
Program Services	Supporting Activities		Program Services	Supporting Activities		
Global in-depth Bible Studies			Global in-depth Bible Studies			
	Administration	Total		Administration	Total	
Salaries and benefits	\$ 11,315,223	\$ 2,764,175	\$ 14,079,398	\$ 8,906,834	\$ 2,596,165	\$ 11,502,999
Information technology	4,648,093	560,104	5,208,197	3,997,481	494,194	4,491,675
Church facilities	4,021,345	-	4,021,345	3,584,620	-	3,584,620
Depreciation	3,036,147	124,707	3,160,854	3,609,628	755,615	4,365,243
Retreat lodging, meals, and other related expenses	2,879,374	-	2,879,374	2,864,836	100	2,864,936
Professional services	946,885	405,335	1,352,220	933,010	739,800	1,672,810
Facilities	822,105	279,402	1,101,507	655,856	138,634	794,490
Area advisor expenses	920,493	-	920,493	1,578,738	-	1,578,738
Class/office supplies and expenses	260,943	462,517	723,460	652,265	500,470	1,152,735
Insurance	370,672	123,272	493,944	192,905	161,638	354,543
Shipping and printing	464,705	6,359	471,064	369,121	7,428	376,549
Staff training	409,628	48,566	458,194	489,611	77,003	566,614
Travel	358,495	66,937	425,432	450,819	107,647	558,466
Screening volunteers	358,867	-	358,867	234,410	-	234,410
Curriculum	196,911	-	196,911	439,559	-	439,559
Children's supplies	52,904	-	52,904	48,768	-	48,768
Miscellaneous	29,356	746	30,102	15,649	19,076	34,725
Total Expenses	\$ 31,092,146	\$ 4,842,120	\$ 35,934,266	\$ 29,024,110	\$ 5,597,770	\$ 34,621,880

See notes to consolidated and combined financial statements

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Consolidated and Combined Statements of Cash Flows

	Year Ended August 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,115,256	\$ (1,998,419)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	3,160,854	4,365,243
Net realized and unrealized gain on investments	(144,497)	(664,764)
Loss on disposal of property, plant, and equipment	9,142	682,322
Changes in operating assets and liabilities:		
Estate receivables	(278,511)	(531,463)
Area advisor advances and other receivables	18,297	(142,291)
Prepaid expenses and other assets	(226,672)	(191,858)
Operating leases	(2,678)	45,595
Accounts payable and accrued expenses	1,045,608	(5,936)
Net Cash Provided by Operating Activities	<u>6,696,799</u>	<u>1,558,429</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	8,747,009	1,183,983
Proceeds from sale of property, plant, and equipment	-	23,358
Purchase of property, plant, and equipment	(11,262,657)	(2,190,746)
Net Cash Used by Investing Activities	<u>(2,515,648)</u>	<u>(983,405)</u>
 Net Change in Cash and Cash Equivalents and Cash in Foreign Bank Accounts/Classes	 4,181,151	 575,024
 Cash and Cash Equivalents and Cash in Foreign Bank Accounts/Classes, Beginning of Year	 <u>16,421,263</u>	 <u>15,846,239</u>
 Cash and Cash Equivalents and Cash in Foreign Bank Accounts/Classes, End of Year	 <u>\$ 20,602,414</u>	 <u>\$ 16,421,263</u>

See notes to consolidated and combined financial statements

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Consolidated and Combined Statements of Cash Flows

	Year Ended August 31,	
	2025	2024
Cash and cash equivalents and cash in foreign bank accounts/classes consist of the following:		
Cash and cash equivalents	\$ 17,620,566	\$ 13,123,582
Cash in foreign bank accounts/classes	<u>2,981,848</u>	<u>3,297,681</u>
	<u>\$ 20,602,414</u>	<u>\$ 16,421,263</u>
NON-CASH DISCLOSURE:		
Construction in progress acquired with accounts payable	<u>\$ 98,000</u>	<u>\$ -</u>
Right-of-use assets obtained in exchange for operating lease liabilities	<u>\$ 289,345</u>	<u>\$ 595,313</u>
Property, plant, and equipment moved to held for sale	<u>\$ -</u>	<u>\$ 6,645,627</u>

See notes to consolidated and combined financial statements

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Notes to Consolidated and Combined Financial Statements

August 31, 2025 and 2024

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, 2025 and 2024

1. NATURE OF ORGANIZATION, continued:

BSF currently operates 1,568 classes plus 9,339 satellite discussion groups where members meet weekly for in-depth Bible study. These classes and groups meet in 71 different countries. In addition, BSF hosts 3,323 online discussion groups that allow class members in 188 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, 2025 and 2024.

