



COMMUNITY
BIBLE STUDY



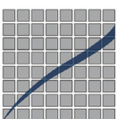
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FINANCIAL STATEMENTS

June 30, 2025 & 2024

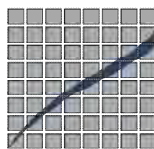
**With Independent
Auditor's Report From**



BiggsKofford
CERTIFIED PUBLIC ACCOUNTANTS

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Community Bible Study
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of Community Bible Study (a Colorado nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Bible Study as of June 30, 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 ("US GAAP").

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 Financial Statements section of the report. We are required to be independent of Community Bible Study and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with US GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 auditing standards generally accepted in the United States of America ("US GAAS") will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

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

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

BiggsKofford, P.C.

Colorado Springs, Colorado
September 24, 2025

COMMUNITY BIBLE STUDY

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Cash and equivalents	\$ 5,361,252	\$ 6,651,240
Investments	9,896,162	9,403,165
Grants receivable	650,000	-
Inventory	486,987	534,171
Prepaid expenses and other assets	320,786	299,750
Property and equipment, net	3,336,903	3,464,519
Endowment assets	146,252	136,216
Total assets	<u>\$ 20,198,342</u>	<u>\$ 20,489,061</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 649,816	\$ 753,486
Deferred income	1,550,655	1,433,466
Total liabilities	<u>2,200,471</u>	<u>2,186,952</u>
Net assets:		
Without donor restrictions:		
Operating	10,620,099	11,199,459
Equity in property and equipment, net	3,336,903	3,464,519
Board-designated	1,579,789	1,522,732
Total net assets without donor restrictions	15,536,791	16,186,710
With donor restrictions	2,461,080	2,115,399
Total net assets	<u>17,997,871</u>	<u>18,302,109</u>
Total liabilities and net assets	<u>\$ 20,198,342</u>	<u>\$ 20,489,061</u>

The accompanying notes and independent auditor's report
should be read with these financial statements.

COMMUNITY BIBLE STUDY

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>SUPPORT AND REVENUE</u>						
Contributions and grants	\$ 8,807,538	\$ 2,802,452	\$ 11,609,990	\$ 8,258,171	\$ 1,957,968	\$ 10,216,139
Class registrations	2,802,760	-	2,802,760	2,769,101	-	2,769,101
Investment income	673,849	-	673,849	566,818	-	566,818
Change in value of beneficial interest in life estate	-	-	-	-	95,671	95,671
Other income	129,000	-	129,000	87,993	-	87,993
Total support and revenue	12,413,147	2,802,452	15,215,599	11,682,083	2,053,639	13,735,722
Net assets released from restrictions	2,456,771	(2,456,771)	-	3,389,012	(3,389,012)	-
<u>EXPENSES</u>						
Program services:						
U.S. Bible classes	9,880,891	-	9,880,891	8,760,199	-	8,760,199
International support	3,949,589	-	3,949,589	3,876,264	-	3,876,264
Leadership conferences/training	408,855	-	408,855	333,863	-	333,863
Other (translations)	40,630	-	40,630	14,601	-	14,601
Total program services	14,279,965	-	14,279,965	12,984,927	-	12,984,927
Supporting activities:						
General and administrative	1,227,748	-	1,227,748	1,150,853	-	1,150,853
Fundraising	12,124	-	12,124	28,814	-	28,814
Total expenses	15,519,837	-	15,519,837	14,164,594	-	14,164,594
Change in net assets	(649,919)	345,681	(304,238)	906,501	(1,335,373)	(428,872)
Net assets, beginning of year	16,186,710	2,115,399	18,302,109	15,280,209	3,450,772	18,730,981
Net assets, end of year	\$ 15,536,791	\$ 2,461,080	\$ 17,997,871	\$ 16,186,710	\$ 2,115,399	\$ 18,302,109

The accompanying notes and independent auditor's report should be read with these financial statements.

