



SUMMER INSTITUTE OF LINGUISTICS, INC.

Consolidated Financial Statements  
With Independent Auditors' Report

September 30, 2020 and 2019

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statement of Activities–2020	4
Consolidated Statement of Activities–2019	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7
Supplementary Data	
Independent Auditors' Report on Supplemental Data	27
Consolidating Statement of Financial Position–2020	28
Consolidating Statement of Activities–2020	29
Consolidating Statement of Financial Position–2019	30
Consolidating Statement of Activities–2019	31

## **INDEPENDENT AUDITORS' REPORT**

Audit Committee of the Board of Directors  
Summer Institute of Linguistics, Inc.  
Dallas, Texas

We have audited the accompanying consolidated financial statements of Summer Institute of Linguistics, Inc., which comprise the consolidated statements of financial position as of September 30, 2020 and 2019, 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.

Audit Committee of the Board of Directors  
Summer Institute of Linguistics, Inc.  
Dallas, Texas

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Summer Institute of Linguistics, Inc. as of September 30, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

Summer Institute of Linguistics, Inc. has adopted Financial Accounting Standards Board Accounting Standards Update No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as described in Note 2. SIL adopted the provisions of this new standard as a resource recipient in the current year. This has had a material effect on the presentation of the September 30, 2020 consolidated financial statements. Our opinion is not modified in respect to this matter.

*Capin Crouse LLP*

Grapevine, Texas  
April 7, 2021

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Consolidated Statements of Financial Position (in thousands of dollars)

	September 30,	
	2020	2019
<b>ASSETS:</b>		
Cash	\$ 20,932	\$ 14,703
Accounts receivable–net (Note 2)	2,449	1,627
Notes receivable (Note 4)	200	100
Amounts due from related entities (Note 9)	1,035	822
Inventory	2,066	2,549
Investments (Note 3)	39,073	37,782
Other assets	3,441	3,594
Property and equipment–net of accumulated depreciation (Note 5)	36,135	33,035
	<hr/>	<hr/>
Total Assets	<u>\$ 105,331</u>	<u>\$ 94,212</u>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 4,456	\$ 4,523
Deferred income and advances	2,093	719
Amounts due to staff and related entities (Note 9)	16,936	13,121
Other liabilities (Note 2)	1,101	1,091
	<hr/>	<hr/>
	24,586	19,454
	<hr/>	<hr/>
Net assets:		
Net assets without donor restrictions:		
Undesignated	22,641	19,687
Board designated (Note 10)	13,447	13,825
Equity in property and equipment–net	35,117	32,034
	<hr/>	<hr/>
	71,205	65,546
	<hr/>	<hr/>
Net assets with donor restrictions:		
Restricted by purpose or time (Note 10)	9,146	8,819
Restricted in perpetuity (Note 10)	394	393
	<hr/>	<hr/>
	9,540	9,212
	<hr/>	<hr/>
	80,745	74,758
	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ 105,331</u>	<u>\$ 94,212</u>

See notes to consolidated financial statements

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Consolidated Statement of Activities (in thousands of dollars)

Year Ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING SUPPORT AND REVENUE:</b>			
Support from related entities (Note 9)	\$ 100,817	\$ 16,906	\$ 117,723
Contributions	3,594	4,515	8,109
Donated goods and services	2,844	21	2,865
Program service revenue (Note 2)	2,168	-	2,168
Sales and service income (Note 2)	11,601	-	11,601
Loss on disposal of fixed assets	(24)	-	(24)
Other income	346	-	346
Net assets released from restrictions:			
Satisfaction of program restrictions	21,122	(21,122)	-
Total operating support and revenue	<u>142,468</u>	<u>320</u>	<u>142,788</u>
<b>OPERATING EXPENSES:</b>			
Program services:			
Language development and training	<u>113,435</u>	<u>-</u>	<u>113,435</u>
Supporting services:			
General and administrative	25,806	-	25,806
Fund-raising	946	-	946
	<u>26,752</u>	<u>-</u>	<u>26,752</u>
Total operating expenses	<u>140,187</u>	<u>-</u>	<u>140,187</u>
Change in net assets from operating activities	<u>2,281</u>	<u>320</u>	<u>2,601</u>
<b>NON-OPERATING ACTIVITIES:</b>			
Interest and dividends (Note 3)	684	-	684
Net realized/unrealized gain on investments (Note 3)	2,030	-	2,030
Gain on transfer of SIL LEAD net assets (Note 2)	664	8	672
Change in net assets from non-operating activities	<u>3,378</u>	<u>8</u>	<u>3,386</u>
Change in Net Assets	5,659	328	5,987
Net Assets, Beginning of Year	<u>65,546</u>	<u>9,212</u>	<u>74,758</u>
Net Assets, End of Year	<u>\$ 71,205</u>	<u>\$ 9,540</u>	<u>\$ 80,745</u>

