



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

Consolidated Financial Statements
With Independent Auditors' Report

September 30, 2019 and 2018

WYCLIFFE GLOBAL ALLIANCE

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Wycliffe Global Alliance
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 30, 2019 and 2018, 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 Global Alliance
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 Bible Translators International, Inc. (d/b/a Wycliffe Global Alliance), as of September 30, 2019 and 2018, 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

Wycliffe Bible Translators International, Inc. (d/b/a Wycliffe Global Alliance) has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, as described in Note 2. Our opinion is not modified in respect to this matter.

Capin Crouse LLP

Grapevine, Texas
April 17, 2020

WYCLIFFE GLOBAL ALLIANCE

Consolidated Statements of Financial Position

	September 30,	
	<u>2019</u>	<u>2018</u>
ASSETS:		
Cash and cash equivalents	\$ 1,518,832	\$ 1,610,002
Amounts due from staff and related entities (Note 5)	76,659	74,800
Investments (Note 2)	7,403,906	6,663,648
Other assets (Note 2)	<u>58,466</u>	<u>92,728</u>
Total Assets	<u>\$ 9,057,863</u>	<u>\$ 8,441,178</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 101,858	\$ 121,056
Amounts due to staff and related entities (Note 5)	<u>6,585,667</u>	<u>6,042,908</u>
	<u>6,687,525</u>	<u>6,163,964</u>
Net Assets:		
Without donor restrictions (Note 7)	2,322,420	2,147,753
With donor restrictions (Note 7)	<u>47,918</u>	<u>129,461</u>
	<u>2,370,338</u>	<u>2,277,214</u>
Total Liabilities and Net Assets	<u>\$ 9,057,863</u>	<u>\$ 8,441,178</u>

See notes to consolidated financial statements

WYCLIFFE GLOBAL ALLIANCE

Consolidated Statements of Activities

Year Ended September 30,

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
From Alliance Organizations:						
Contributions (Note 3):						
United States of America	\$ 1,248,817	\$ 243,601	\$ 1,492,418	\$ 1,876,789	\$ 364,322	\$ 2,241,111
Rest of the world	522,316	41,871	564,187	574,533	9,464	583,997
	<u>1,771,133</u>	<u>285,472</u>	<u>2,056,605</u>	<u>2,451,322</u>	<u>373,786</u>	<u>2,825,108</u>
Contributed services (Note 3):						
United States of America	844,414	-	844,414	1,093,670	-	1,093,670
Rest of the world	1,058,662	-	1,058,662	1,541,534	-	1,541,534
	<u>1,903,076</u>	<u>-</u>	<u>1,903,076</u>	<u>2,635,204</u>	<u>-</u>	<u>2,635,204</u>
Interest income	156,346	-	156,346	127,588	-	127,588
From other sources:						
Other income	4,671	-	4,671	3,150	-	3,150
Total Support and Revenue	<u>3,835,226</u>	<u>285,472</u>	<u>4,120,698</u>	<u>5,217,264</u>	<u>373,786</u>	<u>5,591,050</u>
NET ASSETS RELEASED:						
Satisfaction of purpose restrictions	367,015	(367,015)	-	371,483	(371,483)	-
EXPENSES:						
Program services:						
Bible translation facilitation	2,897,905	-	2,897,905	3,623,854	-	3,623,854
Supporting services:						
General and administrative	1,129,669	-	1,129,669	1,221,798	-	1,221,798
Total Expenses	<u>4,027,574</u>	<u>-</u>	<u>4,027,574</u>	<u>4,845,652</u>	<u>-</u>	<u>4,845,652</u>
Change in Net Assets	174,667	(81,543)	93,124	743,095	2,303	745,398
Net Assets, Beginning of Year	<u>2,147,753</u>	<u>129,461</u>	<u>2,277,214</u>	<u>1,404,658</u>	<u>127,158</u>	<u>1,531,816</u>
Net Assets, End of Year	<u>\$ 2,322,420</u>	<u>\$ 47,918</u>	<u>\$ 2,370,338</u>	<u>\$ 2,147,753</u>	<u>\$ 129,461</u>	<u>\$ 2,277,214</u>

