



WYCLIFFE BIBLE TRANSLATORS, INC.
AND AFFILIATES

Consolidated Financial Statements
With Independent Auditors' Report

September 30, 2022 and 2021

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Wycliffe Bible Translators, Inc. and Affiliates
Orlando, Florida

Opinion

We have audited the accompanying consolidated financial statements of Wycliffe Bible Translators, Inc. and Affiliates, which comprise the consolidated statements of financial position as of September 30, 2022 and 2021, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wycliffe Bible Translators, Inc. and Affiliates as of September 30, 2022 and 2021, 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 Consolidated Financial Statements* section of our report. We are required to be independent of Wycliffe Bible Translators, Inc. and Affiliates 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 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, and for 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.

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

Board of Directors
Wycliffe Bible Translators Inc. and Affiliates
Orlando, Florida

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Wycliffe Bible Translators Inc. and Affiliates' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wycliffe Bible Translators Inc. and Affiliates' 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 LLP

Columbia, South Carolina
February 15, 2023

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Consolidated Statements of Financial Position (in thousands of dollars)

	September 30,	
	2022	2021
ASSETS:		
Cash and cash equivalents (Note 2)	\$ 35,223	\$ 35,627
Investments (Note 4)	172,174	105,369
Grants receivable	4,256	6,585
Bequests receivable	2,903	317
Amounts due from related entities (Note 8)	261	174
Other assets	12,510	7,850
Investments related to fiduciary agreements (Note 5)	21,320	27,763
Property and equipment—net of accumulated depreciation (Note 6)	26,282	30,820
	<u>\$ 274,929</u>	<u>\$ 214,505</u>
Total Assets	\$ 274,929	\$ 214,505
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 2,946	\$ 2,339
Medical claims payable (Note 12)	1,192	1,192
Amounts due to related entities (Note 2, Note 8)	4,403	4,651
Accrued compensation	8,527	8,478
Deferred lease incentive (Note 7)	394	424
Fiduciary agreements (Note 2)	8,480	10,616
	<u>25,942</u>	<u>27,700</u>
Total liabilities	25,942	27,700
Net assets:		
Without donor restrictions (Note 9)	154,463	113,302
With donor restrictions (Note 10)	94,524	73,503
	<u>248,987</u>	<u>186,805</u>
Total net assets	248,987	186,805
Total Liabilities and Net Assets	\$ 274,929	\$ 214,505

See notes to consolidated financial statements

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Consolidated Statement of Activities

(in thousands of dollars)

Year Ended September 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT AND REVENUE:			
Contributions of cash and other financial assets	\$ 75,589	\$ 238,998	\$ 314,587
Contributions of nonfinancial assets (Note 2)	2,695	26	2,721
Service income	2,619	3	2,622
Interest and dividend income	951	128	1,079
Other income	68	3	71
Net assets released from restrictions:			
Field support adjustments	26,664	(26,664)	-
Administrative assessments (10-19% administration and fund-raising)	36,812	(36,812)	-
Satisfaction of program restrictions	150,184	(150,184)	-
Expiration of time restrictions	2,181	(2,181)	-
Total Operating Support and Revenue	297,763	23,317	321,080
OPERATING EXPENSES:			
Program services:			
Bible translation and related programs	195,060	-	195,060
Supporting services:			
General and administrative	24,139	-	24,139
Fund-raising	20,874	-	20,874
Total supporting services	45,013	-	45,013
Total Operating Expenses	240,073	-	240,073
Change in Net Assets from Operating Activities	57,690	23,317	81,007
NONOPERATING ACTIVITIES:			
Net realized/unrealized loss on investments and property	(13,384)	(2,285)	(15,669)
Change in value of fiduciary agreements (Note 5)	(3,145)	(11)	(3,156)
Change in net assets from nonoperating activities	(16,529)	(2,296)	(18,825)
Change in Net Assets	41,161	21,021	62,182
Net Assets, Beginning of Year	113,302	73,503	186,805
Net Assets, End of Year	\$ 154,463	\$ 94,524	\$ 248,987

See notes to consolidated financial statements

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Consolidated Statement of Activities

(in thousands of dollars)

Year Ended September 30, 2021

	Without Donor restrictions	With Donor restrictions	Total
OPERATING SUPPORT AND REVENUE:			
Contributions of cash and other financial assets	\$ 30,370	\$ 202,580	\$ 232,950
Contributions of nonfinancial assets (Note 2)	1,111	-	1,111
Service income	2,633	-	2,633
Interest and dividend income	746	184	930
Other income	35	1	36
Net gain on sale of property and equipment	206	-	206
Net assets released from restrictions:			
Field support adjustments	16,516	(16,516)	-
Administrative assessments (10-19% administration and fund raising)	29,534	(29,534)	-
Satisfaction of program restrictions	137,614	(137,614)	-
Expiration of time restrictions	503	(503)	-
Total Operating Support and Revenue	219,268	18,598	237,866
OPERATING EXPENSES:			
Program services:			
Bible translation and related programs	176,472	-	176,472
Supporting services:			
General and administrative	19,132	-	19,132
Fund-raising	18,126	-	18,126
Total supporting services	37,258	-	37,258
Total Operating Expenses	213,730	-	213,730
Change in Net Assets from Operating Activities	5,538	18,598	24,136
NONOPERATING ACTIVITIES:			
Net realized/unrealized gain on investments and property	7,646	982	8,628
Change in value of fiduciary agreements (Note 5)	1,531	220	1,751
Grant expense due to deconsolidation (Note 2)	(1,188)	-	(1,188)
Change in net assets from nonoperating activities	7,989	1,202	9,191
Change in Net Assets	13,527	19,800	33,327
Net Assets, Beginning of Year	99,775	53,703	153,478
Net Assets, End of Year	\$ 113,302	\$ 73,503	\$ 186,805

See notes to consolidated financial statements

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Consolidated Statements of Cash Flows

(in thousands of dollars)

