



WYCLIFFE BIBLE TRANSLATORS, INC.
AND AFFILIATES

Consolidated Financial Statements
With Independent Auditors' Report

September 30, 2021 and 2020

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statement of Activities–2021	4
Consolidated Statement of Activities–2020	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7
Supplemental Information	
Independent Auditors' Report on Supplemental Information	33
Consolidating Statement of Financial Position–2021	34
Consolidating Statement of Financial Position–2020	35
Consolidating Statement of Activities–2021	36
Consolidating Statement of Activities–2020	37

INDEPENDENT AUDITORS' REPORT

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

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, 2021 and 2020, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

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

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, Inc. and Affiliates as of September 30, 2021 and 2020, and the changes in their net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Columbia, South Carolina
February 8, 2022

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Consolidated Statements of Financial Position

(in thousands of dollars)

	September 30,	
	2021	2020
ASSETS:		
Cash and cash equivalents (Note 2)	\$ 35,627	\$ 37,926
Amounts due from related entities (Note 8)	174	154
Other assets (Note 2)	7,850	3,638
Grants receivable (Note 2)	6,585	5,025
Bequests receivable	317	97
Investments (Note 4)	105,369	72,738
Investments related to fiduciary agreements (Note 5)	27,763	24,259
Property and equipment—net of accumulated depreciation (Note 6)	30,820	32,634
Investment in SC subsidiary (Note 2)	-	1,197
	\$ 214,505	\$ 177,668
Total Assets	\$ 214,505	\$ 177,668
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 2,339	\$ 1,999
Medical claims payable (Note 12)	1,192	1,192
Amounts due to related entities (Note 2, Note 8)	4,651	105
Accrued compensation	8,478	8,175
Paycheck Protection Program loan (Note 14)	-	2,271
Deferred lease incentive (Note 7)	424	454
Fiduciary agreements (Note 2)	10,616	9,994
Total liabilities	27,700	24,190
Net assets:		
Without donor restrictions (Note 9)	113,302	99,775
With donor restrictions (Note 10)	73,503	53,703
Total net assets	186,805	153,478
Total Liabilities and Net Assets	\$ 214,505	\$ 177,668

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	\$ 31,630	\$ 202,629	\$ 234,259
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	137,663	(137,663)	-
Expiration of time restrictions	503	(503)	-
Total Operating Support and Revenue	219,466	18,598	238,064
OPERATING EXPENSES:			
Program services:			
Bible translation and related programs	176,639	-	176,639
Supporting services:			
General and administrative	19,151	-	19,151
Fund-raising	18,138	-	18,138
Total supporting services	37,289	-	37,289
Total Operating Expenses	213,928	-	213,928
 Change in net assets from operating activities	 5,538	 18,598	 24,136
NONOPERATING ACTIVITIES:			
Net realized/unrealized gain on investments	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 Statement of Activities

(in thousands of dollars)

Year Ended September 30, 2020

	Without Donor restrictions	With Donor restrictions	Total
OPERATING SUPPORT AND REVENUE:			
Contributions	\$ 30,599	\$ 193,621	\$ 224,220
Service income	2,472	-	2,472
Interest and dividend income	824	241	1,065
Other income	134	-	134
Net loss on sale of property and equipment	(151)	-	(151)
Net assets released from restrictions:			
Field support adjustments	13,794	(13,794)	-
Administrative assessments (10-19% administration and fund raising)	27,169	(27,169)	-
Satisfaction of program restrictions	141,570	(141,570)	-
Expiration of time restrictions	1,286	(1,286)	-
Total Operating Support and Revenue	217,697	10,043	227,740
OPERATING EXPENSES:			
Program services:			
Bible translation and related programs	176,738	-	176,738
Supporting services:			
General and administrative	19,493	-	19,493
Fund-raising	16,947	-	16,947
Total supporting services	36,440	-	36,440
Total Operating Expenses	213,178	-	213,178
 Change in net assets from operating activities	 4,519	 10,043	 14,562
NONOPERATING ACTIVITIES:			
Net realized/unrealized gain on investments	5,170	1,062	6,232
Change in value of fiduciary agreements (Note 5)	461	(60)	401
Change in net assets from nonoperating activities	5,631	1,002	6,633
 Change in Net Assets	 10,150	 11,045	 21,195
Net Assets, Beginning of Year	89,625	42,658	132,283
Net Assets, End of Year	\$ 99,775	\$ 53,703	\$ 153,478