COMMUNITY BIBLE STUDY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Services				Supporting Activities		
	U.S. Bible Classes	International Support	Leadership Conference/ Training	Other Programs	Total Program Services	General and Administrative	Fundraising
Classes	\$ 2,735,918	\$ -	\$ 240,676	\$ -	\$ 2,976,594	\$ -	\$ -
Depreciation	204,097	-	-	-	204,097	22,677	-
Grants	-	2,749,265	-	40,630	2,789,895	-	-
Occupancy	185,218	-	-	-	185,218	20,580	-
Office	924,928	49,727	9,425	-	984,080	84,758	502
Professional services	2,289,155	297,182	2,880	-	2,589,217	296,312	3,002
Staff expense	3,231,694	607,166	-	-	3,838,860	761,585	6,133
Travel	309,881	246,249	155,874	-	712,004	41,836	2,487
Total expenses	\$ 9,880,891	\$ 3,949,589	\$ 408,855	\$ 40,630	\$ 14,279,965	\$ 1,227,748	\$ 12,124
Percentage of total expenses	63.7%	25.4%	2.6%	0.3%	92.0%	7.9%	0.1%
							100.0%

The accompanying notes and independent auditor's report should be read with these financial statements.

COMMUNITY BIBLE STUDY

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Services				Supporting Activities			
	U.S. Bible Classes	International Support	Leadership Conference/ Training	Other Programs	Total Program Services	General and Administrative	Fundraising	Total
Classes	\$ 3,065,109	\$ -	\$ 323,377	\$ -	\$ 3,388,486	\$ -	\$ -	\$ 3,388,486
Depreciation	178,901	-	-	-	178,901	19,878	-	198,779
Grants	-	2,329,321	-	14,601	2,343,922	-	-	2,343,922
Occupancy	168,707	-	-	-	168,707	18,762	-	187,469
Office	745,466	54,292	1,438	-	801,196	136,362	548	938,106
Professional services	1,790,858	233,771	4,907	-	2,029,536	304,942	2,362	2,336,840
Staff expense	2,514,979	961,913	-	-	3,476,892	615,797	9,716	4,102,405
Travel	296,179	296,967	4,141	-	597,287	55,112	16,188	668,587
Total expenses	\$ 8,760,199	\$ 3,876,264	\$ 333,863	\$ 14,601	\$ 12,984,927	\$ 1,150,853	\$ 28,814	\$ 14,164,594
Percentage of total expenses	61.8%	27.4%	2.4%	0.1%	91.7%	8.1%	0.2%	100.0%

The accompanying notes and independent auditor's report should be read with these financial statements.

COMMUNITY BIBLE STUDY

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

	<u>2025</u>	<u>2024</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (304,238)	\$ (428,872)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Change in value of beneficial interest in life estate	-	(95,671)
Depreciation	226,774	198,779
Loss on disposal of property and equipment	1,448	37,745
Realized and unrealized (gain) loss on investments	(99,776)	13,021
(Increase) decrease in operating assets:		
Grants receivable	(650,000)	-
Inventory	47,184	(125,596)
Prepaid expenses and other assets	(21,036)	(71,449)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(103,670)	117,938
Deferred income	117,189	20,216
Net cash flows from operating activities	<u>(786,125)</u>	<u>(333,889)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of investments	(403,257)	(501,882)
Purchases of property and equipment	(100,606)	(213,178)
Proceeds from the sale of beneficial interest in life estate	-	800,921
Net cash flows from investing activities	<u>(503,863)</u>	<u>85,861</u>
Net change in cash and equivalents	(1,289,988)	(248,028)
Cash and equivalents, beginning of year	<u>6,651,240</u>	<u>6,899,268</u>
Cash and equivalents, end of year	<u><u>\$ 5,361,252</u></u>	<u><u>\$ 6,651,240</u></u>

The accompanying notes and independent auditor's report should be read with these financial statements.

