

**WYCLIFFE BIBLE TRANSLATORS
INTERNATIONAL, INC.
d/b/a WYCLIFFE GLOBAL ALLIANCE**

CONSOLIDATED FINANCIAL STATEMENTS
With Independent Auditors' Report

September 30, 2015 and 2014

WYCLIFFE GLOBAL ALLIANCE

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Wycliffe Bible Translators International, Inc.
Dallas, Texas

We have audited the accompanying consolidated financial statements of Wycliffe Bible Translators International, Inc. (d/b/a Wycliffe Global Alliance), which comprise the consolidated statements of financial position as of September, 2015 and 2014, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Wycliffe Bible Translators International, Inc.
Dallas, Texas

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wycliffe Global Alliance as of September 30, 2015 and 2014, and the changes in its consolidated net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Dallas, Texas
February 11, 2016

WYCLIFFE GLOBAL ALLIANCE

Consolidated Statements of Financial Position

	September 30,	
	2015	2014
ASSETS:		
Cash and cash equivalents	\$ 310,656	\$ 1,432,692
Investments (Note 2)	6,798,180	6,641,543
Accounts receivable (Note 2)	94,616	78,578
Amounts due from staff and related entities (Note 3)	329,783	25,480
Property and equipment-net of accumulated depreciation (Note 4)	22,786	33,645
Other assets (Note 2)	55,335	99,106
Total Assets	\$ 7,611,356	\$ 8,311,044
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 127,945	\$ 177,821
Amounts due to staff and related entities (Note 3)	5,563,661	6,092,169
	<u>5,691,606</u>	<u>6,269,990</u>
Net Assets:		
Unrestricted:		
Equity in property and equipment	22,786	33,645
Undesignated	1,319,512	1,329,742
	<u>1,342,298</u>	<u>1,363,387</u>
Temporarily restricted (Note 6)	577,452	677,667
	<u>1,919,750</u>	<u>2,041,054</u>
Total Liabilities and Net Assets	\$ 7,611,356	\$ 8,311,044

See notes to consolidated financial statements

WYCLIFFE GLOBAL ALLIANCE

Consolidated Statements of Activities

	Year Ended September 30,					
	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
From member and partner organizations:						
Contributions (Note 3):						
United States of America	\$ 1,479,438	\$ 1,732,585	\$ 3,212,023	\$ 1,294,627	\$ 2,237,016	\$ 3,531,643
Rest of world	463,988	149,298	613,286	518,438	136,675	655,113
	1,943,426	1,881,883	3,825,309	1,813,065	2,373,691	4,186,756
Contributed services (Note 3):						
United States of America	4,322,883	-	4,322,883	4,563,382	-	4,563,382
Rest of world	1,981,683	-	1,981,683	2,150,566	-	2,150,566
	6,304,566	-	6,304,566	6,713,948	-	6,713,948
Interest income	156,735	-	156,735	181,471	-	181,471
From other sources:						
Other income	(15,333)	11,817	(3,516)	-	9,701	9,701
Total Support and Revenue	8,389,394	1,893,700	10,283,094	8,708,484	2,383,392	11,091,876
NET ASSETS RELEASED:						
Satisfaction of purpose restrictions	1,993,915	(1,993,915)	-	2,392,923	(2,392,923)	-
EXPENSES:						
Program services:						
Bible translation facilitation	8,750,449	-	8,750,449	9,728,262	-	9,728,262
Supporting services:						
General and administrative	1,653,949	-	1,653,949	1,263,865	-	1,263,865
Total Expenses	10,404,398	-	10,404,398	10,992,127	-	10,992,127
Change in Net Assets	(21,089)	(100,215)	(121,304)	109,280	(9,522)	99,758
Net Assets, Beginning of Year	1,363,387	677,667	2,041,054	1,254,107	687,189	1,941,296
Net Assets, End of Year	\$ 1,342,298	\$ 577,452	\$ 1,919,750	\$ 1,363,387	\$ 677,667	\$ 2,041,054