See notes to consolidated financial statements

WYCLIFFE GLOBAL ALLIANCE

Consolidated Statements of Cash Flows

	Year Ended September 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 93,124	\$ 745,398
Changes in operating assets and liabilities:		
Amounts due from staff and related entities	(1,859)	(12,907)
Other assets	34,262	(19,818)
Accounts payable and accrued expenses	(19,198)	(23,069)
Net Cash Provided by Operating Activities	<u>106,329</u>	<u>689,604</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(740,258)	(627,588)
Change in amounts due to staff and related entities	542,759	(1,261,830)
Net Cash Used by Investing Activities	<u>(197,499)</u>	<u>(1,889,418)</u>
Change in Cash and Cash Equivalents	(91,170)	(1,199,814)
Cash and Cash Equivalents, Beginning of Year	<u>1,610,002</u>	<u>2,809,816</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,518,832</u>	<u>\$ 1,610,002</u>

See notes to consolidated financial statements

WYCLIFFE GLOBAL ALLIANCE

Notes to Consolidated Financial Statements

September 30, 2019 and 2018

1. NATURE OF ORGANIZATION:

Wycliffe Bible Translators International, Inc. (d/b/a Wycliffe Global Alliance) (the Alliance) is a Texas nonprofit corporation, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Alliance 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; and Burbach, Germany. The balances and activities related to the offices are included in these consolidated financial statements.

In November 2015, the new bylaws of the Alliance recognizing all organizations of the Alliance as one category of membership were officially passed. The organizations become known as Alliance Organizations (AOs) when they sign a covenant agreement with the Alliance.

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 AOs (more than 100 AOs) 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 AOs that lead Bible translation programs and serve language communities in their own nations. The Alliance and many of its AOs partner closely with Summer Institute of Linguistics, Inc. (SIL), 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 AO which assigned them to serve the Alliance. The Alliance's revenues consist primarily of contributions from AOs.

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 consolidated 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) and the Wycliffe Seed Company Inc. (SC), and therefore both entities are consolidated into their financial statements..

WYCLIFFE GLOBAL ALLIANCE

Notes to Consolidated Financial Statements

September 30, 2019 and 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

RELATED ENTITIES, continued

- 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 Alliance Organizations.
- The Wycliffe Seed Company Inc. (SC), a religious non-profit corporation, works with local translators and international prayer organizations as well as financial and prayer partners in a concentrated effort to make God's Word readily available for faster church planting, effective discipleship, and greater community transformation. These partnerships ensure the Scriptures are translated accurately and provided in the most accessible forms for maximum impact in the local communities.

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

This report includes the Alliance and Wycliffe Africa because Wycliffe Africa is under the control of the Alliance. 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, 2019 and 2018, the Alliance had approximately \$1,500,000 and \$1,600,000 of cash balances that exceeded federally insured limits, respectively. The Alliance has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

As of September 30, 2019 and 2018, the Alliance had \$1,349,588 and \$1,391,382, respectively, deposited with a related entity functioning as a money market account (see Note 5). The Alliance holds 8% and 12% of its cash in accounts outside the United States as of September 30, 2019 and 2018, respectively.

WYCLIFFE GLOBAL ALLIANCE

Notes to Consolidated Financial Statements

September 30, 2019 and 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS

Investments consist of funds placed with RIACII. RIACII operates as an investment pool available to certain AOs and SIL. 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 functions similarly to a money market fund and pays interest at a stated rate, as determined from time to time by the board of directors, (2% for both the years ended September 30, 2019 and 2018,) to participants in proportion to the amount they have on deposit in the pool. The short term portfolio is carried at cost, which is determined based on the value of actual deposits made 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, 2019 or 2018.

Interest income earned and reinvested by the Alliance for the years ended September 30, 2019 and 2018 was \$156,346 and \$127,588, respectively, and is included in interest income on the consolidated statements of activities. As of September 30, 2019 and 2018, RIACII reported total assets with a fair value of approximately \$95,763,000 and \$95,592,000, respectively, of which the Alliance holds \$7,403,906 (8%) and \$6,663,648 (7%), 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, which management believes is mitigated because the RIACII investment pool is only available to a small closed-group of affiliated entities with common missional purposes, and RIACII has a limited scope of business as a supporting organization to the small closed-group of affiliated organizations.