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, 2025 and 2024, BSF had approximately \$11,700,000 and \$8,400,000 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, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS

Investments consist of 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, net of management fees, in the year in which they occur.

ESTATE, ADVANCES, AND OTHER RECEIVABLES

BSF has been named as a beneficiary in certain estates. Estate receivables represent amounts due from estates for which BSF's interest is determinable and collection is reasonably assured. These receivables are recorded at estimated realizable value based on information available at year-end and are expected to be fully collected within one year. As such, no allowance has been recorded for the years ended August 31, 2025 and 2024.

Management believes area advisor advances and other receivables are considered to be fully collectible and accordingly, no allowance has been recorded. Substantially all prior year receivables were collected during the current year.

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.

PREPAID EXPENSES AND OTHER ASSETS

As part of its ministry, BSF holds events and conferences. Many of these events require long-term financial commitments, including prepayment of expenses and deposits.

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Notes to Consolidated and Combined Financial Statements

August 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

BENEFICIAL INTEREST IN TRUST AGREEMENTS

Beneficial interest in trust agreements represents arrangements in which a donor establishes and funds a trust administered by an individual or organization other than BSF. These funds are neither in the possession, nor under the control, of BSF. Such terms provide that BSF is to annually or quarterly receive all or a portion of income earned by funds that are held in trust. Beneficial interest agreements are recorded at their fair value.

ASSETS HELD FOR SALE

During the year ended August 31, 2024, the board of directors voted to sell its San Antonio headquarters. As of August 31, 2025, the headquarters continue to meet the criteria as held for sale. Management remains committed to selling the property and it is actively listed with a broker. 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.

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. 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. Training library books are accounted for as capitalized collection items and are not subject to depreciation. Repairs and maintenance are expensed as incurred. Depreciation is recorded using the straight-line method over the estimated useful lives, which range as follows:

Software and equipment	3-10 years
Automobiles	4 years

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Notes to Consolidated and Combined Financial Statements

August 31, 2025 and 2024

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. Conditionally promised contributions, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Gifts of cash and other assets are reported as support with donor restriction 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, net assets with donor restrictions 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.

Other income consists of miscellaneous ministry income and is recorded when the performance obligation is satisfied either at a point in time or over the course of the obligation.

For the years ended August 31, 2025 and 2024, BSF produced Leader Events that served to inspire, unite, and mobilize BSF's global leadership team. BSF incurred all costs to produce, host, and deliver these Leader Events 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.

	Year Ended August 31,	
	2025	2024
Individual contributions restricted for the Leader Event fund	\$ 111,222	\$ 849,259
Total Leader Event expenses	\$ (2,508,052)	\$ (3,388,882)

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Notes to Consolidated and Combined Financial Statements

August 31, 2025 and 2024

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, 2025 and 2024, assets in other countries totaled \$3,440,503 and \$3,772,675, respectively, and liabilities in other countries totaled \$165,316 and \$199,655 respectively. Support and revenue received from foreign sources totaled \$5,114,335 and \$4,133,826 for the years ended August 31, 2025 and 2024, 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 \$12,899 and gain of \$29,769 during the years ended August 31, 2025 and 2024, respectively, which is reported in the consolidated and combined statements of activities as other income. The effect of cumulative net unrealized foreign currency exchange losses included in net assets at August 31, 2025 and 2024 was approximately \$43,000 and \$91,000, respectively.

Management has reviewed the assets in other countries and, in its opinion, has determined they are under the control of BSF. For this reason such items are recognized as assets of BSF. However, it should be noted that the political situation in many countries is subject to rapid change. Therefore, the reader should be aware that while management believes the assets are properly stated at the date of this report, subsequent changes could occur that would adversely affect the value of the assets in other countries.