	Year Ended September 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from donors	\$ 265,016	\$ 230,645
Cash from sale of noncash gifts	41,060	-
Cash received from other income	2,693	2,669
Cash received from interest and dividends	1,106	930
Cash paid to grantees	(60,180)	(54,310)
Cash paid to vendors and suppliers	(27,626)	(18,720)
Cash paid for compensation and benefits	(143,831)	(136,272)
Cash received from (paid to) related entities	(4,536)	41
Net Cash Provided by Operating Activities	73,702	24,983
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(73,370)	(25,416)
Proceeds from sale of investments	1,881	1,864
Purchase of property and equipment	(1,931)	(1,043)
Proceeds from sale of property and equipment	-	223
Net Cash Used by Investing Activities	(73,420)	(24,373)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from new fiduciary agreements	422	632
Payments on fiduciary agreements	(1,309)	(1,289)
Contributions restricted for endowment	201	20
Repayment of Paycheck Protection Program loan	-	(2,271)
Net Cash Used by Financing Activities	(686)	(2,909)
Net Change in Cash and Cash Equivalents	(405)	(2,299)
Cash and Cash Equivalents, Beginning of Year	35,627	37,926
Cash and Cash Equivalents, End of Year	\$ 35,223	\$ 35,627

See notes to consolidated financial statements

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

1. NATURE OF ORGANIZATION:

Wycliffe Bible Translators, Inc. (Wycliffe USA), a California nonprofit corporation headquartered in Orlando, Florida, is an interdenominational missionary organization with the goal of serving with the body of Christ to advance Bible translation and work together so people from every language understand the Bible and are transformed. Wycliffe USA makes known to the Christian community the opportunities for service, the need for financial and prayer support, and encourages Christians to join with it in bringing God's Word to ethnic groups around the world. Wycliffe USA is a member of Wycliffe Global Alliance, an association of more than 100 Alliance Organizations, which carry out similar work throughout the world.

Support for Wycliffe USA's ministry comes primarily from donor contributions. Wycliffe USA is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (Code) and comparable state law and is classified as a publicly supported organization, which is not a private foundation, under Section 509(a)(1) of the Code. Contributions to Wycliffe USA are tax-deductible within the limitations prescribed in the Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

Wycliffe USA maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

PRINCIPLES OF CONSOLIDATION

This report presents the consolidated financial position, changes in net assets, and cash flows of Wycliffe USA and its controlled affiliates, collectively referred to as Wycliffe USA and affiliates. The controlled affiliates include The Wycliffe Seed Company, Inc. (SC) and Wycliffe Bible Translation Foundation, Inc. (WF). Significant transactions and balances between the organizations have been eliminated for consolidated financial statement purposes.

SC is a California nonprofit corporation headquartered in Arlington, Texas. SC works with local translators and international partner 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.

WF is a California nonprofit corporation headquartered in Orlando, Florida. It supports 501(c)(3) tax-exempt organizations that are involved in Bible translation by engaging in gift planning services and planned gift administration. Some of the planned giving instruments that are used by WF include wills, annuities, trusts, endowments, and donor-advised funds.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PRINCIPLES OF CONSOLIDATION, continued

Related entities, not included in these consolidated financial statements due to the lack of control and economic interest in accordance with accounting principles generally accepted in the United States of America, are listed below:

- 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), a controlled subsidiary of SIL, provides technical, logistic, and personnel support for field operations. SIL LEAD, a controlled subsidiary of SIL, helps local, community-based organizations use their own language to improve their quality of life. SIL, JAARS, and SIL LEAD are consolidated for financial reporting purposes.
- Wycliffe Global Alliance (WGA) promotes the efforts of the WGA Organizations (over 100 member and associated partner organizations) as they engage the worldwide Church in providing resources for Bible translation and related ministry around the globe.
- Dallas International University (DIU) is a graduate professional institute that provides training and research opportunities in such areas as linguistics, language and culture learning, language assessment and development, literacy, Bible translation, and equips students with the skills to train and serve others.
- RIA Charitable Investments, Inc. (RIACII) exists to provide a pooled investment opportunity available to Wycliffe Global Alliance member and associated partner organizations.

MEMBERS

As a membership based organization, the work of Wycliffe USA is primarily carried out by over 3,000 members and volunteers who voluntarily joined the organization. Individual members are responsible for identifying a supporting constituency. To facilitate their work, the organization provides, on a cost basis, a variety of support services for these members.

ESTIMATES

The preparation of consolidated 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, the 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 those estimates.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS

Cash includes checking, savings, and money market accounts deposited with FDIC and NCUA-insured financial institutions, and a cash deposit with a related entity. Certain accounts that meet the definition of cash but are part of a larger pool of investments are included in investments. From time to time, Wycliffe USA and affiliates have cash deposits in excess of federally insured limits; however, Wycliffe USA and affiliates have not experienced any losses on these accounts and do not believe that they are exposed to any significant credit risk. Wycliffe USA and affiliates perform ongoing evaluations of the financial institutions to limit their concentration of credit risk exposure. As of September 30, 2022 and 2021, Wycliffe USA and affiliates had cash balances exceeding federally insured limits by approximately \$34,785,000 and \$35,037,000, respectively. As of September 30, 2022 and 2021, Wycliffe USA and affiliates had approximately \$19,601,000 and \$23,989,000, respectively, deposited with a related entity functioning as a money market account.

INVESTMENTS AND INVESTMENTS RELATED TO FIDUCIARY AGREEMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at fair value on the consolidated statements of financial position. Land and buildings are recorded at the lower of cost or estimated market value.

RIA Charitable Investments, Inc. (RIACII) operates as an investment pool available to Wycliffe Global Alliance member and associated partner organizations. RIACII carries two investment pools. Funds deposited in the RIACII short-term investment pool 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. 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, (2.50% as of September 30, 2022, and 2.00% as of September 30, 2021, respectively) to participants in proportion to the amount they have on deposit in the pool. Interest income recorded in the consolidated statements of activities for 2022 and 2021, was approximately \$620,000 and \$615,000, respectively. The short-term portfolio is carried at cost, which is determined based on the value of actual deposits made plus accrued interest. The RIACII long-term investment pool invests in equity securities, mutual funds, and exchange-traded funds. The long-term portfolio does not pay out interest, but allocates all net income or loss to the participants' deposits in the pool. As of September 30, 2022 and 2021, RIACII reported total assets with a fair value of approximately \$87,788,000 and \$97,178,000, respectively, of which Wycliffe USA and affiliates hold approximately \$43,908,000 (50%) and \$41,962,000 (43%), respectively.