See notes to consolidated financial statements

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Consolidated Statement of Activities

(in thousands of dollars)

Year Ended September 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT AND REVENUE:			
Support from related entities (Note 9)*	\$ 104,770	\$ 17,202	\$ 121,972
Contributions	2,070	3,914	5,984
Donated goods and services	1,125	18	1,143
Program service revenue	1,732	-	1,732
Sales and service income	14,275	-	14,275
Loss on disposal of fixed assets	(455)	-	(455)
Gain on sale of fixed assets	383	-	383
Other income	53	-	53
Net assets released from restrictions:			
Satisfaction of program restrictions	21,654	(21,654)	-
Total operating support and revenue	<u>145,607</u>	<u>(520)</u>	<u>145,087</u>
OPERATING EXPENSES:			
Program services:			
Language development and training*	<u>123,625</u>	<u>-</u>	<u>123,625</u>
Supporting services:			
General and administrative*	24,768	-	24,768
Fund-raising*	<u>856</u>	<u>-</u>	<u>856</u>
	<u>25,624</u>	<u>-</u>	<u>25,624</u>
Total operating expenses	<u>149,249</u>	<u>-</u>	<u>149,249</u>
Change in net assets from operating activities	<u>(3,642)</u>	<u>(520)</u>	<u>(4,162)</u>
NON-OPERATING ACTIVITIES:			
Interest and dividends (Note 3)	581	-	581
Net realized/unrealized gain on investments (Note 3)	<u>352</u>	<u>-</u>	<u>352</u>
Change in net assets from non-operating activities	<u>933</u>	<u>-</u>	<u>933</u>
Change in Net Assets	(2,709)	(520)	(3,229)
Net Assets, Beginning of Year	<u>68,255</u>	<u>9,732</u>	<u>77,987</u>
Net Assets, End of Year	<u>\$ 65,546</u>	<u>\$ 9,212</u>	<u>\$ 74,758</u>

\*See Note 2 for prior period restatement to conform to current year presentation and valuation methodology.

See notes to consolidated financial statements

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Consolidated Statements of Cash Flows

(in thousands of dollars)

	Year Ended September 30,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 5,987	\$ (3,229)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	3,319	3,336
Gain on sale of fixed assets	-	(383)
Loss on disposal of fixed assets	24	455
Noncash grant expense of property and equipment	-	(135)
Noncash gifts of property and equipment	(223)	-
Net realized/unrealized gain on sale of investments	(1,690)	(690)
(Gain) loss on investment in captive insurance company	(340)	338
Changes in assets and liabilities:		
Accounts receivable	(822)	368
Amounts due from staff and affiliated entities	(213)	562
Inventory	483	(184)
Other assets	153	(448)
Accounts payable, accrued expenses and other liabilities	(57)	(160)
Deferred income and advances	1,374	719
Amounts due to staff and related entities	3,815	(2,087)
Net Cash Provided (Used) by Operating Activities	<u>11,810</u>	<u>(1,538)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(544)	(1,383)
Purchase of property and equipment	(6,416)	(2,525)
Proceeds from sale of investments	1,283	144
Proceeds from sale of property and equipment	196	411
Issuance of notes receivable	(100)	(100)
Payments on notes receivable	-	177
Net Cash Used by Investing Activities	<u>(5,581)</u>	<u>(3,276)</u>
Net Change in Cash	6,229	(4,814)
Cash, Beginning of Year	<u>14,703</u>	<u>19,517</u>
Cash, End of Year	<u><u>\$ 20,932</u></u>	<u><u>\$ 14,703</u></u>

See notes to consolidated financial statements



# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

### 1. NATURE OF ORGANIZATION:

The Summer Institute of Linguistics, Inc. (dba SIL International) (SIL) is registered as a Texas non-profit corporation. SIL is a global faith-based organization that works with over 1,600 ethnolinguistic communities to develop language solutions that expand their possibilities for a better life. SIL's work is fueled by a desire to see people flourishing in community using the languages they value most.

SIL advocates, builds capacity, and works with local communities to apply language expertise that advances meaningful development, education, and engagement with Scripture. SIL's specialized contributions includes linguistic research, orthography development, training in translation principles, literacy methods, mother tongue-based multilingual education, consultant help, and development of relevant tools and materials.

SIL's work is carried out primarily by more than 4,000 individuals, many of whom are recruited and supported by member organizations of the Wycliffe Global Alliance (The Alliance). The organizations contribute to the holistic flourishing of all peoples through Scripture access and related services. This support is SIL's primary source of revenue. The Alliance is not included in these consolidated financial statements because it is financially and administratively independent of SIL.