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,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from donors	\$ 230,645	\$ 218,926
Cash received from other income	2,669	2,606
Cash received from interest and dividends	930	1,065
Cash paid to grantees	(54,310)	(52,184)
Cash paid to vendors and suppliers	(18,720)	(19,838)
Cash paid for compensation and benefits	(136,272)	(135,709)
Cash received from (paid to) related entities	41	(81)
Net Cash Provided by Operating Activities	24,983	14,785
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(25,416)	(7,595)
Proceeds from sale of investments	1,864	10,890
Purchase of property and equipment	(1,043)	(986)
Proceeds from sale of property and equipment	223	23
Proceeds from sale of property and equipment held for sale	-	5
Net Cash Provided (Used) by Investing Activities	(24,373)	2,337
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from new fiduciary agreements	632	249
Payments on fiduciary agreements	(1,289)	(1,175)
Contributions restricted for endowment	20	300
Proceeds from Paycheck Protection Program loan	-	2,271
Repayment of Paycheck Protection Program loan	(2,271)	-
Net Cash Provided (Used) by Financing Activities	(2,909)	1,645
Net Change in Cash and Cash Equivalents	(2,299)	18,767
Cash and Cash Equivalents, Beginning of Year	37,926	19,159
Cash and Cash Equivalents, End of Year	\$ 35,627	\$ 37,926

See notes to consolidated financial statements

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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. (Wycliffe Foundation). 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.

Wycliffe Foundation 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 Wycliffe Foundation include wills, annuities, trusts, endowments, and donor-advised funds.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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) provides technical, logistic, and personnel support for field operations. SIL LEAD 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.
- RIA Charitable Investments, Inc. (RIACII) exists to provide a pooled investment opportunity available to Wycliffe Global Alliance member and associated partner organizations.
- Wycliffe Global Alliance (WGA) promotes the efforts of the WGA Organizations (more than 100 Alliance 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.

MEMBERS

As a membership based organization, the work of Wycliffe USA is primarily carried out by over 3,100 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, 2021 and 2020

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, 2021 and 2020, Wycliffe USA and affiliates had cash balances exceeding federally insured limits by approximately \$35,037,000 and \$37,300,000, respectively. As of September 30, 2021 and 2020, Wycliffe USA and affiliates had approximately \$23,666,000 and \$12,176,000, 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, (2.00% as of September 30, 2021 and 2020, 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 2021 and 2020, was approximately \$573,000 and \$684,000, 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, 2021 and 2020, RIACII reported total assets with a fair value of approximately \$97,178,000 and \$87,918,000, respectively, of which Wycliffe USA and affiliates hold approximately \$41,962,000 (43%) and \$40,069,000 (46%), respectively.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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.

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

INVESTMENT IN SC SUBSIDIARY

Investment in SC subsidiary consisted of a 99% interest in Avodah Partners, LLC which was valued at cost minus impairment as the investment did not have a readily determinable value. As of September 30, 2020, Seed Company determined that the investment was not impaired. This investment was granted out during the year September 30, 2021.

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 2021 and 2020, SC received approximately \$260,000 and \$1,200,000, respectively, in matching funds for certain translation projects that must be raised within a three year period. For the years ended September 30, 2021 and 2020, a deferred matching contribution revenue liability was accrued for \$0 and approximately \$587,000, respectively, and is included in amounts due to related entities on the consolidated statements of financial position.

FIDUCIARY AGREEMENTS

Fiduciary agreements, administered by Wycliffe Foundation, 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 BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

FIDUCIARY AGREEMENTS, continued

Wycliffe USA has a charitable gift annuity program, and is the certificate holder, whereby 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 gain of approximately \$1,750,000 and \$401,000 in 2021 and 2020, respectively, 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 \$16,866,000 and \$14,157,000 as of September 30, 2021 and 2020, respectively.

As trustee, Wycliffe USA administers revocable trusts that 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.

Wycliffe USA also administers irrevocable charitable remainder trusts. The 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. 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 \$5,732,000 and \$5,325,000 as of September 30, 2021 and 2020, respectively.

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

	September 30,	
	2021	2020
Charitable gift annuity contracts	\$ 5,164	\$ 5,090
Revocable charitable trusts	817	795
Charitable remainder trusts	1,917	1,803
Amount due to other remaindermen	2,718	2,306
	<u>\$ 10,616</u>	<u>\$ 9,994</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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 is subject to a ten to nineteen percent (10-19%) assessment. Contribution income to SC translation projects is subject to a nineteen percent (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.