BEQUESTS RECEIVABLE

Bequests receivable, that have been approved by the probate court and are measurable, are recorded at net realizable value. In most cases, proceeds are expected to be received within one year.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Expenditures for property and equipment in excess of the minimum threshold amount of \$5,000 are capitalized at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the depreciable assets as follows:

Buildings	10 to 40 years
Equipment	3 to 10 years
Software	2 to 5 years
Furniture and fixtures	7 to 10 years

DEFERRED MATCHING CONTRIBUTION REVENUE

Deferred revenue consists of funds received by SC with donor stipulations that matching contributions be raised in order to retain the gift. Contribution revenue is recognized as matching funds are raised. During both 2022 and 2021, SC received approximately \$-0- and \$260,000, respectively, in matching funds for certain translation projects that must be raised within a three year period.

FIDUCIARY AGREEMENTS

Fiduciary agreements, administered by WF, represent the long-term liability of Wycliffe USA for charitable gift annuity contracts, revocable charitable trusts and charitable remainder trusts. Fiduciary agreement assets are recognized on the basis of their fair market value and reported as investments related to fiduciary agreements. Wycliffe USA and WF serve as trustee for revocable and irrevocable remainder trusts that are administered by WF.

Wycliffe USA operates a charitable gift annuity program where Wycliffe USA is the certificate holder (contract issuer) and WF provides administrator services. Donors may contribute assets to Wycliffe USA for the right to receive a fixed dollar annual return during their lifetime. A portion of the transfer is considered to be a charitable contribution for income tax purposes. The difference between the amount provided for the gift annuity and the discounted liability for future payments, determined on an actuarial basis, is recognized as contribution income at the date of the gift. Upon the death of the annuitant, income distributions cease. The actuarial liability for annuities payable is calculated annually using published mortality rate tables adopted by the Internal Revenue Service at an assumed rate of return of 6%. The resulting actuarial loss of approximately \$3,156,000 in 2022, and actuarial gain of \$1,751,000 in 2021, is included in change in value of fiduciary agreements without donor restrictions on the consolidated statements of activities. Certain states require that Wycliffe USA maintain reserve funds adequate to meet the future payments under its outstanding annuity contracts. Wycliffe USA has separately invested funds sufficient to meet state requirements. Investments related to annuity agreements totaled approximately \$12,780,000 and \$16,866,000 as of September 30, 2022 and 2021, respectively.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

FIDUCIARY AGREEMENTS, continued

Revocable trusts provide a beneficial interest to Wycliffe USA and other beneficiaries at the grantor's death. Net investment income from trust assets is paid to the grantor or designated beneficiaries. Because the trusts are revocable at the discretion of the grantor, the principal amounts are recorded as liabilities. Upon the death of the donor, the trust assets become the property of Wycliffe USA and are recognized as donations at that time. Any portion of a trust designated for other beneficiaries will be distributed in accordance with the trust agreement.

Irrevocable charitable remainder trusts provide the payment of lifetime distributions to the donor or other designated beneficiaries. The present value of the estimated future payments is calculated using the current IRS Section 7520 interest rate and applicable mortality tables. At the death of the beneficiaries, the remaining assets are available for use by Wycliffe USA or other beneficiaries. The present value of the remainder interest of Wycliffe USA is reported as contributions with donor restrictions in the period received and as net assets with donor restrictions until a reclassification to net assets without donor restrictions is made, upon maturity of the trust. Investments related to trust agreements totaled approximately \$4,563,000 and \$5,732,000 as of September 30, 2022 and 2021, respectively.

The total liabilities under fiduciary agreements were as follows (in thousands):

	September 30,	
	2022	2021
Charitable gift annuity contracts	\$ 4,789	\$ 5,164
Revocable charitable trusts	488	817
Charitable remainder trusts	1,221	1,917
Amount due to other remaindermen	1,982	2,718
	<u>\$ 8,480</u>	<u>\$ 10,616</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

NET ASSETS

The net assets of Wycliffe USA and affiliates are classified into net asset categories according to externally (donor or legal) imposed restrictions as follows:

Net assets without donor restrictions include gifts or those resources invested in property and equipment for the general operations of Wycliffe USA and affiliates or designated by the board for specific use. In addition, Wycliffe USA maintains corporate reserves for active and retired missionary assistance programs; self-funded health, vision, life, emergency medical evacuation, and worker compensation insurance plans; asset lifecycle replacement reserves, and a 90-day operating reserve.

Net assets with donor restrictions include gifts for which donor-imposed restrictions or time restrictions have not been met as well as gifts that are restricted in perpetuity.

REVENUE

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, or when ownership of other assets is transferred to Wycliffe USA and affiliates. Conditional promises received are not included as revenue until the conditions are substantially met. Bequests are recorded as income at the time Wycliffe USA and affiliates have an established right to the bequest and the proceeds are measurable. Service income represents amounts received from members and affiliated entities for housing, printing, and other related services.

Contribution income to Wycliffe USA and SC is subject to a 10-19% assessment, which is used for general and administrative and fund-raising expenses. These assessments are reclassified from net assets with donor restrictions to net assets without donor restrictions in the month the contribution is received.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CONTRIBUTIONS OF NONFINANCIAL ASSETS:

For the year ended September 30, contributed nonfinancial assets recognized within the consolidated statements of activities included (in thousands):

	Year Ended September 30,	
	2022	2021
Without donor restrictions:		
Real property	\$ 720	\$ -
Coins	560	30
Professional services	1,415	1,081
	<u>2,695</u>	<u>1,111</u>
With donor restrictions:		
Real property	<u>26</u>	<u>-</u>
Total contributions of nonfinancial assets	<u>\$ 2,721</u>	<u>\$ 1,111</u>

Wycliffe USA's policy related to contributions of nonfinancial assets is to utilize the assets given in carrying out the mission of the organization, whether that be through use of the asset or service, grant of the asset or service to another Wycliffe USA partner, or sale of the asset.

Contributed goods are recorded at fair market value at the time of donation and fair value may be determined by use of licensed appraiser, specialist, or evaluation of market prices. Real property and coins are valued based on appraisals.