SIL is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (Code) and comparable state law. It is classified as a publicly supported organization, which is not a private foundation under Section 509(a)(1) of the Code.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### PRINCIPLES OF CONSOLIDATION

As of October 1, 2019, SIL LEAD Inc. (SIL LEAD) became a subsidiary of SIL International. SIL LEAD's bylaws were officially amended to provide SIL's board of directors the ability to appoint a majority of the board of directors of SIL LEAD. This event has been recorded as a gain from transfer of SIL LEAD net assets on the consolidated statements of activities. The purpose of SIL LEAD, Inc. is carried out through advocacy, educational programs, development programs, and linking communities with humanitarian and other multi-sectoral forms of assistance

JAARS, Inc. (JAARS) exists to make Bible translation and language development possible, especially in the most remote and difficult places on earth, by enabling locally-appropriate and sustainable solutions in transportation, technology, media, and training.

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### PRINCIPLES OF CONSOLIDATION, continued

The consolidated financial statements of SIL include SIL, its field offices, SIL LEAD, and JAARS, because they are under the control of SIL. Significant transactions and balances between the organizations and offices have been eliminated for consolidated financial statement purposes.

These consolidated financial statements include the activities and balances of SIL field offices located overseas. As of September 30, 2020, assets held overseas, including cash, accounts receivable, inventory and other assets, totaled \$10,923,000 and property and equipment, net of accumulated depreciation, amounted to \$21,454,000. As of September 30, 2019, assets held overseas, including cash, accounts receivable, inventory and other assets, totaled \$9,297,000 and property and equipment, net of accumulated depreciation, amounted to \$22,936,000.

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

- Wycliffe Bible Translators, Inc. (Wycliffe USA) is an interdenominational, nonprofit, missionary organization with the goal of forwarding, in every way possible, the translation of the Word of God into all those languages of the world where it is needed. Wycliffe USA controls and has an economic interest in Wycliffe Foundation (WF) and The Wycliffe Seed Company, Inc. (SC).
- 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 Bible Translators International (dba Wycliffe Global Alliance), (the Alliance) promotes the efforts of organizations (over 100 Alliance Organizations) as they engage the worldwide Church in providing resources for Bible translation and related ministry around the globe.
- RIA Charitable Investments Inc. (RIACII) exists to provide a pooled investment opportunity for SIL and Wycliffe Global Alliance member organizations.
- Dallas International University (DIU) is a graduate professional institute that provides training and research opportunities and equips students with the skills to train and serve others.

#### BASIS OF ACCOUNTING

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

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### ESTIMATES

The preparation of consolidated financial statements in accordance 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### CASH

Cash consists primarily of checking accounts deposited with financial institutions. Deposits in excess of FDIC insurance limits (including cash held outside the U.S.) at September 30, 2020 and 2019, were approximately \$20 million and \$14 million, respectively. Due to the diverse locations and financial cycles of SIL, management does not believe there is significant unmitigated risk.

SIL operates a system that facilitates the financial interaction between SIL and Wycliffe Global Alliance member organizations. As part of that system, SIL holds deposits from these organizations, which are included in cash and amounts due to staff and related entities, in the amounts of approximately \$14 million and \$11 million as of September 30, 2020 and 2019, respectively.

#### INVESTMENTS

Investments in money market funds are reported at fair market value. The investment in the captive insurance company is accounted for using the equity method. Other investments are carried at cost on the consolidated statements of financial position. Realized and unrealized gains and losses are included in non-operating activities in the consolidated statements of activities. Investment income consist primarily of interest.

RIA Charitable Investments, Inc. (RIACII) operates as an investment pool available to SIL and certain Alliance organizations. Funds deposited with RIACII are invested in a variety of fixed income securities including U.S. Treasury issues, corporate bonds and mortgage backed bonds, which borrow and pay in U.S. dollars. RIACII carries two investment pools. The short-term portfolio pays interest at a stated rate as determined from time to time by the board of directors (2.00% for both years ended September 30, 2020 and 2019) to participants in proportion to the amount they have on deposit in the pool. The short-term portfolio is carried at the value of actual deposits made plus accrued interest. The long-term pool does not pay out interest, but allocates all net income or loss to the participants deposit in the pool. The long-term pool also invests in equity securities, mutual funds, and exchange traded funds. SIL's interest in the long-term pool is carried at Net Asset Value.