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Notes to Consolidated and Combined Financial Statements

August 31, 2025 and 2024

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,	
	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 17,620,566	\$ 13,123,582
Cash in foreign bank accounts/classes	2,981,848	3,297,681
Investments	21,299,689	29,902,201
Estate receivables	918,291	661,965
Area advisor advances and other receivables	549,532	567,829
Beneficial interest in trust agreements	170,461	148,276
Financial assets, at year-end	<u>43,540,387</u>	<u>47,701,534</u>
Less those not available for general expenditure within one year:		
Perpetual endowment	(6,870)	(6,870)
Restrictions by donor with time or purpose restrictions	(66,835)	(61,411)
Beneficial interest in trusts	(170,461)	(148,276)
Board-designated reserves	<u>(15,927,155)</u>	<u>(15,968,967)</u>
	<u>(16,171,321)</u>	<u>(16,185,524)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 27,369,066</u>	<u>\$ 31,516,010</u>

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. Estate receivables are expected to be received within one year and thus are included in financial assets available to meet cash needs for general expenditures within one year. Net asset with donor restriction for the building fund totaling \$2,597,337 and \$0 at August 31, 2025 and 2024, respectively, were not reduced from financial assets available for general expenditures, as the related funds had been fully spent before year-end, but not yet released from restriction. The restriction will be released when the project is placed into service.

Additionally, BSF has \$15,927,155 and \$15,968,967 in board-designated funds as of August 31, 2025 and 2024, respectively, that are designated as contingency funds, building fund reserves, and other ministry purposes. These reserves could be used to support general expenditures within one year if the board approves such action.

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Notes to Consolidated and Combined Financial Statements

August 31, 2025 and 2024

4. INVESTMENTS:

Investments consist of:

	August 31,	
	2025	2024
U.S. Treasury securities	\$ 5,946,238	\$ 15,873,799
Mutual funds	14,635,919	13,211,955
Real estate investment trusts	386,039	450,379
Regulated investment companies	331,493	366,068
	<u>\$ 21,299,689</u>	<u>\$ 29,902,201</u>

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,	
	2025	2024
Software and equipment	\$ 21,188,320	\$ 19,105,477
Automobiles	39,244	85,465
Training library books	13,040	13,040
	<u>21,240,604</u>	<u>19,203,982</u>
Less accumulated depreciation	<u>(16,488,468)</u>	<u>(13,373,835)</u>
	4,752,136	5,830,147
Construction in progress	9,390,246	317,574
	<u>\$ 14,142,382</u>	<u>\$ 6,147,721</u>

At August 31, 2025, construction in progress represents costs related to the BSF's new headquarters building, including construction and related furnishings and equipment. These costs will be reclassified to property, plant, and equipment when the project is placed into service.

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Notes to Consolidated and Combined Financial Statements

August 31, 2025 and 2024

6. NET ASSETS:

Net assets without donor restrictions:

	August 31,	
	2025	2024
Undesignated net assets	\$ 43,671,829	\$ 43,396,033
Board-designated net assets:		
Contingency reserves	7,902,155	7,943,967
Building fund	8,000,000	8,000,000
Other	25,000	25,000
	<u>15,927,155</u>	<u>15,968,967</u>
	<u>\$ 59,598,984</u>	<u>\$ 59,365,000</u>

Net assets with donor restrictions:

The following tables reflect the net asset with donor restrictions activity during the years ended August 31, 2025 and 2024:

	August 31, 2024	Support and Revenue	Net assets released from restriction	August 31, 2025
Translations/multilingual fund	\$ -	\$ 333,678	\$ (333,678)	\$ -
Building fund	-	3,725,110	(1,127,773)	2,597,337
Leader Event fund	-	111,222	(111,222)	-
Estate receivables	661,965	918,291	(661,965)	918,291
Beneficial interest in trust agreements	148,276	22,185	-	170,461
Israel scholarship fund	61,411	5,424	-	66,835
International fund	-	1,244,680	(1,244,680)	-
Endowment	<u>6,870</u>	<u>-</u>	<u>-</u>	<u>6,870</u>
	<u>\$ 878,522</u>	<u>\$ 6,360,590</u>	<u>\$ (3,479,318)</u>	<u>\$ 3,759,794</u>