Contributed services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Wycliffe USA and affiliates. A significant portion of donated professional services were provided to SC by other affiliated organizations, including SIL and international Wycliffe Organizations that is further detailed in Note 8. These services are recorded at the market value of the services provided.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ALLOCATION OF EXPENSES

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing various program services and supporting activities of the organization have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the program services and activities benefited. The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. As such, these expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated between the general and administrative and fundraising supporting functions as well as program. These expenses are allocated on the basis of an estimate of time, effort and usage. Joint costs are costs incurred in activities that involve a combination of fund-raising and program and/or management and general activities. Wycliffe USA initially assigns a functional expense category to each cost center/fund. Afterwards, Wycliffe USA re-allocates certain expenses where activity is known to be significant in a functional area different from that assigned to the cost center(s)/funds. Reallocations take place in the following areas: active member labor, retired member labor, insurance benefits (member and paid), facilities operations in Orlando, depreciation, reimbursement from Wycliffe Foundation, grants, website, and information technology.

In developing and maintaining support teams in their deputation efforts, members spend a portion of their time on program, fund-raising, and general and administrative activities. As such, included in total operating expenses is member labor of \$89,812,000 and \$84,457,000 as of September 30, 2022 and 2021, respectively, of which approximately 91% is allocated to program services expense, 5% to fund-raising expense, and 4% to general and administrative expense.

RECENTLY ISSUED ACCOUNTING STANDARDS

In 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Wycliffe USA adopted the provisions of this new standard during the year ended September 30, 2022. The standard requires nonprofits to present contributed nonfinancial assets as a separate line item in the statement of activities apart from contributions of cash or other financial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the consolidated financial statements, with the exception of increased disclosure.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

3. LIQUIDITY AND FUNDS AVAILABLE:

Wycliffe USA and affiliates general expenditures in support of core missional programs include Bible translation and missionary-related programs, general and administrative and fund-raising activities necessary to sustain Bible translation efforts worldwide. More specifically, this includes the recruitment, support, and retention of a significant missionary workforce and funding and sustaining approximately 2,000 Bible translation projects through global partners.

The following reflects (in thousands) Wycliffe USA and affiliates financial assets, reduced by amounts not available for general use within one year of the consolidated statement of financial position date because of contractual or donor-imposed restrictions.

	September 30,	
	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 35,223	\$ 35,627
Grants and other receivables	7,421	7,076
Investments	172,174	105,369
Investments related to fiduciary agreements	21,320	27,763
Financial assets, end of year	<u>236,138</u>	<u>175,835</u>
Less those unavailable for general expenditures within one year, due to:		
Fiduciary agreements	(21,320)	(27,763)
Funds for capital expenditures	(4,568)	(3,732)
Designated donor-advised funds	(43,303)	(2,526)
Donor restricted funds, not expected to be spent in the next fiscal year	(16,126)	(4,075)
Corporate-designated and board-designated reserves	<u>(33,777)</u>	<u>(30,190)</u>
Unavailable for general expenditures within one year	<u>(119,094)</u>	<u>(68,286)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 117,044</u>	<u>\$ 107,549</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

3. LIQUIDITY AND FUNDS AVAILABLE, continued:

As part of Wycliffe USA and affiliates liquidity management policies and practices, the organizations maintain financial assets to be available for general expenditures and other obligations as they come due. A quantitative break down of financial assets available for core missional programs is as follows (in thousands):

	September 30,	
	2022	2021
Language translation projects	\$ 49,655	\$ 32,880
Satisfaction of short-term liabilities	17,725	15,551
General and administrative expenses	49,664	59,118
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 117,044</u>	<u>\$ 107,549</u>

- Language translation projects includes the associated expenses of funding and sustaining Bible translation projects worldwide according to individual project budgets and disbursements schedules.
- Satisfaction of short-term liabilities includes compensation, benefits, and medical claims incurred but not paid.
- General and administrative expenses includes liquid assets available to support other core missional program activities such as member ministry programs and language translation projects.

These core missional programs are considered general expenditures of Wycliffe USA and affiliates and thus are considered to fund operations in fiscal year 2023. As of September 30, 2022, Wycliffe USA and affiliates has agreed to grant approximately \$58,546,000 to approximately 2,000 language projects during the next fiscal year. Amounts are estimates and subject to change commensurate with actual future project costs as monitored through regular reporting required by these conditional project agreements. Since the project agreements are conditional in nature (as to progress on translation work and future costs), a liability has not been recorded in the accompanying consolidated statements of financial position.

Overall, total financial assets available to meet cash needs for general expenditures within one year of approximately \$117,043,000 is the equivalent of approximately 6 months of operating expenses as reported in the consolidated statements of activities.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

4. INVESTMENTS:

Investments consist of the following (in thousands):

	September 30,	
	2022	2021
Cash and cash equivalents	\$ 5,362	\$ 2,926
Investments at fair value:		
Money market mutual funds	41,851	694
Common stock	24,389	25,695
Mutual funds	20,515	33,842
Corporate bonds	46	26
U.S. government agency bonds	35,844	26
Exchange traded funds	496	578
	<u>123,141</u>	<u>60,861</u>
Investments at net asset value:		
Interest in RIACII long-term investment portfolio	<u>12,485</u>	<u>16,159</u>
Investments at cost:		
Deposits in the RIACII short-term portfolio	30,935	25,169
Accrued interest	9	12
Land and buildings	242	242
	<u>31,186</u>	<u>25,423</u>
	<u>\$ 172,174</u>	<u>\$ 105,369</u>

Investment income consists of the following (in thousands):

	Year Ended September 30,	
	2022	2021
Interest and dividend income	\$ 1,417	\$ 1,113
Investment fees expense	(338)	(183)
Net realized/unrealized gain (loss) on investments	<u>(15,669)</u>	<u>8,628</u>
	<u>\$ (14,590)</u>	<u>\$ 9,558</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

5. INVESTMENTS RELATED TO FIDUCIARY AGREEMENTS:

Investments related to fiduciary agreements consist of the following (in thousands):

	September 30,	
	2022	2021
Cash and cash equivalents	\$ 470	\$ 295
Investments at fair value:		
Money market mutual funds	712	702
Common stock	4,627	7,245
Mutual funds	12,022	16,097
Corporate bonds	961	1,172
U.S. government agency bonds	1,635	1,618
Real estate	405	-
	<u>20,362</u>	<u>26,834</u>
Investments at cost:		
Deposits in the RIACII short-term portfolio	488	634
	<u>\$ 21,320</u>	<u>\$ 27,763</u>