CONTRIBUTED GOODS AND SERVICES

Contributed goods are recorded at fair market value at the time of donation. 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. Approximately \$190,000 and \$215,000 in contributed services were recognized as revenue and included in general and administrative expense in 2021 and 2020, respectively. Volunteers also provided other services throughout the year that are not recognized as contributions in the consolidated financial statements because the recognition criteria were not met.

Contributed services from affiliates represent the value of the staff provided by Wycliffe Organizations (related entities). These services are recorded at the compensation expense amount incurred by the related entities. See Note 8 for contributed services from related entities recorded.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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 \$84,457,000 and \$85,349,000 as of September 30, 2021 and 2020, 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 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)-Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*.

Wycliffe USA adopted the provisions of this new standard as a resource recipient in fiscal year 2020. Adoption of this standard as a recipient resulted in Wycliffe USA and affiliates recording approximately \$6,585,000 and \$5,025,000 of grants receivable as of September 30, 2021 and 2020, respectively.

Wycliffe USA adopted the provisions of this new standard as a resource provider in fiscal year 2021. Adoption of this standard as a provider resulted in Wycliffe USA and affiliates recording approximately \$3,494,000 of other assets and \$4,485,000 of amounts due to related entities (see Note 8) as of September 30, 2021.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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 over 1,000 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,	
	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 35,627	\$ 37,926
Grants and other receivables	7,076	5,277
Investments	105,369	72,738
Investments related to fiduciary agreements	27,763	24,259
Investment in SC subsidiary	-	1,197
Financial assets, end of year	<u>175,835</u>	<u>141,397</u>
Less those unavailable for general expenditures within one year, due to:		
Fiduciary agreements	(27,763)	(24,259)
Investment in SC subsidiary	-	(1,197)
Funds for capital expenditures	(3,732)	(3,809)
Designated donor-advised funds	(2,526)	(1,630)
Donor restricted funds, not expected to be spent in the next fiscal year	(4,075)	(2,116)
Corporate-designated and board-designated reserves	(30,190)	(27,880)
Unavailable for general expenditures within one year	<u>(68,286)</u>	<u>(60,891)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 107,549</u>	<u>\$ 80,506</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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,	
	2021	2020
Language translation projects	\$ 32,880	\$ 38,855
Satisfaction of short-term liabilities	15,551	9,950
General and administrative expenses	59,117	31,945
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 107,548</u>	<u>\$ 80,750</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 2022. As of September 30, 2021, Wycliffe USA and affiliates has agreed to grant approximately \$38,192,000 to more than 1,000 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 \$107,548,000 is the equivalent of approximately 6 months of operating expenses as reported in the consolidated statements of activities. Due to the lingering uncertainty caused by the COVID-19 pandemic, Wycliffe USA and affiliates took a conservative approach to spending in fiscal years 2021 and 2020 resulting in an increase in financial assets available to meet cash needs for general expenditures. As stability and certainty return over time, Wycliffe USA and affiliates anticipate a liquidity level commensurate with normal program activities.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

4. INVESTMENTS:

Investments consist of the following (in thousands):

	September 30,	
	2021	2020
Cash and cash equivalents	\$ 2,926	\$ 8,266
Investments at fair value:		
Money market mutual funds	694	523
Common stock	25,695	17,007
Mutual funds	33,842	7,077
Corporate bonds	26	15
U.S. government agency bonds	26	56
Exchange traded funds	578	328
	60,861	25,006
Investments at net asset value:		
Interest in RIACII long-term investment portfolio	16,159	7,885
Investments at cost:		
Deposits in the RIACII short-term portfolio	25,169	31,330
Accrued interest	12	9
Land and buildings	242	242
	25,423	31,581
	\$ 105,369	\$ 72,738

Investment income consists of the following (in thousands):

	Year Ended September 30,	
	2021	2020
Interest and dividend income	\$ 1,107	\$ 1,174
Investment fees expense	(177)	(109)
Net realized/unrealized gain on investments	8,628	6,232
	\$ 9,558	\$ 7,297