Balances which the Alliance holds and invests for non-U.S. AOs are included in "Cash and cash equivalents" and "Investments" and are classified as "Amounts due to staff and related entities" on the consolidated statements of financial position (see Note 5). Interest (1.20% for both the years ending September 30, 2019 and 2018) is paid on these AO balances in proportion to the amount they have on deposit in the pool through the Alliance. Interest paid for the years ended September 30, 2019 and 2018, was \$71,895 and \$72,464, respectively, and is included in general and administrative expenses on the consolidated statements of activities.

OTHER ASSETS

Other assets include various prepaid expenses, receivables and fixed assets.

WYCLIFFE GLOBAL ALLIANCE

Notes to Consolidated Financial Statements

September 30, 2019 and 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

NET ASSETS

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

Net assets without donor restrictions 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.

Net assets with donor restrictions include gifts for which donor-imposed restrictions have not been met, but for which the ultimate purpose of the proceeds is not restricted in perpetuity.

SUPPORT AND REVENUE

Support is recognized when cash is received, unconditional promises are made, and when ownership of donated assets is transferred. AOs 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 net assets without donor restrictions at the time the Alliance receives the contribution.

CONTRIBUTED SERVICES

Contributed services represent the value of the staff provided by the AOs. These services are recorded at the cost incurred by the AOs for the personnel providing these services.

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. Labor costs are allocated between program and administration based on estimates of time. Other costs are allocated based on the nature of the activity.

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, 2019 and 2018, respectively.

WYCLIFFE GLOBAL ALLIANCE

Notes to Consolidated Financial Statements

September 30, 2019 and 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

RECENTLY ISSUED ACCOUNTING STANDARDS

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The Alliance adopted the provisions of this new standard during the year ended September 30, 2019. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources (Note 3), and disclosures related to the functional allocation of expenses were expanded (Note 2 and Note 4).

SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 17, 2020, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus as a “Public Health Emergency of International Concern,” ultimately classifying the resulting COVID-19 as a pandemic. Federal, state and local governments have mandated various restrictions, including travel restrictions, restrictions on public gatherings, stay at home advisories and quarantining of people who may have been exposed to the virus.

The duration of disruption and related impact cannot be reasonably estimated at this time. WGA is monitoring global developments and critical program expenditures. Expenditures are being reduced as necessary. Management believes that WGA has sufficient reserves and liquidity to fund ongoing essential program activities through this time of uncertainty and believes the mission of WGA will not change.

WYCLIFFE GLOBAL ALLIANCE

Notes to Consolidated Financial Statements

September 30, 2019 and 2018

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Alliance's financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial position date. Amounts not available include amounts set aside for reserves designated by the board that could be drawn upon if the governing board approves that action.

Financial assets	
Cash and cash equivalents	\$ 1,518,832
Amounts due from staff and related entities	76,659
Investments	7,403,906
	<u>8,999,397</u>
Less those unavailable for general expenditure within one year, due to:	
Funds held for Alliance Organizations	(6,106,654)
Board designated funds- global gathering conference	(551,925)
	<u>(6,658,579)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,340,818</u>

As part of the Alliance's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As of September 30, 2019 and 2018, the Alliance has approximately \$552,000 and \$524,000, respectively, of board designated funds that could be liquidated upon approval from the board in support of general expenditures within one year.

WYCLIFFE GLOBAL ALLIANCE

Notes to Consolidated Financial Statements

September 30, 2019 and 2018

4. NATURAL CLASSIFICATION OF EXPENSES:

The following consists of expenses by natural classification for the year ended September 30, 2019:

	Program Services- Translation Facilitation	General and Administrative	Total Expenses
Salary, benefits and donated labor	\$ 1,784,271	\$ 577,222	\$ 2,361,493
Travel	599,607	255,465	855,072
Training	187,281	60,136	247,417
Facilities, equipment, and maintenance	121,157	51,580	172,737
Grants and contributions	138,059	3,970	142,029
Professional services	15,692	83,168	98,860
Other	51,838	98,128	149,966
	<u>\$ 2,897,905</u>	<u>\$ 1,129,669</u>	<u>\$ 4,027,574</u>