Change in value of fiduciary agreements consists of the following (in thousands):

	Year Ended September 30,	
	2022	2021
Interest and dividend income	\$ 297	\$ 342
Net realized/unrealized gain (loss) on investments	(3,801)	3,466
Investment fees	(144)	(107)
Actuarial gain (loss)	1,801	(661)
Payments and distributions	(1,309)	(1,289)
	<u>\$ (3,156)</u>	<u>\$ 1,751</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

6. PROPERTY AND EQUIPMENT—NET:

Property and equipment, net of accumulated depreciation consist of the following (in thousands):

	September 30,	
	2022	2021
Land and land improvements	\$ 4,734	\$ 4,791
Buildings	41,237	49,338
Equipment	5,262	5,398
Software	6,860	6,553
Furniture and fixtures	5,476	4,924
	<u>63,569</u>	<u>71,004</u>
Less accumulated depreciation	(37,810)	(41,664)
	<u>25,759</u>	<u>29,340</u>
Construction in progress	523	1,480
	<u>\$ 26,282</u>	<u>\$ 30,820</u>

7. OPERATING LEASES:

SC has entered into operating lease agreements through 2026 for office space and various equipment. Per the office space agreement, the lessor agreed to pay for leasehold improvements up to approximately \$605,000. This is considered a lease incentive and, in accordance with generally accepted accounting principles, the total costs of the leasehold improvements were capitalized and the amount paid directly by the lessor (approximately \$605,000) was recorded as a deferred lease incentive liability (consolidated statements of financial position) to be amortized (\$2,517 per month) over the life of the lease as an offset against rent expense. Rental expense was approximately \$507,000 and \$508,000 for the years ended September 30, 2022 and 2021, respectively. Minimum future rentals are as follows (in thousands):

<u>Year ending September 30,</u>	<u>Amounts</u>
2023	\$ 510
2024	508
2025	518
2026	<u>349</u>
	<u>\$ 1,885</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

8. TRANSACTIONS WITH RELATED ENTITIES:

Wycliffe USA and affiliates had assets held with related entities as follows (in thousands):

	September 30,	
	2022	2021
Cash:		
SIL	\$ 19,601	\$ 23,989
Investments:		
RIACII	43,420	41,328
Investments related to fiduciary agreements:		
RIACII	488	634
Amounts due from related entities:		
Receivables from members	4	5
SIL and its affiliates	257	169
	261	174
	\$ 63,770	\$ 66,125

Wycliffe USA and affiliates had amounts due to related entities as follows (in thousands):

	September 30,	
	2022	2021
Payables to members	\$ 10	\$ 46
SIL and Wycliffe Organizations and their affiliates	4,393	4,605
	\$ 4,403	\$ 4,651

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

8. TRANSACTIONS WITH RELATED ENTITIES, continued:

Wycliffe USA and affiliates received support from various related entities. Such amounts are included in revenue and were received as follows (in thousands):

	Year Ended September 30,	
	2022	2021
SIL and its affiliates	\$ 118	\$ 535
Other U.S. related entities (WGA, DIU, etc.)	1,057	898
	<u>\$ 1,175</u>	<u>\$ 1,433</u>

Of the total amounts received from related entities, approximately \$1,008,000 and \$882,000 for the years ended September 30, 2022 and 2021, respectively, are contributed services related to members assigned to SC recorded at market value of the services.

Wycliffe USA and affiliates provided support to various related entities. Such amounts are included in program services and were provided as follows (in thousands):

	Year Ended September 30,	
	2022	2021
SIL and its affiliates	\$ 58,500	\$ 52,288
Other U.S. related entities (WGA, DIU, etc.)	13,201	12,654
	<u>\$ 71,701</u>	<u>\$ 64,942</u>

Of the total amounts provided to related entities, approximately \$44,170,000 and \$41,936,000, for the years ended September 30, 2022 and 2021, respectively, are non-cash donations related to members assigned to related entities.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

9. NET ASSETS WITHOUT DONOR RESTRICTIONS:

Net assets without donor restriction consist of the following (in thousands):

	September 30,	
	2022	2021
Undesignated:		
Wycliffe USA	\$ 60,207	\$ 67,120
SC	16,835	12,595
WF	75	216
Reclassifications/eliminations	266	655
	<u>77,383</u>	<u>80,586</u>
Corporate-designated reserves:		
Wycliffe USA	<u>25,299</u>	<u>24,461</u>
Board-designated reserves:		
SC	<u>8,478</u>	<u>5,729</u>
Designated donor-advised funds:		
WF	<u>43,303</u>	<u>2,526</u>
	<u>\$ 154,463</u>	<u>\$ 113,302</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

10. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following (in thousands):

	September 30,	
	2022	2021
Purpose restricted:		
Language projects, translations, and other initiatives		
Wycliffe USA	\$ 21,910	\$ 23,631
SC	55,929	36,134
	<u>77,839</u>	<u>59,765</u>
Time restricted:		
Missionary partnership plans–Wycliffe USA	6,617	6,618
Irrevocable trusts–Wycliffe USA	2,113	2,037
Endowments–Wycliffe USA	940	940
Bequests receivable–Wycliffe USA	2,902	317
Beneficial interest in split-interest agreements–WF	86	-
Beneficial interest in split-interest agreements–SC	276	665
Reclassification/eliminations	(276)	(665)
	<u>12,658</u>	<u>9,912</u>
Restricted in perpetuity:		
Endowments–Wycliffe USA	4,027	3,826
	<u>\$ 94,524</u>	<u>\$ 73,503</u>

Net assets with donor restrictions in perpetuity include gifts for which donor-imposed restrictions do not expire by the passage of time or cannot be fulfilled or removed by actions of Wycliffe USA pursuant to those stipulations. Net assets with donor restrictions in perpetuity consist of the amounts available for investment in perpetuity, the income from which is restricted for (in thousands):

	September 30,	
	2022	2021
Supplemental member income funds	\$ 773	\$ 773
Supplemental member retirement funds	922	922
Scholarship funds	2,332	2,131
	<u>\$ 4,027</u>	<u>\$ 3,826</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