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### INVESTMENTS, continued

Interest income and dividends recorded in the consolidated statements of activities for 2020 and 2019, was approximately \$684,000 and \$581,000 respectively. As of September 30, 2020 and 2019, RIACII reported total assets with a fair value of approximately \$87,918,000 and \$95,763,000, respectively, of which SIL holds approximately \$35,323,000 (40%) and \$34,234,000 (36%), respectively. Credit risk is the failure of another party to perform in accordance with the contract terms. SIL is exposed to credit risk for the amount invested in the pool, which management believes is mitigated because the RIACII investment pool is only available to a small closed-group of related entities with common missional purposes and RIACII has a limited scope of business as a supporting organization to the small closed-group of related organizations.

Dividend income from the captive insurance company recorded in the consolidated statements of activities for the years ended September 30, 2020 and 2019, was approximately \$222,000 and \$134,000, respectively.

#### ACCOUNTS RECEIVABLE

Accounts receivable are primarily related to amounts due from mission organizations and other local organizations and individuals and an aircraft lease. As of September 30, 2020 and 2019, an allowance of \$20,000 and \$67,000, respectively, has been recorded.

#### INVENTORY

Inventory consists primarily of books, publications, construction materials, aviation and other parts, supplies and consumer goods that are held for sale. Inventory is stated at the lower of cost or net realizable value. Cost is determined using the weighted-average method, the retail method, or the first-in, first-out method, depending on the type of inventory. 56% and 52% of inventories are held at overseas locations as of September 30, 2020 and 2019, respectively.

The organization classifies certain aviation parts and materials with other assets. These items are maintained for future use as replacement parts because there are limited supply sources for such parts.

#### MUSEUMS AND COLLECTIONS

JAARS established the Mexico Museum and the Museum of the Alphabet (Museums) on its campus. The collections of the Museums at JAARS, which were acquired through purchases and contributions since the organization's inception, are not recognized as assets on the consolidated statements of financial position and, thus, are not reflected on the consolidated financial statements. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired or as net assets with donor restrictions if the assets used to purchase the items are restricted by donors. Proceeds for deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes.

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### PROPERTY AND EQUIPMENT

Effective October 1, 2019, expenditures in excess of \$10,000 are capitalized at cost. Prior to October 1, 2019, expenditures of \$5,000 or more were capitalized at cost. SIL allows its smaller offices to set a capitalization limit lower than \$10,000 based on local accounting rules. 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 15 years
Furniture & fixtures	7 to 10 years

#### OTHER ASSETS

Other assets of \$3,441,000 and \$3,594,000 as of September 30, 2020 and 2019, respectively, consist of the following:

*Beneficial interest in split-interest agreements:* At September 30, 2020 and 2019, the Wycliffe Foundation holds charitable gift annuities in the amount of \$566,000 and \$744,000 for JAARS, respectively. The amount represents the beneficial interest JAARS has in those charitable gift annuities.

*Aviation parts held for internal use (rather than those held for sale, which are included in Inventory):* \$1,601,000 and \$1,686,000 at September 30, 2020 and 2019, respectively.

*Prepaid expenses:* \$1,274,000 and \$1,164,000 at September 30, 2020 and 2019, respectively.

#### OTHER LIABILITIES

Other liabilities consists primarily of Asset Retirement Obligations (ARO) for SIL and JAARS. As of September 30, 2020, the balances were \$432,000 and \$585,000, respectively, for SIL and JAARS. As of September 30, 2019, the balances were \$416,000 and \$585,000, respectively, for SIL and JAARS.

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### NET ASSETS

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

*Net assets without donor restrictions* are those available for the general operations of SIL, funds designated for specific uses by the board of directors (including designations by the executive committees of overseas offices), and equity in property and equipment. Equity in property and equipment is reported net of related notes payable and asset retirement obligations.

*Net assets with donor restrictions* are stipulated by donors for specific operating purposes or for the acquisition of property and equipment or are time restricted. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with investment return available for operations or specific purposes.

#### REVENUE

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of donated assets is transferred to the organization.

#### SALES AND SERVICE INCOME

SIL provides sales and services to external organizations for language and operational services. There are also sales and services for use by staff whose work requires them to reside in remote locations and the local economy does not provide what is needed for either staff personal needs or work needs. This includes aviation services, housing, and maintenance as well as more personal needs such as groceries or basic medical services.

#### DONATED GOODS AND SERVICES

Donated goods and services are recorded at fair market value at the time of donation. Donated 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 SIL. Included in support from related entities on the consolidated statements of activities is donated services which is further discussed in Note 9.