COMMUNITY BIBLE STUDY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Community Bible Study ("Organization") is a Virginia nonprofit corporation. The Organization's primary programs are:

U.S. Bible Study Classes: Write, edit, print, record (audio and video), teach, and distribute Bible study lesson materials for approximately 76,000 adults and over 22,000 children and teens in approximately 734 classes and groups throughout the United States.

International Entity Support: Provide Bible study lesson materials and leadership training to individuals in approximately 117 countries, which have been translated into 91 heart languages for conducting Bible study classes attended by over 1.1 million participants globally.

Leadership Conference/Training: Continue the Organization's value of leadership development and training by offering training for local class leadership and other leaders, both online and in-person, depending on location. This includes on-demand trainings for leaders around the world covering adult, student, children, and InPrison programs, as well as in-person trainings internationally. Additionally, an annual training conference is held for key North American leaders, along with annual leadership events for a broader group of organizational and local class leaders to provide support, encouragement, and community for class leaders and shepherds.

Basis of accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Use of estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and equivalents

For purposes of the financial statements, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

See independent auditor's report.

COMMUNITY BIBLE STUDY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Grants receivable

Grants receivable consist of amounts receivable on unconditional grants. Grants receivable are stated at the amount the Organization expects to collect. Management considers contributions receivable to be fully collectable as of June 30, 2025 and 2024. Accordingly, no allowance has been recorded.

Inventories

Inventories consist of books used as curriculum for classes offered by the Organization. Inventories are recorded at the lower of cost or net realizable value using the weighted average method of accounting.

Investments

Investments having a readily determinable fair value are carried at fair value. Interest and dividends are recorded on the accrual basis. Gains and losses are recognized when incurred and included in the statements of activities. Donated investments are recognized at the estimated fair value on the date of the donation.

Property and equipment

Acquisitions of property and equipment with an original cost of \$5,000 or greater and useful lives exceeding one year are capitalized and recorded at cost, or fair value, if donated. Property and equipment are depreciated using the straight-line method over estimated useful lives, ranging from four to forty years.

Net assets

The financial statements present information regarding the financial position and statements of activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions consist of resources available for use in operations, those resources invested in property and equipment, and resources restricted by the board of trustees as to future use. Net assets with donor restrictions consist of resources restricted by donors as to purpose or by the passage of time.

See independent auditor's report.

COMMUNITY BIBLE STUDY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Contributions and grants

In accordance with US GAAP, contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of donor restrictions, if applicable. Contribution revenue is recognized when cash is received, when unconditional promises are made, or when ownership of contributed assets is transferred to the Organization. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue recognition

Class registrations

Class registration income is recorded in the reporting period that the classes are delivered and reduced by discounts. Any amounts received in advance of the annual class startup are recorded as deferred revenue.

Contract assets and liabilities

The timing of revenue recognition, billings, and cash collections results in deferred revenue (contract liabilities). Changes in the contract liability balances during the years ended June 30, 2025 and 2024 were not materially impacted by other factors.

Contract balances consist of the following for the years ended June 30,:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Deferred income	<u>\$ 1,550,655</u>	<u>\$ 1,433,466</u>	<u>\$ 1,413,250</u>

Functional expenses

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities and functional expenses. These expenses require allocation on a reasonable basis that is consistently applied. Any costs that could be directly assigned to a specific function are allocated to that function. The expenses that are allocated include depreciation and occupancy, which are allocated based on an estimate of square footage.

See independent auditor's report.

COMMUNITY BIBLE STUDY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Income taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code ("Code") and is not a private foundation under Section 509(a)(2) of the Code. The Organization evaluates the effect of uncertain tax positions, if any, and provides for those positions in accordance with the provisions of FASB ASC Topic 450, *Contingencies*. No tax accrual for uncertain tax positions has been recorded as management believes there are no uncertain tax positions for the Organization.