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

5. INVESTMENTS RELATED TO FIDUCIARY AGREEMENTS:

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

	September 30,	
	2021	2020
Cash and cash equivalents	\$ 295	\$ 863
Investments at fair value:		
Money market mutual funds	702	545
Common stock	7,245	6,829
Mutual funds	16,097	12,527
Corporate bonds	1,172	1,103
U.S. government agency bonds	1,618	1,542
	<u>26,834</u>	<u>22,546</u>
Investments at cost:		
Deposits in the RIACII short-term portfolio	634	850
	<u>\$ 27,763</u>	<u>\$ 24,259</u>

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

	Year Ended September 30,	
	2021	2020
Interest and dividend income	\$ 342	\$ 511
Net realized/unrealized gain on investments	3,466	604
Investment fees	(107)	(91)
Actuarial change	(661)	552
Payments and distributions	(1,289)	(1,175)
	<u>\$ 1,751</u>	<u>\$ 401</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

6. PROPERTY AND EQUIPMENT—NET:

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

	September 30,	
	2021	2020
Land and land improvements	\$ 4,791	\$ 4,818
Buildings	49,338	49,445
Equipment	5,398	5,475
Software	6,553	8,093
Furniture and fixtures	4,924	4,877
	71,004	72,708
Less accumulated depreciation	(41,664)	(41,158)
	29,340	31,550
Construction in progress	1,480	1,084
	\$ 30,820	\$ 32,634

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 \$508,000 and \$482,000 for the years ended September 30, 2021 and 2020, respectively. Minimum future rentals are as follows (in thousands):

Year ending September 30,	Amounts
2022	\$ 497
2023	504
2024	508
2025	518
2026	349
Thereafter	-
	\$ 2,376

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

8. TRANSACTIONS WITH RELATED ENTITIES:

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

	September 30,	
	2021	2020
Cash:		
SIL	\$ 23,666	\$ 12,176
Investments:		
SIL	-	217
RIACII	41,328	39,215
	<u>41,328</u>	<u>39,432</u>
Investments related to fiduciary agreements:		
SIL	-	217
RIACII	634	850
	<u>634</u>	<u>1,067</u>
Amounts due from related entities:		
Receivables from members	5	16
SIL and its affiliates	169	138
	<u>174</u>	<u>154</u>
	<u>\$ 65,802</u>	<u>\$ 52,829</u>

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

	September 30,	
	2021	2020
Payables to members	\$ 46	\$ 2
SIL and Wycliffe Organizations and their affiliates	4,605	103
	<u>\$ 4,651</u>	<u>\$ 105</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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,	
	2021	2020
SIL and its affiliates	\$ 550	\$ 250
Other U.S. related entities	711	570
	<u>\$ 1,261</u>	<u>\$ 820</u>

Of the total amounts received from related entities, approximately \$882,000 and \$760,000 for the years ended September 30, 2021 and 2020, respectively, are contributed services related to members assigned to Wycliffe USA and SC from related entities.

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,	
	2021	2020
SIL and its affiliates	\$ 68,077	\$ 71,418
Other U.S. related entities	5,698	9,794
	<u>\$ 73,775</u>	<u>\$ 81,212</u>

Of the total amounts provided to related entities, approximately \$56,594,000 and \$57,192,000, for the years ended September 30, 2021 and 2020, 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, 2021 and 2020

9. NET ASSETS WITHOUT DONOR RESTRICTIONS:

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

	September 30,	
	2021	2020
Undesignated:		
Wycliffe USA	\$ 67,120	\$ 60,219
SC	12,595	9,398
Wycliffe Foundation	216	105
Reclassifications/eliminations	655	543
	<u>80,586</u>	<u>70,265</u>
Corporate-designated reserves:		
Wycliffe USA	<u>24,461</u>	<u>22,090</u>
Board-designated reserves:		
SC	<u>5,729</u>	<u>5,790</u>
Designated donor-advised funds:		
Wycliffe Foundation	<u>2,526</u>	<u>1,630</u>
	<u>\$ 113,302</u>	<u>\$ 99,775</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

10. NET ASSETS WITH DONOR RESTRICTIONS:

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

	September 30,	
	2021	2020
Purpose restricted:		
Language projects, translations, and other initiatives		
Wycliffe USA	\$ 23,631	\$ 15,301
SC	36,134	25,123
	<u>59,765</u>	<u>40,424</u>
Time restricted:		
Missionary partnership plans- Wycliffe USA	6,618	6,618
Irrevocable trusts- Wycliffe USA	2,037	1,818
Endowments- Wycliffe USA	940	940
Bequests receivable- Wycliffe USA	317	97
Beneficial interest in split-interest agreements- SC	665	553
Reclassification/eliminations	(665)	(553)
	<u>9,912</u>	<u>9,473</u>
Restricted in perpetuity:		
Endowments- Wycliffe USA	3,826	3,806
	<u>\$ 73,503</u>	<u>\$ 53,703</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,	
	2021	2020
Supplemental member income funds	\$ 773	\$ 773
Supplemental member retirement funds	922	922
Scholarship funds	2,131	2,111
	<u>\$ 3,826</u>	<u>\$ 3,806</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