See notes to consolidated financial statements

WYCLIFFE GLOBAL ALLIANCE

Consolidated Statements of Cash Flows

	Year Ended September 30,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (121,304)	\$ 99,758
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,859	10,859
Changes in operating assets and liabilities:		
Accounts receivable	(16,038)	5,941
Amounts due from staff and related entities	(304,303)	120,755
Other assets	43,771	(42,796)
Accounts payable and accrued expenses	(49,876)	76,188
Amounts due to staff and related entities	56,750	(260,237)
Net Cash Provided (Used) by Operating Activities	(380,141)	10,468
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(156,637)	(179,950)
Change in investment pool balances due to related entities	(585,258)	1,025,284
Net Cash Provided (Used) by Investing Activities	(741,895)	845,334
Change in Cash and Cash Equivalents	(1,122,036)	855,802
Cash and Cash Equivalents, Beginning of Year	1,432,692	576,890
Cash and Cash Equivalents, End of Year	\$ 310,656	\$ 1,432,692

See notes to consolidated financial statements

WYCLIFFE GLOBAL ALLIANCE

Notes to Consolidated Financial Statements

September 30, 2015 and 2014

1. NATURE OF ORGANIZATION:

Wycliffe Bible Translators International, Inc. (d/b/a Wycliffe Global Alliance or the Alliance) is a Texas non-profit corporation, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The organization is classified as a public organization under Section 509(a), and not a private foundation. Contributions to it are tax deductible within the limitations prescribed by the tax code. The Alliance has offices in Singapore; Dallas, Texas; Nairobi, Kenya; San Jose, Costa Rica; Manila, Philippines; and Burbach, Germany. The balances and activities related to the offices are included in these consolidated financial statements.

The Alliance exists to encourage and facilitate greater partnership in reaching minority peoples with God's Word and message of hope in the languages they understand best. It promotes the efforts of the Wycliffe Global Alliance Participating Organizations (45 member organizations and more than 60 partner organizations) as they engage with the worldwide Church in providing resources for Bible translation and related ministry around the globe. It also facilitates and encourages the work of participating organizations that lead Bible translation programs and serve language communities in their own nations. The Alliance and many of its participating organizations partner closely with SIL International, which facilitates language based development and serves the people of the world through research, translation and literacy.

The work of the Alliance is primarily carried out by staff that voluntarily joined an Alliance participating organization which assigned them to serve the Alliance. The Alliance's revenues consist primarily of contributions from member organizations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The consolidated financial statements of the Alliance have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

RELATED ENTITIES

Related entities, not included in these financial statements due to their financial and administrative independence, are listed below:

- Wycliffe Bible Translators, Inc. (Wycliffe USA) is an interdenominational, nonprofit, missionary organization with the goal of forwarding, in every way possible, the translation of the Word of God into all those languages of the world where it is needed. Wycliffe USA controls and has an economic interest in Wycliffe Foundation (WF).
- Summer Institute of Linguistics, Inc. (SIL) provides training programs for linguists and supports the study of and translation into the less known and unwritten languages in the world. It also promotes literacy development in these languages. JAARS, Inc. (JAARS) provides technical, logistic and personnel support for field operations. SIL and JAARS are consolidated for financial reporting purposes.
- RIA Charitable Investments Inc. (RIACII) exists to provide a pooled investment opportunity for certain Wycliffe Global Alliance member and associated partner organizations.

WYCLIFFE GLOBAL ALLIANCE

Notes to Consolidated Financial Statements

September 30, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ESTIMATES

The preparation of consolidated financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of the Alliance include the Alliance and Wycliffe Africa because Wycliffe Africa is under the control of the Alliance beginning October 1, 2011. All inter-organizational transactions have been eliminated.

CASH AND CASH EQUIVALENTS

Cash consists primarily of checking accounts deposited with financial institutions and a cash deposit with a related entity. From time to time, balances in these accounts may exceed federally insured limits. As of September 30, 2015 and 2014, The Alliance had \$59,486 and \$1,094,901, respectively, deposited with a related entity functioning as a money market account. The Alliance holds 60% and 17% of its cash in accounts outside the United States as of September 30, 2015 and 2014, respectively.