The following consists of expenses by natural classification for the year ended September 30, 2018:

	Program Services- Translation Facilitation	General and Administrative	Total Expenses
Salary, benefits and donated labor	\$ 2,358,302	\$ 770,576	\$ 3,128,878
Travel	531,638	317,043	848,681
Training	76,758	113,867	190,625
Facilities, equipment, and maintenance	165,134	74,410	239,544
Grants and contributions	157,995	8,928	166,923
Professional services	14,418	98,217	112,635
Other	68,641	89,725	158,366
	<u>\$ 3,372,886</u>	<u>\$ 1,472,766</u>	<u>\$ 4,845,652</u>

WYCLIFFE GLOBAL ALLIANCE

Notes to Consolidated Financial Statements

September 30, 2019 and 2018

5. TRANSACTIONS WITH RELATED ENTITIES:

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

	September 30,	
	2019	2018
Cash:		
SIL	\$ 1,349,588	\$ 1,391,382
Investments:		
RIACII	7,403,906	6,663,648
	<u>\$ 8,753,494</u>	<u>\$ 8,055,030</u>

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

	September 30, 2019	
	Receivable	Payable
Alliance Organizations	\$ 69,902	\$ 20,271
Non-U.S. Alliance Organization's deposits in RIACII/SIL	-	6,106,654
SIL	-	15,213
Staff and other	6,757	443,529
	<u>\$ 76,659</u>	<u>\$ 6,585,667</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, 2019	
	Received from	Provided to
Alliance Organizations	\$ 3,947,656	\$ 126,463
SIL	2,000	-
	<u>\$ 3,949,656</u>	<u>\$ 126,463</u>

WYCLIFFE GLOBAL ALLIANCE

Notes to Consolidated Financial Statements

September 30, 2019 and 2018

5. TRANSACTIONS WITH RELATED ENTITIES, continued:

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

	September 30, 2018	
	Receivable	Payable
Alliance Organizations	\$ 58,203	\$ 22,015
Non-U.S. Alliance Organization's deposits in RIACII/SIL	-	5,613,226
SIL	2,400	6,370
Staff and other	14,197	401,297
	<u>\$ 74,800</u>	<u>\$ 6,042,908</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, 2018	
	Received from	Provided to
Alliance Organizations	\$ 4,808,312	\$ 156,046
SIL	652,000	754
	<u>\$ 5,460,312</u>	<u>\$ 156,800</u>

Of the total contributed services received from affiliated entities, \$1,903,076 and \$2,635,204 is the value of contributed services received through AOs and assigned to the Alliance for the years ended September 30, 2019 and 2018, respectively. For the year ended September 30, 2019, \$472,067 was for staff performing management and general functions, and \$1,431,009 was for staff performing Bible translation promotion and related program functions. For the year ended September 30, 2018, \$671,085 was for staff performing management and general functions, and \$1,964,119 was for staff performing Bible translation promotion and related program functions.

6. OPERATING LEASES:

The Africa Area and Europe Area offices lease office space from local Alliance and partner organizations. The Africa Area lease is renewable every two years and the Europe Area lease is a continuing agreement with a one month notice to terminate. For the years ended September 30, 2019 and 2018, rent expense for these leases totaled \$45,445 and \$48,684, respectively, which is included in total rent expense of \$59,601 and \$94,195, respectively. Other rent includes offices leased from AOs on a month to month basis.

WYCLIFFE GLOBAL ALLIANCE

Notes to Consolidated Financial Statements

September 30, 2019 and 2018

7. NET ASSETS:

Net assets without donor restrictions consist of the following:

	September 30,	
	2019	2018
Undesignated	\$ 1,770,493	\$ 1,624,253
Board designated- global gathering conference	551,927	523,500
	<u>\$ 2,322,420</u>	<u>\$ 2,147,753</u>

Net assets with donor restrictions consist of the following:

	September 30,	
	2019	2018
Bible translation organization assistance	\$ 15,167	\$ 89,587
Training programs	26,052	32,188
Support services	6,699	7,686
	<u>\$ 47,918</u>	<u>\$ 129,461</u>