11. NATURAL CLASSIFICATION OF EXPENSES:

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

	Year ended September 30, 2021			
	Program Services	General and Administrative	Fund-raising	Total
Grants to language translation projects	\$ 54,916	\$ 21	\$ 3	\$ 54,939
Compensation and benefits	112,375	12,223	12,168	136,765
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	2,854
Information technology	1,192	1,614	194	2,999
Office expenses	710	1,352	1,221	3,284
Occupancy	1,037	896	124	2,058
Advertising and promotion	64	61	227	353
Other	134	162	21	317
Total	<u>\$ 176,639</u>	<u>\$ 19,151</u>	<u>\$ 18,138</u>	<u>\$ 213,928</u>
	Year ended September 30, 2020			
	Program Services	General and Administrative	Fund-raising	Total
Grants to language translation projects	\$ 52,043	\$ 75	\$ -	\$ 52,118
Compensation and benefits	111,822	12,421	11,741	135,984
Travel, conference, and meetings	2,760	825	1,562	5,147
Professional services	2,087	1,722	1,627	5,436
Depreciation	3,206	579	269	4,054
Information technology	2,774	1,277	154	4,205
Office expenses	753	1,274	1,183	3,210
Occupancy	963	1,067	131	2,161
Advertising and promotion	160	27	242	429
Other	170	226	38	434
Total	<u>\$ 176,738</u>	<u>\$ 19,493</u>	<u>\$ 16,947</u>	<u>\$ 213,178</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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, 2021 and 2020, Wycliffe USA contributed approximately \$199,000 and \$174,000, 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, 2021 and 2020, SC contributed approximately \$476,000 and \$436,000, respectively, to this plan.

14. PAYCHECK PROTECTION PROGRAM LOAN:

As part of the response to the impact of COVID-19, SC applied for a Paycheck Protection Program (PPP) Loan, administered by the Small Business Administration (SBA), under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law in March 2020. SC was approved for a loan for approximately \$2,271,000 on May 3, 2020. The PPP loan provides for potential loan forgiveness up to the full amount of the loan provided SC overcomes (meets) certain loan stipulations. If the loan is not forgiven, it bears annual interest of 1% and repayment is due in full on May 3, 2022. During the year ended September 30, 2021, SC repaid the full PPP loan amount.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

15. 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, 2021			Total
	Level 1	Level 2	Level 3	
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
Interest in RIACII long-term investment portfolio*				16,159
	<u>\$ 60,809</u>	<u>\$ 52</u>	<u>\$ -</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			Total
	Level 1	Level 2	Level 3	
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>\$ -</u>	<u>\$ 26,834</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

15. FAIR VALUE MEASUREMENTS, continued:

	September 30, 2020			
	Level 1	Level 2	Level 3	Total
Investments:				
Money market mutual funds	\$ 523	\$ -	\$ -	\$ 523
Corporate bonds	-	15	-	15
U.S. government agency bonds	-	56	-	56
Common stock	17,006	-	1	17,007
Mutual funds	7,077	-	-	7,077
Exchange traded funds	328	-	-	328
Interest in RIACII long-term investment portfolio*				7,885
	<u>\$ 24,934</u>	<u>\$ 71</u>	<u>\$ 1</u>	<u>\$ 32,891</u>

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

	September 30, 2020			
	Level 1	Level 2	Level 3	Total
Investments related to fiduciary agreements:				
Money market mutual funds	\$ 545	\$ -	\$ -	\$ 545
Corporate bonds	-	1,103	-	1,103
U.S. government agency bonds	-	1,542	-	1,542
Common stock	6,829	-	-	6,829
Mutual funds	12,527	-	-	12,527
	<u>\$ 19,901</u>	<u>\$ 2,645</u>	<u>\$ -</u>	<u>\$ 22,546</u>

The following table provides further details of the Level 3 fair value measurements (in thousands):

