



**BIBLICAL EDUCATION BY
EXTENSION, INC.**

Financial Statements
With Independent Auditors' Report

December 31, 2024 and 2023

BIBLICAL EDUCATION BY EXTENSION, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Biblical Education by Extension, Inc.
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of Biblical Education by Extension, Inc., which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Biblical Education by Extension, Inc. as of December 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 Financial Statements* section of our report. We are required to be independent of Biblical Education by Extension, Inc. 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 these 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 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 Biblical Education by Extension, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Biblical Education by Extension, Inc.
Colorado Springs, Colorado

Auditors' 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 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 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 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 Biblical Education by Extension, Inc.'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 Biblical Education by Extension, Inc.'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.

Capin Crouse LLC

Colorado Springs, Colorado
April 22, 2025

BIBLICAL EDUCATION BY EXTENSION, INC.

Statements of Financial Position

	December 31,	
	2024	2023
ASSETS:		
Cash and cash equivalents	\$ 345,157	\$ 254,375
Investments	2,410,141	2,405,271
Prepays, advances, and other assets	101,959	77,111
Financing lease—right of use asset	14,507	23,669
Property and equipment—net	719,409	762,259
Assets held for deferred compensation plan	121,511	196,136
	<u>3,712,684</u>	<u>3,718,821</u>
Total Assets	<u>\$ 3,712,684</u>	<u>\$ 3,718,821</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and other liabilities	\$ 69,758	\$ 80,588
Financing lease obligation	14,842	24,055
Deferred compensation plan	121,511	196,136
Total liabilities	<u>206,111</u>	<u>300,779</u>
Net assets:		
Without donor restrictions	1,185,833	1,411,242
With donor restrictions	2,320,740	2,006,800
Total net assets	<u>3,506,573</u>	<u>3,418,042</u>
Total Liabilities and Net Assets	<u>\$ 3,712,684</u>	<u>\$ 3,718,821</u>

See notes to financial statements

BIBLICAL EDUCATION BY EXTENSION, INC.

Statements of Activities

	Year Ended December 31,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions and grants	\$ 383,764	\$ 3,451,358	\$ 3,835,122	\$ 660,109	\$ 3,227,498	\$ 3,887,607
Interest income and other gains	118,329	-	118,329	105,348	-	105,348
Other income	15,612	-	15,612	11,824	-	11,824
Total Support and Revenue	<u>517,705</u>	<u>3,451,358</u>	<u>3,969,063</u>	<u>777,281</u>	<u>3,227,498</u>	<u>4,004,779</u>
NET ASSETS RELEASED:						
Purpose and time restrictions	2,895,418	(2,895,418)	-	3,072,639	(3,072,639)	-
Administrative assessments	242,000	(242,000)	-	260,948	(260,948)	-
	<u>3,137,418</u>	<u>(3,137,418)</u>	<u>-</u>	<u>3,333,587</u>	<u>(3,333,587)</u>	<u>-</u>
EXPENSES:						
Program services	<u>2,934,062</u>	<u>-</u>	<u>2,934,062</u>	<u>2,900,451</u>	<u>-</u>	<u>2,900,451</u>
Supporting activities:						
General and administrative	621,129	-	621,129	525,411	-	525,411
Fund-raising	325,341	-	325,341	326,080	-	326,080
	<u>946,470</u>	<u>-</u>	<u>946,470</u>	<u>851,491</u>	<u>-</u>	<u>851,491</u>
Total Expenses	<u>3,880,532</u>	<u>-</u>	<u>3,880,532</u>	<u>3,751,942</u>	<u>-</u>	<u>3,751,942</u>
Change in Net Assets	(225,409)	313,940	88,531	358,926	(106,089)	252,837
Net Assets, Beginning of Year	<u>1,411,242</u>	<u>2,006,800</u>	<u>3,418,042</u>	<u>1,052,316</u>	<u>2,112,889</u>	<u>3,165,205</u>
Net Assets, End of Year	<u>\$ 1,185,833</u>	<u>\$ 2,320,740</u>	<u>\$ 3,506,573</u>	<u>\$ 1,411,242</u>	<u>\$ 2,006,800</u>	<u>\$ 3,418,042</u>

See notes to financial statements

BIBLICAL EDUCATION BY EXTENSION, INC.