During the fiscal year ended September 30, 2020, SIL restated contributed services and related expenses from related entities for the year ended September 30, 2019. The restatement was made to conform to current year presentation and valuation methodology. Contributed services were increased by \$13,236,054; Language development and training expenses were increased by \$11,380,000, general and administrative expenses were increased by \$1,904,000, and fundraising expenses were decreased by \$48,000, for the year ended September 30, 2019. This restatement had no effect on net assets or the change in net assets for the year ended September 30, 2019.

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### PROGRAM SERVICE INCOME

Program service income is generated from the sale of inventory and use of services provided by JAARS and SIL LEAD, net of related expense.

#### ALLOCATION OF EXPENSES

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of SIL. These expenses included depreciation, information technology, and facilities operations and maintenance. Depreciation is allocated based on square footage. Costs of other categories were allocated based on estimates of time and effort.

#### FOREIGN CURRENCY TRANSLATION

SIL has offices in over 40 countries. The U.S. Dollar is the functional currency throughout the organization. Transactions made in other currencies are translated into U.S. Dollars at an average exchange rate during the month of the transaction. For the year ending September 30, 2020 and 2019, exchange gains and losses were \$132,000, and (\$53,000), respectively, which are reported in consolidated statements of activities as other income.

#### RECENTLY ISSUED ACCOUNTING STANDARD:

In 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, Not-for-Profit Entities (Topic 958)—*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. SIL adopted the provisions of this new standard as a resource recipient in the current year. Adoption of this standard had a material effect on the consolidated financial statements. See Note 6 for the current year impact of this ASU.

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

### 3. INVESTMENTS:

SIL's investments consist of the following (in thousands):

	September 30,	
	2020	2019
Investments held at other than fair value:		
Deposits with RIA Charitable Investments, Inc.	\$ 35,324	\$ 34,234
Investment in captive insurance company	3,579	3,239
Certificates of deposit	170	309
	<u>\$ 39,073</u>	<u>\$ 37,782</u>

SIL's investments consist of the following (in thousands):

	September 30,	
	2020	2019
Investments to be held in perpetuity	\$ 394	\$ 393
Investments available for general operations and restricted purposes	38,679	37,389
	<u>\$ 39,073</u>	<u>\$ 37,782</u>

SIL and eight other not-for-profit organizations are members of an offshore captive insurance holding company entitled Stewardship Insurance, Ltd. (Stewardship). There is one wholly-owned subsidiary of Stewardship, Stewardship Reinsurance, Ltd (SRL). SIL accounts for its investments based on the equity method of accounting.

Stewardship captive insures claims relating to workers' compensation, property, general liability, and auto liability. Stewardship reinsures the first \$1,000,000 of any claim. Of that \$1,000,000 Stewardship pays the first \$250,000 and SRL pays the next \$750,000. The next \$1,000,000 is reinsured with a primary insurance carrier. The policy limits are \$2,000,000 with statutory workers' compensation benefits. Umbrella insurance coverage is purchased for claims exceeding \$2,000,000. Claim experience will be identified to each participating entity and subsequent premiums will be modified based on an entity's experience.

Included within investments is \$3,579,000 (cost basis \$330,000) and \$3,239,000 (cost basis \$330,000), which represents SIL's investment in captive insurance as of both September 30, 2020 and 2019, representing 10% of Stewardship. Investment balances are measured as of July 31, 2020, for fiscal year 2020, and October 31, 2019, for fiscal year 2019, which represent the most recent data available. SIL is not aware of any material differences to these balances as of September 30. SIL has paid approximately \$399,000 and \$380,000 in premiums to the captive during the years ended September 30, 2020 and 2019, respectively.



# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

3. INVESTMENTS, continued:

Investment income consists of the following (in thousands):

	<u>Year Ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 684	\$ 581
Net realized/unrealized gain	1,690	690
Gain (loss) on investment in captive insurance company	340	(338)
	<u>\$ 2,714</u>	<u>\$ 933</u>

4. NOTE RECEIVABLE:

Note receivable consist of the following (in thousands):

	<u>September 30,</u>	
	<u>2020</u>	<u>2019</u>
Unsecured line of credit with Wycliffe Germany for \$500,000. Interest payments are due quarterly at a rate of 0.62% and 1.92%, respectively, at September 30, 2020 and 2019. Principal payments for a minimum of \$10,000 quarterly to begin June 2021, two years after the distribution.	\$ 200	\$ 100
	<u>\$ 200</u>	<u>\$ 100</u>

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

### 5. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net at September 30, 2020, consist of the following (in thousands):

	Domestic	International	Total
Land and land improvements	\$ 2,346	\$ 2,700	\$ 5,046
Buildings	23,567	31,028	54,595
Furniture and equipment	6,000	4,692	10,692
Software	1,238	14	1,252
Vehicles	314	3,547	3,861
Aircraft	4,441	9,366	13,807
Utilities	371	548	919
	38,277	51,895	90,172
Less accumulated depreciation	(27,476)	(30,673)	(58,149)
	10,801	21,222	32,023
Construction in progress	3,881	231	4,112
	\$ 14,682	\$ 21,453	\$ 36,135