11. NATURAL CLASSIFICATION OF EXPENSES:

Functional expenses by natural classification consist of (in thousands):

	Year ended September 30, 2022			
	Program Services	General and Administrative	Fund-raising	Total
Grants to language translation projects	\$ 65,680	\$ -	\$ -	\$ 65,680
Compensation and benefits	116,858	14,288	13,742	144,888
Travel, conference and meetings	4,233	1,523	2,244	8,000
Professional services	3,093	2,364	2,512	7,969
Depreciation	1,685	621	228	2,534
Information technology	1,372	1,911	248	3,531
Office expenses	867	2,290	747	3,904
Occupancy	1,013	904	180	2,097
Advertising and promotion	65	60	941	1,066
Other	194	178	32	404
Total	<u>\$ 195,060</u>	<u>\$ 24,139</u>	<u>\$ 20,874</u>	<u>\$ 240,073</u>
	Year ended September 30, 2021			
	Program Services	General and Administrative	Fund-raising	Total
Grants to language translation projects	\$ 54,916	\$ 21	\$ 3	\$ 54,940
Compensation and benefits	112,207	12,204	12,157	136,568
Travel, conference and meetings	1,391	465	1,877	3,733
Professional services	2,696	1,861	2,070	6,627
Depreciation	2,125	496	232	2,853
Information technology	1,192	1,614	194	3,000
Office expenses	710	1,352	1,221	3,283
Occupancy	1,037	896	124	2,057
Advertising and promotion	64	61	227	352
Other	134	162	21	317
Total	<u>\$ 176,472</u>	<u>\$ 19,132</u>	<u>\$ 18,126</u>	<u>\$ 213,730</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

12. MEDICAL CLAIMS PAYABLE:

Wycliffe USA provides a self-funded health insurance plan to both paid and supported staff. The plan year runs from October 1st to September 30th. Wycliffe USA's net cost under this program and accruals for known and incurred but not reported claims are reported as medical claims payable in the accompanying consolidated financial statements. This reserve is based on an estimate of outstanding claims at September 30; however, the actual liability is unknown and exposure to losses in excess of the accrued reserve may exist. Management believes that the liability reflected as medical claims payable in the consolidated statements of financial position is adequate to cover future losses.

13. EMPLOYEE RETIREMENT PLAN:

Wycliffe USA provides a 403(b) retirement plan for both member and non-member employees. For eligible non-member employees who participate in the plan, Wycliffe USA provides matching contributions. Eligible non-member employees are those who have completed 3 months of service and work 20 or more hours per week. These employees can designate a portion of their salary to fund their retirement accounts, and Wycliffe USA matches those contributions up to 2.5% of compensation. All employees are immediately vested at 100%. For the years ended September 30, 2022 and 2021, Wycliffe USA contributed approximately \$210,000 and \$199,000, respectively, to this plan.

SC provides employees the opportunity to participate in its own 403(b) retirement plan that also includes matching contributions. Eligible non-member employees are those who have completely satisfied the plan's earnings and service requirements. These employees can designate a portion of their salary to fund their retirement accounts, and SC matches those contributions up to 2% of compensation. SC contributes an additional 3% of compensation beyond the match for these employees. Employees are vested gradually over a two-year period. For the years ended September 30, 2022 and 2021, SC contributed approximately \$537,000 and \$476,000, respectively, to this plan.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

14. FAIR VALUE MEASUREMENTS:

Wycliffe USA and affiliates use appropriate valuation techniques to determine fair value based on inputs available. When available, Wycliffe USA and affiliates measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of significant unobservable inputs and have the lowest priority.

Fair values of assets measured on a recurring basis are as follows (in thousands):

	September 30, 2022		
	Level 1	Level 2	Total
Investments:			
Money market mutual funds	\$ 41,851	\$ -	\$ 41,851
Corporate bonds	-	46	46
U.S. government agency bonds	-	35,844	35,844
Common stock	24,389	-	24,389
Mutual funds	20,515	-	20,515
Exchange traded funds	496	-	496
	<u>\$ 87,251</u>	<u>\$ 35,890</u>	123,141
Interest in RIACII long-term investment portfolio*			<u>12,485</u>
			<u>\$ 135,626</u>

*Interest in RIACII long-term investment portfolio is measured at net asset value and excluded from the fair value hierarchy.

	September 30, 2022		
	Level 1	Level 2	Total
Investments related to fiduciary agreements:			
Money market mutual funds	\$ 712	\$ -	\$ 712
Corporate bonds	-	961	961
U.S. government agency bonds	-	1,635	1,635
Common stock	4,627	-	4,627
Real estate	-	405	405
Mutual funds	12,022	-	12,022
	<u>\$ 17,361</u>	<u>\$ 3,001</u>	<u>\$ 20,362</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

14. FAIR VALUE MEASUREMENTS, continued:

	September 30, 2021		
	Level 1	Level 2	Total
Investments:			
Money market mutual funds	\$ 694	\$ -	\$ 694
Corporate bonds	-	26	26
U.S. government agency bonds	-	26	26
Common stock	25,695	-	25,695
Mutual funds	33,842	-	33,842
Exchange traded funds	578	-	578
	<u>\$ 60,809</u>	<u>\$ 52</u>	60,861
Interest in RIACII long-term investment portfolio*			<u>16,159</u>
			<u>\$ 77,020</u>

*Interest in RIACII long-term investment portfolio is measured at net asset value and excluded from the fair value hierarchy.

	September 30, 2021		
	Level 1	Level 2	Total
Investments related to fiduciary agreements:			
Money market mutual funds	\$ 702	\$ -	\$ 702
Corporate bonds	-	1,172	1,172
U.S. government agency bonds	-	1,618	1,618
Common stock	7,245	-	7,245
Mutual funds	16,097	-	16,097
	<u>\$ 24,044</u>	<u>\$ 2,790</u>	<u>\$ 26,834</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

14. FAIR VALUE MEASUREMENTS, continued:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Common stock, money markets, mutual funds, exchange traded notes, exchange traded funds and U.S. government agency bonds: The fair value of these financial instruments is based on quoted market prices or dealer quotes, when available.