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Notes to Consolidated and Combined Financial Statements

August 31, 2025 and 2024

6. NET ASSETS, continued:

Net assets with donor restrictions, continued:

	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)	-
Endowment	6,870	-	-	6,870
	<u>\$ 497,950</u>	<u>\$ 2,701,880</u>	<u>\$ (2,321,308)</u>	<u>\$ 878,522</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, 2025 and 2024:

	August 31, 2024	Contributions	Net assets released from restriction or designation	August 31, 2025
Board-designated	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000
With donor restrictions	-	3,725,110	(1,127,773)	2,597,337
	<u>\$ 8,000,000</u>	<u>\$ 3,725,110</u>	<u>\$ (1,127,773)</u>	<u>\$ 10,597,337</u>

	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>

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Notes to Consolidated and Combined Financial Statements

August 31, 2025 and 2024

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, 2025 and 2024

7. FAIR VALUE MEASUREMENTS, continued:

The tables below presents the level within the fair value hierarchy at which investments were measured at August 31, 2025 and 2024:

		August 31, 2025		
	Total	Level 1	Level 2	Level 3
Investments:				
Investments at fair value:				
Mutual funds:				
Money market mutual funds	\$ 14,523,079	\$ 14,523,079	\$ -	\$ -
Bond mutual funds	42,565	42,565	-	-
Equity mutual funds	70,275	70,275	-	-
U.S. Treasury securities	5,946,238	-	5,946,238	-
	<u>20,582,157</u>	<u>\$ 14,635,919</u>	<u>\$ 5,946,238</u>	<u>\$ -</u>
Investments held at net asset value:				
Real estate investment trusts	386,039			
Regulated investment companies	<u>331,493</u>			
	<u>717,532</u>			
Total investments	<u>\$ 21,299,689</u>			
Beneficial interest in trust agreements	<u>\$ 170,461</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,461</u>

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Notes to Consolidated and Combined Financial Statements

August 31, 2025 and 2024

7. FAIR VALUE MEASUREMENTS, continued:

		August 31, 2024		
	Total	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	-
	<u>29,085,754</u>	<u>\$ 13,211,955</u>	<u>\$ 15,873,799</u>	<u>\$ -</u>
Investments held at net asset value:				
Real estate investment trusts	450,379			
Regulated investment companies	<u>366,068</u>			
	<u>816,447</u>			
Total investments	<u>\$ 29,902,201</u>			
Beneficial interest in trust agreements	<u>\$ 148,276</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,276</u>

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.

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, 2025 and 2024, 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, 2025 and 2024.

Change in valuation techniques: None.

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Notes to Consolidated and Combined Financial Statements

August 31, 2025 and 2024

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

BSF has three operating leases for office space and equipment expiring through December 2026. The office space leases require monthly payments totaling \$45,752 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,	
	2025	2024
Operating lease—right-of-use assets	\$ 435,032	\$ 528,280
Operating lease liabilities	\$ 477,949	\$ 573,875
Operating lease costs	\$ 412,405	\$ 249,629
Cash paid for amounts included in the measurement of operating lease obligations	\$ 412,686	\$ 178,263
Weighted average discount rate	4.53%	4.73%
Weighted average remaining lease term (years)	0.87	1.93

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
2026	\$ 486,823
2027	1,764
	488,587
Less imputed interest	(10,638)
	\$ 477,949

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Notes to Consolidated and Combined Financial Statements

August 31, 2025 and 2024

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 \$305,276 and \$297,040, for the years ended August 31, 2025 and 2024, respectively.

10. SUBSEQUENT EVENTS:

Subsequent to year-end, BSF purchased 10 acres of land adjacent to the new headquarters property in Grapevine, Texas.

