



ENTRUST

Financial Statements
With Independent Auditors' Report

December 31, 2024 and 2023

ENTRUST

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses, Year Ended December 31, 2024	5
Statement of Functional Expenses, Year Ended December 31, 2023	6
Statements of Cash Flows	7
Notes to Financial Statements	8

INDEPENDENT AUDITORS' REPORT

Board of Directors
Entrust
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of Entrust, 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 Entrust as of December 31, 2024 and 2023, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, Entrust signed an agreement with O.C. International on March 21, 2025 whereby the two organizations will combine into a single organization effective October 1, 2025. Our opinion is not modified with respect to this matter.

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 Entrust 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 Entrust'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
Entrust
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, including omissions, 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 Entrust'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 Entrust'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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Capin Crouse LLC

Colorado Springs, Colorado
April 16, 2025

ENTRUST

Statements of Financial Position

	December 31,	
	2024	2023
ASSETS:		
Cash and cash equivalents	\$ 1,627,959	\$ 1,324,423
Board-designated cash	495,000	-
Investments	489,681	469,035
Prepaid expenses and other assets	102,352	35,412
Fixed assets-net	56,381	80,852
Total Assets	\$ 2,771,373	\$ 1,909,722
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 57,127	\$ 50,996
Backpay payable	149,387	108,020
Total liabilities	206,514	159,016
Net assets:		
Net assets without donor restrictions	1,254,106	414,888
Nets assets with donor restrictions	1,310,753	1,335,818
Total net assets	2,564,859	1,750,706
Total Liabilities and Net Assets	\$ 2,771,373	\$ 1,909,722

See notes to financial statements

ENTRUST

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	\$ 182,853	\$ 3,054,654	\$ 3,237,507	\$ 137,512	\$ 3,140,181	\$ 3,277,693
Employee retention credit	946,335	-	946,335	-	-	-
Contributed services	84,174	-	84,174	129,006	-	129,006
Seminar and material fees	56,504	-	56,504	42,673	-	42,673
Interest and other income	53,189	-	53,189	54,828	-	54,828
Total Support and Revenue	1,323,055	3,054,654	4,377,709	364,019	3,140,181	3,504,200
NET ASSETS RELEASED:						
Purpose restrictions	2,737,677	(2,737,677)	-	3,347,946	(3,347,946)	-
Administrative assessments	342,042	(342,042)	-	362,053	(362,053)	-
Total Net Assets Released	3,079,719	(3,079,719)	-	3,709,999	(3,709,999)	-
EXPENSES:						
Program services	2,933,766	-	2,933,766	3,367,813	-	3,367,813
Supporting activities:						
General and administrative	371,669	-	371,669	400,183	-	400,183
Fundraising	258,121	-	258,121	309,487	-	309,487
	629,790	-	629,790	709,670	-	709,670
Total Expenses	3,563,556	-	3,563,556	4,077,483	-	4,077,483
Change in Net Assets	839,218	(25,065)	814,153	(3,465)	(569,818)	(573,283)
Net Assets, Beginning of Year	414,888	1,335,818	1,750,706	418,353	1,905,636	2,323,989
Net Assets, End of Year	\$ 1,254,106	\$ 1,310,753	\$ 2,564,859	\$ 414,888	\$ 1,335,818	\$ 1,750,706

See notes to financial statements

ENTRUST

Statement of Functional Expenses

	Year Ended December 31, 2024			
	Program Services	Supporting Activities		Total
		General and Administrative	Fundraising	
Salaries and benefits	\$ 1,837,179	\$ 232,393	\$ 199,818	\$ 2,269,390
Other service fees	222,599	79,428	1,228	303,255
Travel	230,930	313	269	231,512
Grants	165,069	-	-	165,069
Course production and training	131,489	799	687	132,975
Conferences and meetings	123,395	-	-	123,395
Office expenses	94,992	3,766	3,238	101,996
Occupancy	69,092	7,181	6,174	82,447
Professional fees	285	43,513	32	43,830
Supporter contact	-	-	43,256	43,256
Depreciation	23,392	580	499	24,471
Information technology	17,928	2,118	1,821	21,867
Insurance	7,711	1,023	880	9,614
Language school and professional development	9,705	255	219	10,179
Miscellaneous	-	300	-	300
	\$ 2,933,766	\$ 371,669	\$ 258,121	\$ 3,563,556
Total Expenses	82%	11%	7%	100%