Corporate bonds: The fair value of these financial instruments is based on yields currently available on comparable securities of issuers with similar credit ratings.

Changes in methods and assumptions: None.

Wycliffe USA and affiliates use net asset value (NAV) to determine the fair value of all underlying investments which (a) do not have a readily determinable fair value and (b) prepare their consolidated financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Wycliffe USA and affiliates' interest in the long-term investment portfolio calculates NAV per share (or its equivalent) and uses an investment strategy that includes long and short-term strategies. As discussed in Note 2, Wycliffe USA and affiliates invest in portfolios operated by RIA Charitable Investments, Inc. The RIACII short-term investment pool is valued at net asset value and pays a stated rate of interest as determined by the RIACII Board of Directors. This fund has redemption restrictions that require Wycliffe USA and affiliates to give a 15 day advance notice for all withdrawals, not more than two withdrawals can be made per quarter and a maximum of five withdrawals can be made per year. There are no unfunded commitments at year end. Wycliffe USA and affiliates' investment in this fund was approximately \$12,485,000 and \$16,159,000 as of September 30, 2022 and 2021, respectively.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

15. ENDOWMENT FUNDS:

Wycliffe USA is fiduciary (or "trustee") for fifteen individual donor-restricted endowment funds established for a variety of purposes. These endowment funds are administered by WF for Wycliffe USA. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Wycliffe USA has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Wycliffe USA classifies as net assets restricted in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets restricted in perpetuity is classified as net assets with restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

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

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

15. ENDOWMENT FUNDS, continued:

Changes in endowment net assets for the year ended September 30, 2022, (in thousands):

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Gains (Losses)	Original Gift	
Endowment net assets, October 1, 2021	\$ -	\$ 1,339	\$ 3,826	\$ 5,165
Investment return:				
Interest and dividend income	-	45	-	45
Realized and unrealized losses	-	(870)	-	(870)
Investment fees	-	(63)	-	(63)
	-	(888)	-	(888)
Contributions	-	-	201	201
Appropriation of endowment assets for expenditure	-	(498)	-	(498)
Endowment net assets, September 30, 2022	\$ -	\$ (47)	\$ 4,027	\$ 3,980

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

15. ENDOWMENT FUNDS, continued:

Changes in endowment net assets for the year ended September 30, 2021, (in thousands):

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Gains (Losses)	Original Gift	
Endowment net assets, October 1, 2020	\$ -	\$ 971	\$ 3,806	\$ 4,777
Investment return:				
Interest and dividend income	-	96	-	96
Realized and unrealized gains	-	666	-	666
Investment fees	-	(45)	-	(45)
	-	717	-	717
Contributions	-	-	20	20
Appropriation of endowment assets for expenditure	-	(349)	-	(349)
Endowment net assets, September 30, 2021	\$ -	\$ 1,339	\$ 3,826	\$ 5,165

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

15. ENDOWMENT FUNDS, continued:

Funds with deficiencies : From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires Wycliffe USA to retain as a fund of perpetual duration. There were three funds with deficiencies at September 30, 2022. Collectively, the corpus of these funds at September 30, 2022, was approximately \$2,305,000 with a market value of \$2,035,000 for a total deficit of approximately (\$270,000). There were no funds with deficiencies at September 30, 2021.

Return objectives and risk parameters : Wycliffe USA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy the endowment assets are invested in a manner that focuses on long-term capital appreciation while achieving relatively predictable and modest current income requirements.

Strategies employed for achieving objectives : To satisfy its long-term rate-of-return objectives, Wycliffe USA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Wycliffe USA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policies and how the investment objectives relate to spending policy : Wycliffe USA has a policy of appropriating for distribution each year the earnings stipulated in each individual endowment agreement. In establishing this policy, Wycliffe USA considered the long-term expected return on its endowment. Accordingly, over the long term, Wycliffe USA expects the current spending policy to allow its endowment to grow. This is consistent with Wycliffe USA's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

16. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through February 15, 2023, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

SUPPLEMENTAL INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION**

Board of Directors
Wycliffe Bible Translators, Inc. and Affiliates
Orlando, Florida

We have audited the consolidated financial statements of Wycliffe Bible Translators, Inc. and Affiliates as of and for the years ended September 30, 2022 and 2021, and our report thereon dated February 15, 2023, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities (the information) are presented for purposes of additional analysis of the consolidated financial statements, rather than to present financial position, results of operations, and cash flows of the individual organizations, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Capin Crouse LLP

Columbia, South Carolina
February 15, 2023

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Consolidating Statement of Financial Position

(in thousands of dollars)

September 30, 2022

	Wycliffe Bible Translators	Wycliffe Foundation	Seed Company	Reclassifications/ Eliminations	Total
ASSETS:					
Cash	\$ 25,454	\$ 176	\$ 9,593	\$ -	\$ 35,223
Investments	63,084	43,303	65,797	(10)	172,174
Grants receivable	2,249	-	2,007	-	4,256
Bequests receivable	2,903	-	-	-	2,903
Amounts due from related entities	376	-	-	(115)	261
Other assets	7,530	3	4,977	-	12,510
Investments related to fiduciary agreements	20,915	405	-	-	21,320
Property and equipment—net of accumulated depreciation	24,965	11	1,306	-	26,282
Beneficial interest in agreements managed by WF	-	-	276	(276)	-
Assets held for others	-	27,320	-	(27,320)	-
	\$ 147,476	\$ 71,218	\$ 83,956	\$ (27,721)	\$ 274,929
LIABILITIES AND NET ASSETS:					
Liabilities:					
Accounts payable and accrued expenses	\$ 1,095	\$ -	\$ 1,851	\$ -	\$ 2,946
Medical claims payable	1,192	-	-	-	1,192
Amounts due to related entities	4,210	115	193	(115)	4,403
Accrued compensation	8,527	-	-	-	8,527
Deferred lease incentive	-	-	394	-	394
Funds held for others	-	27,320	-	(27,320)	-
Fiduciary agreements	8,437	319	-	(276)	8,480
Total liabilities	23,461	27,754	2,438	(27,711)	25,942
Net assets:					
Without donor restrictions	85,506	43,378	25,313	266	154,463
With donor restrictions	38,509	86	56,205	(276)	94,524
Total net assets	124,015	43,464	81,518	(10)	248,987
Total Liabilities and Net Assets	\$ 147,476	\$ 71,218	\$ 83,956	\$ (27,721)	\$ 274,929