Statements of Functional Expenses

Year Ended December 31,								
	2024				2023			
	Program Services	Supporting Activities:		Total	Program Services	Supporting Activities:		Total
		General and Administrative	Fund- Raising			General and Administrative	Fund- Raising	
Personnel and labor	\$ 1,625,866	\$ 280,327	\$ 268,136	\$ 2,174,329	\$ 1,641,465	\$ 233,934	\$ 246,250	\$ 2,121,649
Travel and hospitality	375,111	45,948	48,897	469,956	318,803	33,269	70,972	423,044
Funds to foreign churches	426,184	-	-	426,184	418,912	-	-	418,912
Seminar and translation expense	186,641	-	-	186,641	277,723	-	-	277,723
Professional fees	49,277	174,060	-	223,337	37,258	156,354	-	193,612
Office expenses	84,521	34,035	5,644	124,200	59,465	21,103	6,005	86,573
Depreciation and amortization	35,091	35,091	-	70,182	35,902	35,903	-	71,805
Fees and dues	42,220	17,026	1,148	60,394	30,809	19,423	1,962	52,194
Curriculum development	65,907	-	-	65,907	50,516	-	-	50,516
Equipment, facilities, and other	43,244	34,642	1,516	79,402	29,598	25,425	891	55,914
Total Expenses	<u>\$ 2,934,062</u>	<u>\$ 621,129</u>	<u>\$ 325,341</u>	<u>\$ 3,880,532</u>	<u>\$ 2,900,451</u>	<u>\$ 525,411</u>	<u>\$ 326,080</u>	<u>\$ 3,751,942</u>
Percent of Total Expenses	<u>76%</u>	<u>16%</u>	<u>8%</u>	<u>100%</u>	<u>77%</u>	<u>14%</u>	<u>9%</u>	<u>100%</u>

See notes to financial statements

BIBLICAL EDUCATION BY EXTENSION, INC.

Statements of Cash Flows

	Year Ended December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 88,531	\$ 252,837
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	68,462	71,805
Reinvested interest and dividends	(117,921)	(92,120)
Net realized and unrealized losses on investments	5,801	5,283
Changes in operating assets and liabilities:		
Prepays, advances, and other assets	(24,848)	(26,473)
Accounts payable and other liabilities	(10,830)	16,835
Net Cash Provided by Operating Activities	<u>9,195</u>	<u>228,167</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(16,450)	-
Purchases of investments	(1,365,448)	(1,768,149)
Proceeds from sale of investments	1,472,698	608,986
Net Cash Provided (Used) by Investing Activities	<u>90,800</u>	<u>(1,159,163)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on financing lease obligation	(9,213)	(9,088)
Net Cash Used by Financing Activities	<u>(9,213)</u>	<u>(9,088)</u>
Change in Cash and Cash Equivalents	90,782	(940,084)
Cash and Cash Equivalents, Beginning of Year	<u>254,375</u>	<u>1,194,459</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 345,157</u></u>	<u><u>\$ 254,375</u></u>
SUPPLEMENTAL DISCLOSURE:		
Interest paid related to financing lease	<u><u>\$ 268</u></u>	<u><u>\$ 391</u></u>

See notes to financial statements

BIBLICAL EDUCATION BY EXTENSION, INC.

Notes to Financial Statements

December 31, 2024 and 2023

1. NATURE OF ORGANIZATION:

Biblical Education by Extension, Inc. (BEE) is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, BEE is subject to federal income tax on any unrelated business taxable income. In addition, BEE is not classified as a private foundation within the meaning of Section 509(a) of the IRC. BEE is primarily supported by contributions from organizations and individuals.

The mission of BEE is to assist the Church, primarily in closed countries, in the establishment of continuing, indigenous Church-based Training Centers in which servant-leaders are equipped to develop growing and reproducing churches. They do this by prayerfully researching and identifying target countries. Using the BEE curriculum, they provide Biblical training to pastors and lay leaders in each location. These men are then asked to multiply the training by carrying it forward to others in their specific countries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BEE maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of amounts held in checking accounts. As of December 31, 2024 and 2023, BEE did not have cash and cash equivalents on deposit with financial institutions that exceed the federally insured balance.