INVESTMENTS

Investments consist of funds placed with RIA Charitable Investments Inc. (RIACII). RIACII operates as an investment pool available to certain Wycliffe Global Alliance member and associated partner organizations. Funds deposited with RIACII are invested in a variety of fixed income securities including U.S. Treasury issues, corporate bonds, and mortgage backed bonds, which borrow and pay in U.S. dollars. RIACII carries two investment pools. The short term portfolio pays interest at a stated rate as determined from time to time by the Board of Directors (2.25% and 2.75% as of September 30, 2015 and 2014, respectively) to participants in proportion to the amount they have on deposit in the pool and is carried at cost plus accrued interest. The long term portfolio does not pay out interest, but allocates all net income or loss to the participant's deposit in the pool. The Alliance did not have any investments in the long term pool as of September 30, 2015 or 2014. Interest income earned and reinvested by the Alliance for the years ended September 30, 2015 and 2014 was \$156,637 and \$179,950, respectively, and is included in interest income on the consolidated statements of activities. As of September 30, 2015 and 2014, RIACII reported total assets with a fair value of approximately \$88,058,000 and \$75,362,000, respectively, of which the Alliance holds \$6,798,180 (8%) and \$6,641,543 (9%), respectively. Credit risk is the failure of another party to perform in accordance with the contract terms. The Alliance is exposed to credit risk for the amount invested in the pool. Balances which the Alliance holds and invests for non-U.S. Wycliffe Member Organization's (WMO) are classified as "Amounts due to staff and related entities" on the consolidated statements of financial position (see Note 3). Interest (1.20% and 2.25% as of September 30, 2015 and 2014, respectively) is paid on these WMO balances in proportion to the amount they have on deposit in the pool through the Alliance. Interest paid for the years ended September 30, 2015 and 2014 was \$93,871 and \$122,888, respectively, and is included in general and administrative expenses on the consolidated statements of activities.

WYCLIFFE GLOBAL ALLIANCE

Notes to Consolidated Financial Statements

September 30, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ACCOUNTS RECEIVABLE

Accounts receivable primarily consist of advances to related ministries and other local organizations and individuals. Past collection experience has been that essentially 100% of receivables have been collected. Therefore, no allowance for doubtful accounts has been established.

OTHER ASSETS

Other assets include various prepaid expenses.

PROPERTY AND EQUIPMENT

The Alliance's property and equipment includes equipment in Asia and Europe. Property and equipment expenditures in excess of \$5,000 are capitalized at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the equipment, which ranges from 3 to 10 years.

NET ASSETS

The net assets of the Alliance are classified into net asset categories according to externally (donor) imposed restrictions as follows:

Unrestricted net assets include gifts for the general operations of the Alliance, funds designated for specific uses by the Board of Directors, and equity in property and equipment.

Temporarily restricted net assets include gifts for which donor-imposed restrictions have not been met, but for which the ultimate purpose of the proceeds is not permanently restricted.

SUPPORT AND REVENUE

Revenue is recognized when cash is received, unconditional promises are made, and when ownership of donated assets is transferred. Wycliffe Organizations assess contribution income at rates that range from 0% to 15%. Some of this assessment is passed to the Alliance as a contribution to be used for general and administrative expenses. This assessment contribution is classified as unrestricted net assets at the time the Alliance receives the contribution.

WYCLIFFE GLOBAL ALLIANCE

Notes to Consolidated Financial Statements

September 30, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CONTRIBUTED SERVICES

Contributed services represent the value of the staff provided by the Wycliffe Organizations. These services are recorded at the salary expense amount incurred by the Wycliffe Organizations.

ALLOCATION OF EXPENSES

The costs of providing program and supporting services are allocated and summarized on a functional basis in the consolidated statements of activities. All expenses are recorded when incurred in accordance with the accrual basis of accounting.

FOREIGN CURRENCY

The financial activities of the area offices are recorded and maintained in U.S. dollars. Contributions received and expenses paid in foreign currencies are recorded in U.S. dollars using the exchange rate applicable on the date of the transactions. Any resulting gains or losses on currency exchanges are included in other income on the consolidated statements of activities. The consolidated statements of financial position reflects the value of foreign currency accounts in U.S. dollars using the exchange rate as of September 30, 2015 and 2014, respectively.

RECLASSIFICATIONS

Certain information in the prior year consolidated financial statements have been reclassified to conform to the current year presentation format.