Property and equipment–net at September 30, 2019, consist of the following (in thousands):

	Domestic	International	Total
Land and land improvements	\$ 2,266	\$ 2,701	\$ 4,967
Buildings	23,305	31,095	54,400
Furniture and equipment	8,585	4,470	13,055
Vehicles	317	3,758	4,075
Aircraft	4,178	9,434	13,612
Utilities	371	583	954
	39,022	52,041	91,063
Less accumulated depreciation	(29,115)	(29,610)	(58,725)
	9,907	22,431	32,338
Construction in progress	192	505	697
	\$ 10,099	\$ 22,936	\$ 33,035

SIL believes the above assets are properly stated as of September 30, 2020 and 2019, respectively. However, the political situation in many countries is subject to rapid change which could adversely affect the realizable value of the assets. In addition, the carrying value of assets may not be representative of the amount that would be realized should the assets be sold. For the years ended September 30, 2020 and 2019, 43%, for both years of the international property and equipment is in Papua New Guinea, 10%, for both years is held in Cameroon, and 9% for both years is in Australia.

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

6. ASU 2018-08 IMPACT ON CONSOLIDATED FINANCIAL STATEMENTS:

As described in Note 2, SIL adopted ASU 2018-08 during the year ended September 30, 2020. SIL receives both unconditional and conditional multi-year agreements from related parties and Alliance organizations. The ASU had the following impact on the consolidated financials statements for the year ended September 30, 2020:

**UNCONDITIONAL CONTRIBUTIONS:**

As of September 30, 2020, SIL had \$300,000 of unconditional promises to give that is included in amounts due from related entities on the consolidated statement of financial position. These amounts are expected to be received during the year ended September 30, 2021.

**CONDITIONAL CONTRIBUTIONS:**

SIL receives conditional contributions in the form of multi-year agreements from SC and Wycliffe USA. These agreements contains both measureable performance barriers and the right of return. Funds received and not yet spent as part of these agreements were \$1,504,000 as of September 30, 2020, and has been recorded as part of deferred income and advances on the consolidated statement of financial position.

As of September 30, 2020, conditional contributions consist of:

Due in less than one year	\$ 11,500,000
Due in one to five years	<u>6,500,000</u>
	<u><u>\$ 18,000,000</u></u>

These conditional contributions represent funds expected to be received in future years and do not include the \$1,504,000 of funds already received and recorded as deferred income and advances on the consolidated statement of financial position.

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

### 7. NATURAL CLASSIFICATION OF EXPENSES:

Functional expenses by natural classification for the year ended September 30, 2020, (in thousands):

	Program Expenses					
	Language Development	Language Services	Support and Logistics	Admin- istration	Fund- raising	Total Expenses
Salaries, benefits, and donated labor	\$ 53,517	\$ 14,415	\$ 23,002	\$ 21,662	\$ 731	\$ 113,327
Travel	1,785	579	-	1,329	14	3,707
Facilities, equipment, and maintenance	-	-	-	-	-	-
	932	-	3,244	251	16	4,443
Grants/contributions	765	-	817	478	-	2,060
Depreciation	47	7	2,942	291	32	3,319
Publications and printing	1,018	1,400	-	24	-	2,442
Professional services	631	656	367	596	100	2,350
Training	757	163	213	208	-	1,341
Other	1,728	41	4,409	967	53	7,198
	<u>\$ 61,180</u>	<u>\$ 17,261</u>	<u>\$ 34,994</u>	<u>\$ 25,806</u>	<u>\$ 946</u>	<u>\$ 140,187</u>

Functional expenses by natural classification for the year ended September 30, 2019, (in thousands):

	Program Expenses					
	Language Development	Language Services	Support and Logistics	Admin- istration	Fund- raising	Total Expenses
Salaries, benefits, and donated labor	\$ 54,110	\$ 16,729	\$ 26,642	\$ 18,523	\$ 681	\$ 116,685
Travel	3,137	1,113	-	2,470	29	6,749
Facilities, equipment, and maintenance	1,091	473	2,377	775	4	4,720
Grants/contributions	944	551	693	704	-	2,892
Depreciation	54	7	2,976	265	34	3,336
Publications and printing	693	976	-	19	-	1,688
Professional services	663	600	314	805	62	2,444
Training	1,102	319	265	388	-	2,074
Other	1,712	1,025	5,059	819	46	8,661
	<u>\$ 63,506</u>	<u>\$ 21,793</u>	<u>\$ 38,326</u>	<u>\$ 24,768</u>	<u>\$ 856</u>	<u>\$ 149,249</u>

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

### 8. OPERATING LEASES:

Many SIL offices lease property or have been granted the use of property by the local government. For most of those offices, the leases are on a month-to-month basis and the amounts are immaterial. Others have terms of one year or longer. In addition, JAARS has entered into several leases for equipment.