INVESTMENTS

Investments consist of money market mutual funds and certificates of deposit with original maturity dates greater than 90 days. Money market mutual funds are reported at fair value, based on quoted market prices. Certificates of deposit are measured at cost, plus any accrued interest. Investment income is recorded within interest income and other gains.

CURRICULUM DEVELOPMENT COSTS

Curriculum development costs greater than \$1,000 are capitalized and amortized over their estimated useful lives, which management has determined to be ten years. Accumulated amortization was \$258,733 and \$257,010 at December 31, 2024 and 2023, respectively. Curriculum development costs, net of accumulated amortization of \$380 and \$2,180 are included within prepaids, advances, and other assets on the statements of financial position.

BIBLICAL EDUCATION BY EXTENSION, INC.

Notes to Financial Statements

December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT—NET

Property and equipment is stated at cost or, if donated, at its fair market value on the date of the gift. BEE capitalizes all fixed assets greater than \$3,000. Depreciation is computed on the straight-line basis over estimated useful lives of three years for computer equipment, seven to ten years for furniture and other equipment, and thirty years for the building.

DEFERRED COMPENSATION PLAN

BEE has established a deferred compensation plan for a key employee under a non-qualified deferred compensation plan. The deferred compensation plan is discretionary and may extend to additional employees in the future. Payments to the employee are to be paid after retirement. The fund is fully vested and funded as of December 31, 2024 and 2023. Any interest earned on the segregated assets stays in the plan. Payments are to be made in equal installments and totaled \$90,000 and \$0 during the years ended December 31, 2024 and 2023, respectively.

CLASSES OF NET ASSETS

The financial statements report amounts separately by class of net assets as follows:

Net assets without donor restrictions consist of resources that are available for current operations and those resources designated by the board for specific use.

Net assets with donor restrictions include donor-restricted contributions for specified exempt purposes.

SUPPORT, REVENUE, AND EXPENSES

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 the donated amounts. When a donor restriction expires, that is, when a stipulated 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 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. Donated assets are recorded at their fair market value on the date of donation. Donations that are restricted for a specific purpose are assessed an administrative charge of 8.5% during the years ended December 31, 2024 and 2023.

Grants are received by BEE and recorded as contributions. These grants are recorded as with donor restrictions and without donor restrictions based on the grantor's stated purpose of the grant.

BIBLICAL EDUCATION BY EXTENSION, INC.

Notes to Financial Statements

December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND EXPENSES, continued

Interest and other income or losses is recorded when earned.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

FUNCTIONAL ALLOCATION OF EXPENSES

The statements of functional expenses report certain categories of expenses that are attributable to program or support activities of BEE. These expenses include depreciation and equipment and facilities, which are allocated based on square footage occupancy. Personnel and labor, as well as professional fees are allocated based on time and effort. The costs of other categories are allocated based on the purpose of the expense. Expenses are recorded when earned, in accordance with the accrual basis of accounting.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects BEE's financial assets as of December 31, 2024 and 2023, reduced by amounts not available for general use within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	December 31,	
	2024	2023
Financial assets, at year-end:		
Cash and cash equivalents	\$ 345,157	\$ 254,375
Investments	2,410,141	2,405,271
Assets for the deferred compensation plan	121,511	196,136
	<u>2,876,809</u>	<u>2,855,782</u>
Less those unavailable for general expenditures within one year, due to:		
Deferred compensation plan	(121,511)	(196,136)
Restricted funds not expected to be used within one year	<u>(312,000)</u>	<u>(245,891)</u>
	<u>(433,511)</u>	<u>(442,027)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,443,298</u>	<u>\$ 2,413,755</u>

BEE has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management monitors cash flows closely through board meetings and detailed financial analysis. Donor restricted funds are used in the course of general operations; therefore, amounts shown as unavailable for general expenditure are those estimated by management not to be used within one year.

BIBLICAL EDUCATION BY EXTENSION, INC.