See notes to financial statements

ENTRUST

Statement of Functional Expenses

	Year Ended December 31, 2023			
	Program Services	Supporting Activities		Total
		General and Administrative	Fundraising	
Salaries and benefits	\$ 2,010,923	\$ 232,372	\$ 240,318	\$ 2,483,613
Other service fees	362,421	124,209	1,250	487,880
Travel	230,056	1,622	1,678	233,356
Grants	306,282	-	-	306,282
Course production and training	101,136	74	77	101,287
Conferences and meetings	102,195	-	-	102,195
Office expenses	110,830	2,781	2,876	116,487
Occupancy	90,458	6,289	6,504	103,251
Professional fees	234	29,077	30	29,341
Supporter contact	-	-	53,027	53,027
Depreciation	20,445	491	508	21,444
Information technology	18,671	2,126	2,199	22,996
Insurance	7,254	898	928	9,080
Language school and professional development	6,908	89	92	7,089
Miscellaneous	-	155	-	155
	\$ 3,367,813	\$ 400,183	\$ 309,487	\$ 4,077,483
	83%	10%	7%	100%

See notes to financial statements

ENTRUST

Statements of Cash Flows

	Year Ended December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 814,153	\$ (573,283)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Reinvested dividends	(20,646)	(15,239)
Depreciation	24,471	21,444
Gain on sale of fixed assets	(3,160)	-
Change in operating assets and liabilities:		
Prepaid expenses and other assets	(66,940)	(2,692)
Accounts payable	6,131	(4,625)
Backpay payable	41,367	68,447
Net Cash Provided (Used) by Operating Activities	<u>795,376</u>	<u>(505,948)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of fixed assets	3,160	-
Net Cash Provided by Investing Activities	<u>3,160</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	798,536	(505,948)
Cash and Cash Equivalents, Beginning of Year	<u>1,324,423</u>	<u>1,830,371</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,122,959</u>	<u>\$ 1,324,423</u>
CASH, CASH EQUIVALENTS, AND BOARD-DESIGNATED CASH CONSIST OF:		
Cash and cash equivalents	\$ 1,627,959	\$ 1,324,423
Board-designated cash	<u>495,000</u>	<u>-</u>
	<u>\$ 2,122,959</u>	<u>\$ 1,324,423</u>

See notes to financial statements

ENTRUST

Notes to Financial Statements

December 31, 2024 and 2023

1. NATURE OF ORGANIZATION:

Entrust 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, Entrust is subject to federal income tax on any unrelated business taxable income. In addition, Entrust is not classified as a private foundation within the meaning of Section 509(a) of the IRC. Entrust was originally incorporated in the state of Texas. In 2008, Entrust legally changed its state of incorporation to Colorado. Entrust also does business under the names Biblical Education by Extension International and BEE International.

The mission of Entrust is to multiply church leaders through accessible, locally owned, reproducible training systems. Jesus taught that the key to fulfilling His Great Commission was to train leaders who would disciple other leaders. In like manner, Entrust partners with ministries around the world to establish ongoing church-based training of servant leaders for generations to come. Entrust wants to see well-trained servant leaders in every local church in the world equipped through biblical leadership training that is indigenous and accessible financially, geographically, culturally, and educationally.