	September 30,	
	2021	2020
Balance, beginning of year	\$ 1	\$ 3
Total unrealized loss included in changes in net assets	(1)	(2)
Balance, end of year	<u>\$ -</u>	<u>\$ 1</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

15. 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. 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 \$16,159,000 and \$7,885,000 as of September 30, 2021 and 2020, respectively.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

16. ENDOWMENT FUNDS:

Wycliffe USA, through services provided by Wycliffe Foundation, administers fifteen individual donor-restricted endowment funds established for a variety of purposes. 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, 2021 and 2020

16. 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, 2021 and 2020

16. ENDOWMENT FUNDS, continued:

Changes in endowment net assets for the year ended September 30, 2020, (in thousands):

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Gains (Losses)	Original Gift	
Endowment net assets, October 1, 2019	\$ -	\$ 940	\$ 3,506	\$ 4,446
Investment return:				
Interest and dividend income	-	101	-	101
Realized and unrealized gains	-	315	-	315
Investment fees	-	(39)	-	(39)
	-	377	-	377
Contributions	-	-	300	300
Appropriation of endowment assets for expenditure	-	(346)	-	(346)
Endowment net assets, September 30, 2020	\$ -	\$ 971	\$ 3,806	\$ 4,777

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

16. 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 no deficiencies at September 30, 2021 and 2020.

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.

17. RISKS AND UNCERTAINTIES:

In January 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of Wycliffe USA and affiliates for future periods. In general, Wycliffe USA and affiliates, like most other non-profit and for-profit companies, needs to maintain a level of preparedness to proactively respond to challenges that threaten its ability to operate in a safe and sound manner. For Wycliffe USA and affiliates, this preparedness includes, but is not limited to, responsive leadership and staff, established policies, nimble business continuity action plans and strategies, and maintaining sufficient operating reserves. In the case of the most recent COVID-19 pandemic, Wycliffe USA and affiliates remains vigilant in its ongoing monitoring of trends and relies upon the disciplines and business practices mentioned in the foregoing to shape the response to insure Wycliffe USA and affiliates will operate soundly throughout the pandemic period.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

18. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through February 8, 2022, 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, 2021 and 2020, and our report thereon dated February 8, 2022, 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 8, 2022

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
Investment in SC subsidiary	-	-	-	-	-
Beneficial interest in agreements managed by WF	-	-	665	(665)	-
Assets held for others	-	35,110	-	(35,110)	-
	<u>\$ 155,490</u>	<u>\$ 37,955</u>	<u>\$ 56,948</u>	<u>\$ (35,888)</u>	<u>\$ 214,505</u>
Total Assets	<u>\$ 155,490</u>	<u>\$ 37,955</u>	<u>\$ 56,948</u>	<u>\$ (35,888)</u>	<u>\$ 214,505</u>
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
Paycheck Protection Program loan	-	-	-	-	-
Deferred lease incentive	-	-	424	-	424
Funds held for others	-	35,110	-	(35,110)	-
Fiduciary agreements	11,281	-	-	(665)	10,616
Total liabilities	<u>26,540</u>	<u>35,213</u>	<u>1,825</u>	<u>(35,878)</u>	<u>27,700</u>
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	<u>128,950</u>	<u>2,742</u>	<u>55,123</u>	<u>(10)</u>	<u>186,805</u>
Total Liabilities and Net Assets	<u>\$ 155,490</u>	<u>\$ 37,955</u>	<u>\$ 56,948</u>	<u>\$ (35,888)</u>	<u>\$ 214,505</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Consolidating Statement of Financial Position

(in thousands of dollars)