Notes to Financial Statements

December 31, 2024 and 2023

4. INVESTMENTS:

Investments consist of:

	December 31,	
	2024	2023
Cash	\$ 5,958	\$ 5,935
Certificates of deposits	1,495,000	1,246,000
Money market mutual funds	909,183	1,153,336
	<u>\$ 2,410,141</u>	<u>\$ 2,405,271</u>

5. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consists of the following:

	December 31,	
	2024	2023
Building and improvements	\$ 1,191,257	\$ 1,182,263
Furniture and other equipment	43,992	36,536
Computer equipment	375,622	375,622
	<u>1,610,871</u>	<u>1,594,421</u>
Accumulated depreciation	<u>(891,462)</u>	<u>(832,162)</u>
	<u>\$ 719,409</u>	<u>\$ 762,259</u>

BIBLICAL EDUCATION BY EXTENSION, INC.

Notes to Financial Statements

December 31, 2024 and 2023

6. ASSETS HELD FOR DEFERRED COMPENSATION PLAN:

Assets held for deferred compensation plan consist of:

	December 31,	
	2024	2023
Exchange-traded funds	\$ 73,032	\$ 27,293
Mutual funds	45,032	60,539
Cash and cash equivalents	3,447	4,096
Stock equities	-	104,208
	<u>\$ 121,511</u>	<u>\$ 196,136</u>

7. FAIR VALUE MEASUREMENTS:

Stock equities, mutual funds, and exchange-traded funds are reported at fair value based on quoted prices in active markets for identical assets, which is Level 1 of the fair value hierarchy established under the Fair Value Measurements topic of the Financial Accounting Standards Board (FASB) Codification. BEE did not hold any assets that used Level 2 or Level 3 inputs as of December 31, 2024 and 2023.

	December 31,	
	2024	2023
Assets held at fair value:		
Mutual funds	\$ 954,215	\$ 1,213,875
Exchange-traded funds	73,032	27,293
Stock equities	-	104,208
	<u>1,027,247</u>	<u>1,345,376</u>
Assets held at other than fair value:		
Cash and cash equivalents	9,405	10,031
Certificates of deposit	1,495,000	1,246,000
	<u>1,504,405</u>	<u>1,256,031</u>
Total investments and assets held for deferred compensation plan	<u>\$ 2,531,652</u>	<u>\$ 2,601,407</u>

BIBLICAL EDUCATION BY EXTENSION, INC.

Notes to Financial Statements

December 31, 2024 and 2023

8. FINANCING LEASE—RIGHT OF USE ASSET AND OBLIGATION:

BEE leases copiers under one noncancelable finance lease expiring in July 2026. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease terms. The lease requires monthly payments totaling \$790 per month. The discount rate on this lease is 1.35%.

	December 31,	
	2024	2023
Financing lease right of use asset	\$ 14,507	\$ 32,831
Financing lease obligation	\$ 14,842	\$ 33,143
Financing lease costs:		
Amortization of right of use asset	\$ 9,162	\$ 9,162
Interest on lease obligation	\$ 268	\$ 513
Variable lease cost	\$ 2,340	\$ 2,340
Weighted-average discount rate	1.35%	1.35%
Weighted-average remaining lease term	1.58 years	2.5 years

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

<u>Year Ending December 31,</u>	
2025	\$ 9,480
2026	5,530
	<u>15,010</u>
Less imputed interest	<u>(168)</u>
	<u>\$ 14,842</u>

BIBLICAL EDUCATION BY EXTENSION, INC.

Notes to Financial Statements

December 31, 2024 and 2023

9. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	December 31,	
	2024	2023
Individual support	\$ 1,144,159	\$ 1,045,314
Ministry projects	770,090	725,397
Foreign church support	406,491	236,089
	<u>\$ 2,320,740</u>	<u>\$ 2,006,800</u>

10. PENSION PLAN:

BEE has established a 403(b) pension plan covering all personnel. All contributions are salary reductions from employees.

11. RELATED PARTY TRANSACTIONS:

During the years ended December 31, 2024 and 2023, BEE received donations from members of the board of directors totaling approximately \$279,000 and \$436,000, respectively.

12. SUPPORT AND REVENUE CONCENTRATION:

BEE received contributions from three donors that totaled approximately \$463,000 and \$720,000 for the years ended December 31, 2024 and 2023, respectively. These gifts accounted for approximately 12% and 18% of total support and revenue for the years ended December 31, 2024 and 2023, respectively.

13. SUBSEQUENT EVENTS:

Subsequent events were evaluated through April 22, 2025, which is the date the financial statements were available to be issued.