Entrust's mission is accomplished primarily through direct public support of their programs by individuals, businesses, churches and other nonprofit organizations located throughout the United States.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Entrust 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 vary from the estimates that were assumed in preparing the financial statements. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

CASH, CASH EQUIVALENTS, AND BOARD-DESIGNATED CASH

Cash, cash equivalents, and board designated cash consist of cash held in checking accounts and interest-bearing money market accounts. Board-designated cash consists of cash set aside by the board of directors for staff support. As of December 31, 2024 and 2023, Entrust has cash and cash equivalents on deposit with financial institutions that exceed the federally insured balance by approximately \$445,000 and \$245,000, respectively.

INVESTMENTS

Investments consist of certificates of deposit with original maturities of greater than 90 days. They are reported at cost plus accrued interest, which approximates fair value. Interest revenue is recorded when incurred and are included as interest and other income on the statements of activities.

ENTRUST

Notes to Financial Statements

December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets consist of monthly or quarterly advances to missionaries to cover future expenditures, prepayments for insurance, and deposits for leases and venues for future events.

FIXED ASSETS

Fixed assets are stated at cost, or if donated, at the estimated fair market value at the date of donation. Items donated with restrictions regarding their use and contributions of cash to acquire fixed assets are reported as restricted support. Absent any donor stipulations, these restrictions expire when the asset is acquired or placed in service, and a reclassification is made from net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation is recorded using the straight-line method over estimated useful lives of two to ten years. Fixed assets purchased or donated exceeding \$5,000 are capitalized.

ACCOUNTS PAYABLE AND BACKPAY PAYABLE

Accounts payable consist of expenses incurred prior to year-end and paid after year-end, as well as expenses incurred prior to year-end but not paid for lack of funds. Backpay payable consists of compensation due to staff members that has not been paid for lack of funds. As support is raised beyond a staff member's monthly needs, the backpay balance and program service expense reimbursements are paid. These payables are tracked for eighteen months, and if after that amount of time the funds still have not been raised, the expenses and salary are cancelled and the liability is removed.

NET ASSETS

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

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

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

SUPPORT AND REVENUE AND EXPENSES

Contributions are recorded when made, which may be when cash and other assets are received or unconditionally promised, or when ownership of donated assets is transferred to Entrust. Contributions restricted by the donor for specific purposes are recorded as support in net assets with donor restrictions until a stipulated time restriction ends or the purpose restrictions are met by Entrust. Upon satisfaction of the restriction, 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 purpose restrictions. Donations that are restricted for missionaries and projects, and seminar and material revenues, are assessed administrative charges of 11% and 10% for the years ended December 31, 2024 and 2023, respectively.

ENTRUST

Notes to Financial Statements

December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE AND EXPENSES, continued

During the year ended December 31, 2024, Entrust received an Employee Retention Credit (ERC) of \$946,335, based on qualified wages. However, laws and regulations concerning government programs, including the ERC, established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act are complex and subject to varying interpretation. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge Entrust's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon Entrust.

The Not-for-Profit Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) requires recording the value of contributed services that create or enhance the nonfinancial assets or require specialized skills. Entrust recorded seconded missionary staff services from unrelated nonprofit organizations that meet these requirements. Contributed services are reflected in the statements of activities at their estimated fair market value on the date the services are provided.

Seminar and material fees are collected from participants and recognized as revenue when the performance obligation is satisfied; that is, when the event occurs.

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

FUNCTIONAL ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of Entrust. These expenses include salaries and benefits, other service fees, travel, occupancy, conference and meetings, office expenses, depreciation, information technology, and language school and professional development. Depreciation is allocated based on square footage, and costs of other categories were allocated on estimates of time and effort.

ADVERTISING (SUPPORTER CONTACT)

Entrust communicates its programs and financial and prayer needs primarily through personal and written contact by individual staff members with their personal networks. Costs of connecting with and maintaining communication with their support teams are expensed as incurred. Advertising (supporter contact) and promotion expense for the years ended December 31, 2024 and 2023, was \$43,256 and \$53,027, respectively.