Reclassifications

Certain prior year balances and amounts have been reclassified to conform to the current year presentation. These reclassifications had no impact on previously reported net assets or change in net assets.

Subsequent events

Management has evaluated subsequent events through the date of the independent auditor's report, the date on which the financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available to meet cash needs for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise the following as of June 30,:

	2025	2024
Financial assets at year end:		
Cash and equivalents	\$ 5,361,252	\$ 6,651,240
Investments	9,896,162	9,403,165
Grants receivable	650,000	-
Endowment assets	146,252	136,216
Total financial assets at year end	16,053,666	16,190,621
Less amounts unavailable for general expenditures within one year due to:		
Net assets with donor restrictions	(2,461,080)	(2,115,399)
Board-designated net assets	(1,579,789)	(1,522,732)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 12,012,797</u>	<u>\$ 12,552,490</u>

See independent auditor's report.

COMMUNITY BIBLE STUDY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

As part of the Organization's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

3. INVESTMENTS AND FAIR VALUE MEASUREMENT

US GAAP defines fair value and establishes a framework for measuring fair value and disclosure regarding fair value measurements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Therefore, the term "price" refers to the exit price as opposed to the entry price, which is the price paid to acquire the asset or received to assume the liability. US GAAP also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs when measuring fair value.

US GAAP describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted 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 that are based on inputs not quoted in active markets that can be corroborated by observable market data

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

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy:

Certificates of deposit - Certificates of deposit are considered Level 2, as the value of the funds are estimated using third-party quotations in similar markets.

The fair value of government bonds and mutual funds is based on quoted market prices and other relevant information generated by market transactions.

See independent auditor's report.

COMMUNITY BIBLE STUDY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Fair value of assets measured on a recurring basis is as follows as of June 30,:

	2025		
<i>Investments:</i>	Level 1	Level 2	Total
Certificates of deposit	\$ -	\$ 2,816,046	\$ 2,816,046
Government bonds	6,803,675	-	6,803,675
Total investments, at fair value	<u>\$ 6,803,675</u>	<u>\$ 2,816,046</u>	9,619,721
Cash and money market funds, at cost			<u>276,441</u>
Total investments			<u>\$ 9,896,162</u>

	2025		
<i>Endowment assets:</i>	Level 1	Level 2	Total
Mutual funds	<u>\$ 146,252</u>	<u>\$ -</u>	<u>\$ 146,252</u>
Total endowment assets, at fair value			<u>\$ 146,252</u>

	2024		
<i>Investments:</i>	Level 1	Level 2	Total
Certificates of deposit	\$ -	\$ 4,504,644	\$ 4,504,644
Government bonds	3,389,853	-	3,389,853
Total investments, at fair value	<u>\$ 3,389,853</u>	<u>\$ 4,504,644</u>	7,894,497
Cash and money market funds, at cost			<u>1,508,668</u>
Total investments			<u>\$ 9,403,165</u>

	2024		
<i>Endowment assets:</i>	Level 1	Level 2	Total
Mutual funds	<u>\$ 136,216</u>	<u>\$ -</u>	<u>\$ 136,216</u>
Total endowment assets, at fair value			<u>\$ 136,216</u>

See independent auditor's report.

COMMUNITY BIBLE STUDY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Total investment income consists of the following for the years ended June 30,:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 574,073	\$ 579,839
Net realized and unrealized gains (losses)	<u>99,776</u>	<u>(13,021)</u>
Investment income, net	<u><u>\$ 673,849</u></u>	<u><u>\$ 566,818</u></u>

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30,:

	<u>2025</u>	<u>2024</u>
Buildings and improvements	\$ 4,486,212	\$ 4,486,212
Computers and equipment	2,059,833	2,091,541
Furniture and fixtures	<u>184,501</u>	<u>151,918</u>
Gross depreciable property and equipment	6,730,546	6,729,671
Land	618,153	618,153
Construction in progress	11,719	-
Accumulated depreciation	<u>(4,023,515)</u>	<u>(3,883,305)</u>
Property and equipment, net	<u><u>\$ 3,336,903</u></u>	<u><u>\$ 3,464,519</u></u>

Depreciation expense related to property and equipment totaled \$226,774 and \$198,779 for the years ended June 30, 2025 and 2024, respectively.