UNCERTAIN TAX POSITIONS

The consolidated financial statement effects of a tax position taken or expected to be taken are recognized in the consolidated financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the consolidated statements of activities. As of September 30, 2015, the Alliance had no uncertain tax positions that qualify for recognition or disclosure in the consolidated financial statements.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the report, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

WYCLIFFE GLOBAL ALLIANCE

Notes to Consolidated Financial Statements

September 30, 2015 and 2014

3. TRANSACTIONS WITH RELATED ENTITIES:

The Alliance had cash and investments with related entities as follows:

	September 30,	
	2015	2014
Cash:		
SIL	\$ 59,486	\$ 1,094,901
Investments:		
RIACII	6,798,180	6,641,543
	<u>\$ 6,857,666</u>	<u>\$ 7,736,444</u>

The Alliance had accounts receivable and payable with related entities as follows:

	September 30, 2015	
	Receivable	Payable
Wycliffe Organizations	\$ 76,770	\$ 5,374
Non-U.S. Wycliffe Member Organization's deposits in RIACII	-	5,102,877
SIL	251,554	119,278
Staff and other	1,459	336,132
	<u>\$ 329,783</u>	<u>\$ 5,563,661</u>

The Alliance received support from and provided support to various related entities. Such amounts included in revenue and expenses were as follows:

	Year Ended	
	September 30, 2015	
	Received from	Provided to
Wycliffe Organizations	\$ 9,528,813	\$ 349,459
SIL	601,061	17,769
	<u>\$ 10,129,874</u>	<u>\$ 367,228</u>

WYCLIFFE GLOBAL ALLIANCE

Notes to Consolidated Financial Statements

September 30, 2015 and 2014

3. TRANSACTIONS WITH RELATED ENTITIES, continued:

The Alliance had accounts receivable and payable with related entities as follows:

	September 30, 2014	
	Receivable	Payable
Wycliffe Organizations	\$ 9,299	\$ 25,954
Non-U.S. Wycliffe Member Organization's deposits in RIACII	-	5,688,135
SIL	5,201	86,574
Staff and other	10,980	291,506
	<u>\$ 25,480</u>	<u>\$ 6,092,169</u>

The Alliance received support from and provided support to various related entities. Such amounts included in revenue and expenses were as follows:

	Year Ended September 30, 2014	
	Received from	Provided to
Wycliffe Organizations	\$ 10,718,142	\$ 494,588
SIL	183,282	8,088
	<u>\$ 10,901,424</u>	<u>\$ 502,676</u>

Of the total amount received from affiliated entities, \$6,304,565 and \$6,713,948 is the value of contributed services received through Wycliffe Organizations and assigned to the Alliance for the years ended September 30, 2015 and 2014, respectively. For the year ended September 30, 2015, \$685,602 was for staff performing management and general functions, and \$5,618,962 was for staff performing Bible translation promotion and related program functions. For the year ended September 30, 2014, \$489,050 was for staff performing management and general functions, and \$6,224,898 was for staff performing Bible translation promotion and related program functions.

WYCLIFFE GLOBAL ALLIANCE

Notes to Consolidated Financial Statements

September 30, 2015 and 2014

4. PROPERTY AND EQUIPMENT:

Property and equipment consists of the following:

	September 30,	
	2015	2014
Equipment in Europe	\$ 25,747	\$ 25,747
Equipment in Asia	32,490	32,490
	<u>58,237</u>	<u>58,237</u>
Less accumulated depreciation	(35,451)	(24,592)
	<u>\$ 22,786</u>	<u>\$ 33,645</u>

5. OPERATING LEASES:

Africa Area, Asia Pacific Area, Europe Area, and the Singapore office lease office space from outside parties. These lease agreements vary in length. Expected future expense for these leases is as follows:

<u>Year ending September 30,</u>	
2016	50,914
2017	40,389
2018	36,158
2019	36,158
2020	39,774
	<u>\$ 203,393</u>

For the years ended September 30, 2015 and 2014, rent expense for these leases totaled \$46,663 and \$43,101, which is included in total rent expense of \$164,506 and \$172,063, respectively. Other rent includes offices leased from partner organizations.

6. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consist of the following:

	September 30,	
	2015	2014
Bible translation organization assistance	\$ 250,308	\$ 293,377
Language program support	183,896	223,938
Training programs	99,486	120,113
Support services	19,897	28,927
Translator assistance	23,865	11,312
	<u>\$ 577,452</u>	<u>\$ 677,667</u>