ENTRUST

Notes to Financial Statements

December 31, 2024 and 2023

3. BUSINESS COMBINATION:

On March 21, 2025, Entrust signed an agreement to combine with O.C. International (OC), a District of Columbia nonprofit corporation, effective October 1, 2025. The separate existence of Entrust will cease with OC continuing as the controlling corporation of the business combination. As of October 1, 2025, all assets, liabilities, and net assets of Entrust will become those of OC.

4. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects Entrust's financial assets reduced by amounts not available for general use within one year, as of December 31, 2024 and 2023. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or because the board of directors has set aside funds.

	December 31,	
	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 1,627,959	\$ 1,324,423
Board-designated cash	495,000	-
Investments	489,681	469,035
Financial assets, at year-end	<u>2,612,640</u>	<u>1,793,458</u>
Less those unavailable for general expenditures within one year, due to:		
Board designated cash	(495,000)	-
Missionary funds not expected to be used within one year	<u>(350,753)</u>	<u>(376,141)</u>
Financial assets available within one year to meet cash needs for general expenditures	<u>\$ 1,766,887</u>	<u>\$ 1,417,317</u>

Entrust has a board-established objective to maintain 120 days of specified operating expenses in reserve to ensure the stability and continuance of its mission, programs, employment, and ongoing operations.

Entrust manages its liquidity and reserves following three guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The organization has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 30 days operating expenses. The organization has a policy to target a year-end balance of reserves of unrestricted, undesignated net assets at 120 days of expected expenditures. To achieve these targets, Entrust monitors its liquidity and cash reserves monthly.

ENTRUST

Notes to Financial Statements

December 31, 2024 and 2023

5. FIXED ASSETS–NET:

Fixed assets–net consist of:

	December 31, 2024		
	United States	Foreign Countries	Total
Building	\$ -	\$ 84,079	\$ 84,079
Equipment	69,853	28,294	98,147
Leasehold improvements	20,271	-	20,271
Furniture	11,164	-	11,164
	101,288	112,373	213,661
Accumulated depreciation	(95,938)	(61,342)	(157,280)
Fixed assets–net	\$ 5,350	\$ 51,031	\$ 56,381
	December 31, 2023		
	United States	Foreign Countries	Total
Building	\$ -	\$ 84,079	\$ 84,079
Equipment	69,827	51,793	121,620
Leasehold improvements	20,271	-	20,271
Furniture	11,164	-	11,164
	101,262	135,872	237,134
Accumulated depreciation	(92,547)	(63,735)	(156,282)
Fixed assets–net	\$ 8,715	\$ 72,137	\$ 80,852

Management has reviewed the assets in other countries and, in its opinion, determined they are under the control and ownership of Entrust. While such items are recognized as assets of Entrust, it should be noted that the political situation in many other countries is subject to rapid change. Therefore, the reader should be aware that while Entrust believes the assets are properly stated at the date of this report, subsequent changes could occur that would adversely affect the realizable value of the assets in other countries. In addition, it should be understood the carrying value of the assets in other countries may not be representative of the amount that could be realized should the assets be sold.

ENTRUST

Notes to Financial Statements

December 31, 2024 and 2023

6. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets without donor restrictions consist of:

	December 31,	
	2024	2023
Operating	\$ 759,106	\$ 414,888
Board-designated	495,000	-
	<u>\$ 1,254,106</u>	<u>\$ 414,888</u>

Net assets with donor restrictions consist of:

	December 31,	
	2024	2023
Staff support	\$ 1,228,964	\$ 1,324,589
Projects	81,789	11,229
	<u>\$ 1,310,753</u>	<u>\$ 1,335,818</u>

7. RETIREMENT PLAN:

Entrust has a 403(b) retirement plan that is available to all employees. During the years ended December 31, 2024 and 2023, there were no employer contributions.

8. SUBSEQUENT EVENTS:

As described in Note 3, on March 21, 2025, Entrust signed an agreement to combine with OC, effective October 1, 2025.

Subsequent events were evaluated through April 16, 2025, which is the date the financial statements were available to be issued.