September 30, 2020

	Wycliffe Bible Translators	Wycliffe Foundation	Seed Company	Reclassifications/ Eliminations	Total
ASSETS:					
Cash	\$ 10,034	\$ 154	\$ 27,738	\$ -	\$ 37,926
Investments	60,314	1,630	10,804	(10)	72,738
Grants Receivable	2,976	-	2,049	-	5,025
Bequests receivable	97	-	-	-	97
Amounts due from related entities	226	-	-	(72)	154
Other assets	2,572	23	1,043	-	3,638
Investments related to fiduciary agreements	24,259	-	-	-	24,259
Property and equipment—net of accumulated depreciation	30,761	-	1,873	-	32,634
Investment in SC subsidiary	-	-	1,197	-	1,197
Beneficial interest in agreements managed by WF	-	-	553	(553)	-
Assets held for others	-	31,263	-	(31,263)	-
Total Assets	\$ 131,239	\$ 33,070	\$ 45,257	\$ (31,898)	\$ 177,668
LIABILITIES AND NET ASSETS:					
Liabilities:					
Accounts payable and accrued expenses	\$ 410	\$ -	\$ 1,589	\$ -	\$ 1,999
Medical claims payable	1,192	-	-	-	1,192
Amounts due to related entities	26	72	79	(72)	105
Accrued compensation	8,175	-	-	-	8,175
Paycheck Protection Program loan	-	-	2,271	-	2,271
Deferred lease incentive	-	-	454	-	454
Funds held for others	-	31,263	-	(31,263)	-
Fiduciary agreements	10,547	-	-	(553)	9,994
Total liabilities	20,350	31,335	4,393	(31,888)	24,190
Net assets:					
Without donor restrictions	82,309	1,735	15,188	543	99,775
With donor restrictions	28,580	-	25,676	(553)	53,703
Total net assets	110,889	1,735	40,864	(10)	153,478
Total Liabilities and Net Assets	\$ 131,239	\$ 33,070	\$ 45,257	\$ (31,898)	\$ 177,668

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	\$ 181,697	\$ 11,362	\$ 52,423	\$ (11,223)	\$ 234,259
Service income	2,576	57	-	-	2,633
Interest and dividend income	717	-	213	-	930
Other income	24	-	14	(2)	36
Net gain on sale of property and equipment	198	-	8	-	206
Total Operating Support and Revenue	185,212	11,419	52,658	(11,225)	238,064
OPERATING EXPENSES:					
Program services:					
Bible translation and related programs	145,670	9,600	32,359	(10,990)	176,639
Supporting services:					
General and administrative	16,256	213	2,813	(131)	19,151
Fund-raising	10,846	703	6,692	(103)	18,138
Total supporting services	27,102	916	9,505	(234)	37,289
Total Operating Expenses	172,772	10,516	41,864	(11,224)	213,928
Change in net assets from operating activities	12,440	903	10,794	(1)	24,136
NONOPERATING ACTIVITIES:					
Net realized/unrealized gain on investments	7,577	104	947	-	8,628
Change in value of fiduciary agreements	1,750	-	-	1	1,751
Grant expense due to deconsolidation	-	-	(1,188)	-	(1,188)
Change in net assets from nonoperating activities	9,327	104	(241)	1	9,191
Change in Net Assets before equity transfer	21,767	1,007	10,553	-	33,327
Equity Transfer from WBT to SC	(3,706)	-	3,706	-	-
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

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Consolidating Statement of Activities

(in thousands of dollars)

Year Ended September 30, 2020

	Wycliffe Bible Translators	Wycliffe Foundation	Seed Company	Reclassifications/ Eliminations	Total
OPERATING SUPPORT AND REVENUE:					
Contributions	\$ 168,503	\$ 8,917	\$ 56,277	\$ (9,477)	\$ 224,220
Service income	2,464	8	15	(15)	2,472
Interest and dividend income	701	5	359	-	1,065
Other income	43	-	91	-	134
Net gain (loss) on sale of property and equipment	24	-	(175)	-	(151)
Total Operating Support and Revenue	171,735	8,930	56,567	(9,492)	227,740
OPERATING EXPENSES:					
Program services:					
Bible translation and related programs	138,741	8,058	39,210	(9,271)	176,738
Supporting services:					
General and administrative	16,020	206	3,397	(130)	19,493
Fund-raising	10,798	724	5,516	(91)	16,947
Total supporting services	26,818	930	8,913	(221)	36,440
Total Operating Expenses	165,559	8,988	48,123	(9,492)	213,178
Change in net assets from operating activities	6,176	(58)	8,444	-	14,562
NONOPERATING ACTIVITIES:					
Net realized/unrealized gain on investments	5,893	94	245	-	6,232
Change in value of fiduciary agreements	401	-	-	-	401
Change in net assets from nonoperating activities	6,294	94	245	-	6,633
Change in Net Assets before equity transfer	12,470	36	8,689	-	21,195
Equity Transfer from WBT to SC	(3,861)	-	3,861	-	-
Change in Net Assets	8,609	36	12,550	-	21,195
Net Assets, Beginning of Year	102,280	1,699	28,314	(10)	132,283
Net Assets, End of Year	\$ 110,889	\$ 1,735	\$ 40,864	\$ (10)	\$ 153,478