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Consolidating Statement of Financial Position

(in thousands of dollars)

September 30, 2021

	Wycliffe Bible Translators	Wycliffe Foundation	Seed Company	Reclassifications/ Eliminations	Total
ASSETS:					
Cash	\$ 23,166	\$ 299	\$ 12,162	\$ -	\$ 35,627
Investments	67,889	2,526	34,964	(10)	105,369
Grants receivable	2,754	-	3,831	-	6,585
Bequests receivable	317	-	-	-	317
Amounts due from related entities	277	-	-	(103)	174
Other assets	4,059	3	3,788	-	7,850
Investments related to fiduciary agreements	27,763	-	-	-	27,763
Property and equipment—net of accumulated depreciation	29,265	17	1,538	-	30,820
Beneficial interest in agreements managed by WF	-	-	665	(665)	-
Assets held for others	-	35,110	-	(35,110)	-
Total Assets	\$ 155,490	\$ 37,955	\$ 56,948	\$ (35,888)	\$ 214,505
LIABILITIES AND NET ASSETS:					
Liabilities:					
Accounts payable and accrued expenses	\$ 1,058	\$ -	\$ 1,281	\$ -	\$ 2,339
Medical claims payable	1,192	-	-	-	1,192
Amounts due to related entities	4,531	103	120	(103)	4,651
Accrued compensation	8,478	-	-	-	8,478
Deferred lease incentive	-	-	424	-	424
Funds held for others	-	35,110	-	(35,110)	-
Fiduciary agreements	11,281	-	-	(665)	10,616
Total liabilities	26,540	35,213	1,825	(35,878)	27,700
Net assets:					
Without donor restrictions	91,581	2,742	18,324	655	113,302
With donor restrictions	37,369	-	36,799	(665)	73,503
Total net assets	128,950	2,742	55,123	(10)	186,805
Total Liabilities and Net Assets	\$ 155,490	\$ 37,955	\$ 56,948	\$ (35,888)	\$ 214,505

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Consolidating Statement of Activities

(in thousands of dollars)

Year Ended September 30, 2022

	Wycliffe Bible Translators	Wycliffe Foundation	Seed Company	Reclassifications/ Eliminations	Total
OPERATING SUPPORT AND REVENUE:					
Contributions of cash and other financial assets	\$ 192,992	\$ 53,658	\$ 79,999	\$ (12,062)	\$ 314,587
Contributions of nonfinancial assets	1,466	86	1,169	-	2,721
Service income	2,599	23	-	-	2,622
Interest and dividend income	707	-	372	-	1,079
Other income	71	-	4	(4)	71
Total Operating Support and Revenue	197,835	53,767	81,544	(12,066)	321,080
OPERATING EXPENSES:					
Program services:					
Bible translation and related programs	152,492	9,590	44,320	(11,342)	195,060
Supporting services:					
General and administrative	19,829	1,005	3,505	(200)	24,139
Fund-raising	11,293	747	8,969	(135)	20,874
Total supporting services	31,122	1,752	12,474	(335)	45,013
Total Operating Expenses	183,614	11,342	56,794	(11,677)	240,073
Change in Net Assets from Operating Activities	14,221	42,425	24,750	(389)	81,007
NONOPERATING ACTIVITIES:					
Net realized/unrealized loss on investments	(11,724)	(1,703)	(2,242)	-	(15,669)
Change in value of fiduciary agreements	(3,156)	-	(389)	389	(3,156)
Change in net assets from nonoperating activities	(14,880)	(1,703)	(2,631)	389	(18,825)
Change in Net Assets before Equity Transfer	(659)	40,722	22,119	-	62,182
Equity Transfer from WBT to SC	(4,276)	-	4,276	-	-
Change in Net Assets	(4,935)	40,722	26,395	-	62,182
Net Assets, Beginning of Year	128,950	2,742	55,123	(10)	186,805
Net Assets, End of Year	\$ 124,015	\$ 43,464	\$ 81,518	\$ (10)	\$ 248,987

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Consolidating Statement of Activities

(in thousands of dollars)

Year Ended September 30, 2021

	Wycliffe Bible Translators	Wycliffe Foundation	Seed Company	Reclassifications/ Eliminations	Total
OPERATING SUPPORT AND REVENUE:					
Contributions of cash and other financial assets	\$ 181,477	\$ 11,362	\$ 51,222	\$ (11,111)	\$ 232,950
Contributions of nonfinancial assets	220	-	891	-	1,111
Service income	2,576	57	-	-	2,633
Interest and dividend income	717	-	213	-	930
Other income (loss)	24	-	14	(2)	36
Net gain on sale of property and equipment	198	-	8	-	206
Total Operating Support and Revenue	185,212	11,419	52,348	(11,113)	237,866
OPERATING EXPENSES:					
Program services:					
Bible translation and related programs	145,502	9,600	32,360	(10,990)	176,472
Supporting services:					
General and administrative	16,237	213	2,813	(131)	19,132
Fund-raising	10,834	703	6,692	(103)	18,126
Total supporting services	27,071	916	9,505	(234)	37,258
Total Operating Expenses	172,573	10,516	41,865	(11,224)	213,730
Change in Net Assets from Operating Activities	12,639	903	10,483	111	24,136
NONOPERATING ACTIVITIES:					
Net realized/unrealized gain on investments	7,577	104	947	-	8,628
Change in value of fiduciary agreements	1,750	-	112	(111)	1,751
Grant expense due to deconsolidation	-	-	(1,188)	-	(1,188)
Change in net assets from nonoperating activities	9,327	104	(129)	(111)	9,191
Change in Net Assets before Equity Transfer	21,966	1,007	10,354	-	33,327
Equity Transfer from WBT to SC	(3,905)	-	3,905	-	-
Change in Net Assets	18,061	1,007	14,259	-	33,327
Net Assets, Beginning of Year	110,889	1,735	40,864	(10)	153,478
Net Assets, End of Year	\$ 128,950	\$ 2,742	\$ 55,123	\$ (10)	\$ 186,805