Subsequent events have been evaluated through December 2, 2025, 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 AUDITOR'S 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, 2025 and 2024, and our report thereon dated December 2, 2025, 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 24-25 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 LLC

Irving, Texas
December 2, 2025

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Consolidating and Combining Statement of Financial Position

August 31, 2025

	BSF	BSF International Properties Corp.	BSF International	BSF Global Impact Corp.	Eliminations	Total
ASSETS:						
Cash and cash equivalents	\$ 8,093,369	\$ 18,475	\$ 556,152	\$ 8,952,570	\$ -	\$ 17,620,566
Cash in foreign bank accounts/classes	-	-	2,981,848	-	-	2,981,848
Investments	777,428	-	-	20,522,261	-	21,299,689
Estate receivables	356,275	-	562,016	-	-	918,291
Area advisor advances and other receivables	20,339	-	420,679	108,514	-	549,532
Prepaid expenses and other assets	1,134,896	-	38,962	-	-	1,173,858
Intercompany receivables	-	-	12,309,003	1,369,553	(13,678,556)	-
Operating lease right-of-use assets	435,032	-	-	-	-	435,032
Beneficial interest in trust agreements	170,461	-	-	-	-	170,461
Assets held for sale	6,645,627	-	-	-	-	6,645,627
Property, plant, and equipment—net	13,068,959	1,073,423	-	-	-	14,142,382
Total Assets	\$ 30,702,386	\$ 1,091,898	\$ 16,868,660	\$ 30,952,898	\$ (13,678,556)	\$ 65,937,286
LIABILITIES AND NET ASSETS:						
Liabilities:						
Accounts payable and accrued expenses	\$ 2,018,772	\$ 4,198	\$ 77,589	\$ -	\$ -	\$ 2,100,559
Operating lease liabilities	477,949	-	-	-	-	477,949
Intercompany payables	13,577,969	-	100,587	-	(13,678,556)	-
Total liabilities	16,074,690	4,198	178,176	-	(13,678,556)	2,578,508
Net assets:						
Net assets without donor restrictions:						
Undesignated/board-designated	10,867,902	1,087,700	16,690,484	30,952,898	-	59,598,984
Net assets with donor restrictions:						
Restricted by purpose or time	3,752,924	-	-	-	-	3,752,924
Restricted in perpetuity	6,870	-	-	-	-	6,870
	3,759,794	-	-	-	-	3,759,794
Total net assets	14,627,696	1,087,700	16,690,484	30,952,898	-	63,358,778
Total Liabilities and Net Assets	\$ 30,702,386	\$ 1,091,898	\$ 16,868,660	\$ 30,952,898	\$ (13,678,556)	\$ 65,937,286

BIBLE STUDY FELLOWSHIP AND AFFILIATES

Consolidating and Combining Statement of Activities

Year Ended August 31, 2025

	BSF	BSF International Properties Corp.	BSF International	BSF Global Impact Corp.	Total
SUPPORT AND REVENUE:					
Contributions	\$ 31,544,667	\$ -	\$ 5,114,335	\$ 448,199	\$ 37,107,201
Investment income	226,020	13	24,479	1,427,260	1,677,772
Loss on disposal of property plant and equipment	(9,142)	-	-	-	(9,142)
Other income	253,669	-	20,022	-	273,691
Total Support and Revenue	<u>32,015,214</u>	<u>13</u>	<u>5,158,836</u>	<u>1,875,459</u>	<u>39,049,522</u>
EXPENSES:					
Program services:					
Global in-depth Bible studies	29,364,884	-	1,727,262	-	31,092,146
Supporting activities:					
Administration	4,319,616	146,396	296,021	80,087	4,842,120
Total Expenses	<u>33,684,500</u>	<u>146,396</u>	<u>2,023,283</u>	<u>80,087</u>	<u>35,934,266</u>
Change in Net Assets before Intercompany Activity	(1,669,286)	(146,383)	3,135,553	1,795,372	3,115,256
Intercompany transfers	<u>9,275,000</u>	<u>125,000</u>	<u>-</u>	<u>(9,400,000)</u>	<u>-</u>
Change in Net Assets	7,605,714	(21,383)	3,135,553	(7,604,628)	3,115,256
Net Assets, Beginning of Year	<u>7,021,982</u>	<u>1,109,083</u>	<u>13,554,931</u>	<u>38,557,526</u>	<u>60,243,522</u>
Net Assets, End of Year	<u>\$ 14,627,696</u>	<u>\$ 1,087,700</u>	<u>\$ 16,690,484</u>	<u>\$ 30,952,898</u>	<u>\$ 63,358,778</u>