See independent auditor's report.

COMMUNITY BIBLE STUDY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

5. NET ASSETS

Net assets with donor restrictions consist of the following as of June 30,:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose:		
Curriculum	\$ 41,800	\$ 47,800
Global translations	51,415	50,189
International regions	1,755,380	1,459,529
In-prison program	393,725	377,320
National children's fund / next generation fund	<u>68,760</u>	<u>80,561</u>
	<u>2,311,080</u>	<u>2,015,399</u>
Subject to the passage of time:		
Grants receivable	<u>50,000</u>	<u>-</u>
Endowments:		
Corpus	<u>100,000</u>	<u>100,000</u>
Total net assets with donor restrictions	<u><u>\$ 2,461,080</u></u>	<u><u>\$ 2,115,399</u></u>

Board-designated net assets consist of the following as of June 30,:

	<u>2025</u>	<u>2024</u>
Building reserve	\$ 579,789	\$ 522,732
Operating cash reserve	<u>1,000,000</u>	<u>1,000,000</u>
Total board-designated net assets	<u><u>\$ 1,579,789</u></u>	<u><u>\$ 1,522,732</u></u>

See independent auditor's report.

COMMUNITY BIBLE STUDY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

6. ENDOWMENTS

The Organization's endowment consists of Transformed Lives Through the Word of God Fund.

The Organization has interpreted the state Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As of June 30, 2025 and 2024, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

- 1) The duration and preservation of the fund
- 2) The purpose of the Organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization

Endowment net asset composition by type is as follows for the years ended June 30,:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Donor-restricted contributions	\$ -	\$ 100,000	\$ 100,000
Accumulated investment earnings	46,252	-	46,252
Endowment assets, June 30, 2025	<u>\$ 46,252</u>	<u>\$ 100,000</u>	<u>\$ 146,252</u>

See independent auditor's report.

COMMUNITY BIBLE STUDY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Donor-restricted contributions	\$ -	\$ 100,000	\$ 100,000
Accumulated investment earnings	36,216	-	36,216
Endowment assets, June 30, 2024	<u>\$ 36,216</u>	<u>\$ 100,000</u>	<u>\$ 136,216</u>

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of June 30, 2025 and 2024, there were no funds with deficiencies.

As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Changes in endowment assets are as follows for the years ended June 30,:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment assets, July 1, 2023	\$ 28,581	\$ 100,000	\$ 128,581
Contributions	-	-	-
Investment return, net	7,635	-	7,635
Appropriated for expenditure	-	-	-
Endowment assets, June 30, 2024	36,216	100,000	136,216
Contributions	-	-	-
Investment return, net	10,036	-	10,036
Appropriated for expenditure	-	-	-
Endowment assets, June 30, 2025	<u>\$ 46,252</u>	<u>\$ 100,000</u>	<u>\$ 146,252</u>

See independent auditor's report.

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7. CONCENTRATIONS

Cash and equivalents

The Organization maintains its cash and equivalents in bank deposit accounts in which the deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At certain times during the year the Organization had deposits in excess of FDIC limits. This risk is managed by maintaining deposits with high-quality financial institutions. The Organization does not anticipate nonperformance by these institutions.

8. RETIREMENT PLAN

The Organization sponsors a 403(b) retirement plan ("Plan") covering all eligible employees. Employees may make contributions to the Plan up to the maximum allowed by the Internal Revenue Code and the Organization matches 5% of their base compensation. The Organization's contributions to the Plan for the years ended June 30, 2025 and 2024 totaled \$146,663 and \$133,153, respectively.

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See independent auditor's report.