Future minimum rental payments that are required under the annual or long-term leases are presented below (in thousands):

<u>Year Ending September 30,</u>	
2021	\$ 246
2022	173
2023	157
2024	155
2025	140
Thereafter	<u>854</u>
	<u><u>\$ 1,725</u></u>

Total rental expense for the years ending September 30, 2020 and 2019, was \$995,000 and \$869,000, respectively.

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

### 9. TRANSACTIONS WITH RELATED ENTITIES:

SIL had investments with related entities as follows (in thousands):

	September 30,	
	2020	2019
RIACII	\$ 35,323	\$ 34,234

SIL had amounts due from related entities as follows (in thousands):

	September 30,	
	2020	2019
Staff	\$ 165	\$ 316
The Alliance organizations	870	489
SIL LEAD	-	17
	1,035	822
Note receivable–Wycliffe Germany	200	100
	\$ 1,235	\$ 922

SIL had amounts due to related entities as follows (in thousands):

	September 30,	
	2020	2019
Staff	\$ 3,090	\$ 3,253
The Alliance organizations	163	201
The Alliance organizations cash deposits	13,683	9,667
	\$ 16,936	\$ 13,121

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

### 9. TRANSACTIONS WITH RELATED ENTITIES, continued:

SIL received support from and provided support and revenue to related entities as follows (in thousands):

	Year Ended September 30,	
	2020	2019
Received support from the Alliance organizations	\$ 118,432	\$ 121,972
Provided support and revenue to the Alliance organizations	\$ 1,450	\$ 1,040
Grant to SIL LEAD (before SIL LEAD was consolidated in fiscal year 2020)	\$ -	\$ 89

Of the total amounts received from the Alliance organizations during the year ended September 30, 2020, \$96,138,400 are non-cash contributions consisting of the value of labor of staff assigned to SIL. Of these amounts, \$2,939,000 was capitalized as part of fixed assets, \$75,844,000 is included in program expenses, \$16,758,000 is included in general and administrative expenses, and \$597,000 is included in fundraising.

Of the total amounts received from the Alliance organizations during the year ended September 30, 2019, \$99,275,000 are non-cash contributions consisting of the value of labor of staff assigned to SIL. Of these amounts, \$82,472,000 is included in program expenses, \$16,274,000 is included in general and administrative expenses, and \$529,000 is included in fundraising.

### 10. NET ASSETS:

Board designated net assets consist of the following (in thousands):

	September 30,	
	2020	2019
Repair/replacement funds	\$ 2,007	\$ 2,053
Aviation overhaul funds	4,094	4,605
Stewardship Insurance, LTD.	3,579	3,239
International conference travel fund	999	913
Insurance reserves	2,440	2,499
Operating reserve	-	250
Language development/publishing	265	202
Scholarships	63	64
	<u>\$ 13,447</u>	<u>\$ 13,825</u>

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

### 10. NET ASSETS, continued:

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

	September 30,	
	2020	2019
Restricted by purpose or time:		
Language and literacy support projects	\$ 5,850	\$ 5,979
Aviation and aircraft support projects	2,730	1,428
Beneficial interest in charitable gift annuities	566	744
Strategic support initiative projects	-	538
Logistical support projects	-	130
	<u>9,146</u>	<u>8,819</u>
Restricted in perpetuity:		
Endowment funds	<u>394</u>	<u>393</u>
	<u>\$ 9,540</u>	<u>\$ 9,212</u>

*Minority interest:* SIL operates a school overseas in which partners hold a minority interest of 34% for the years ended September 30, 2020 and 2019. SIL has an interest of 66% in the school as of September 30, 2020 and 2019. SIL's majority interest and the minority interest in the school are included in SIL's net assets and change in net assets as follows (in thousands):

	SIL Interest September 30,		Minority Interest September 30,	
	2020	2019	2020	2019
Beginning net assets	\$ 1,116	\$ 1,135	\$ 579	\$ 579
Change in net assets	<u>15</u>	<u>(12)</u>	<u>8</u>	<u>(6)</u>
Ending net assets	<u>\$ 1,131</u>	<u>\$ 1,123</u>	<u>\$ 587</u>	<u>\$ 573</u>

### 11. ENDOWMENT FUNDS:

SIL's endowment assets consist of two individual funds established for a variety of purposes restricted in perpetuity. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The disclosures required by the *Reporting Endowment Funds* topic of the FASB ASC have not been included in these consolidated financial statements due to immateriality.



# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

### 12. FAIR VALUE MEASUREMENTS:

SIL follows the provisions of the *Fair Value Measurements and Disclosure* topic of the FASB ASC. These provisions define fair value, establish a framework for measuring fair value, and enhance disclosures about fair value measurements. Fair value is defined under the standards as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market between market participants on the measurement date.

SIL uses appropriate valuation techniques to determine fair value based on inputs available. When available, SIL 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 market 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 have the lowest priority.

*Changes in methods and assumptions* : None.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall.

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

	September 30, 2020		
	Total	Level 1	Level 2
Other assets:			
Beneficial interest in split-interest agreements	\$ 566	\$ -	\$ 566
	September 30, 2019		
	Total	Level 1	Level 2
Other assets:			
Beneficial interest in split-interest agreements	\$ 744	\$ -	\$ 744

WF holds certain charitable gift annuities for JAARS. This amount represents the beneficial interest JAARS has in those charitable gift annuities. The annuity assets held at WF are reported at fair value based on observable inputs other than quoted prices for identical assets, which is Level 2 of the fair value hierarchy. The fair value for the beneficial interest in split-interest agreements is determined by calculating the present value of the future distributions expected to be received, using published life expectancy tables and an appropriate discount rate.

# **SUMMER INSTITUTE OF LINGUISTICS, INC.**

## **Notes to Consolidated Financial Statements**

September 30, 2020 and 2019

13. EMPLOYEE RETIREMENT PLAN:

SIL has a 403(b) retirement plan for qualifying US employees, meaning those employees who normally work more than 20 hours per week. Eligible employees may make deferral contributions up to limits set by law, which may be matched by employer contributions equal to 100% of the first 2.5% of compensation deferred. Employer matching contributions as of September 30, 2020 and 2019, were \$49,000 and \$34,000, respectively.

14. SEVERANCE LIABILITY:

As of September 30, 2020 and 2019, SIL had accrued approximately \$1,949,000 and \$1,823,000, respectively, which is made up entirely of severance liabilities required by local laws in many countries around the world in which SIL employs local citizens as staff. This amount is included in accounts payable and accrued expenses on the consolidated statements of financial position.

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Notes to Consolidated Financial Statements

September 30, 2020 and 2019

### 15. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects SIL's financial assets (in thousands) as of September 30, 2020 and 2019, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions. Amounts not available include amounts set aside for reserves designated by the board that could be drawn upon if the governing board approves that action.

	September 30,	
	2020	2019
Financial assets:		
Cash	\$ 20,932	\$ 14,703
Notes receivable	200	100
Amounts due from related entities	1,035	822
Accounts receivable	2,449	1,627
Investments	39,073	37,782
Beneficial interest in split interest agreements	566	744
Financial assets, at year-end	<u>64,255</u>	<u>55,778</u>
Less those unavailable for general expenditure within one year, due to:		
Contractual or donor-imposed restrictions:		
Investments to be held in perpetuity	(394)	(393)
Beneficial interest in split interest agreements	(566)	(744)
Equity in offshore captive insurance company	(3,579)	(3,239)
Investments not available	(50)	(50)
Funds held for Alliance Organizations	(14,048)	(9,667)
Board designated funds:		
Board designated for aviation overhaul reserves	(4,094)	(4,605)
Board designated for international conference 2020	(999)	(913)
Board designated for operating reserve	-	(250)
Board designated for insurance reserves	(2,440)	(2,499)
	<u>(26,170)</u>	<u>(22,360)</u>
	<u>\$ 38,085</u>	<u>\$ 33,418</u>

As part of SIL's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

# **SUMMER INSTITUTE OF LINGUISTICS, INC.**

## **Notes to Consolidated Financial Statements**

September 30, 2020 and 2019

16. **RISKS AND UNCERTAINTIES:**

In March 2020, the World Health Organization declared the outbreak of the 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. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the consolidated financial position and results of SIL for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

17. **SUBSEQUENT EVENTS:**

Subsequent events have been evaluated through April 7, 2021, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

As discussed in Note 2, SIL holds investments on behalf of Wycliffe Global Alliance member organizations (AOs) at RIACII, which is included in cash and amounts due to staff and related entities on the consolidated statement of financial position. In December 2020, the Alliance transferred the responsibility of the AO investments held at RIACII to SIL. This resulted in an approximate \$6,000,000 increase in cash and amounts due to staff and related entities.

## **SUPPLEMENTARY DATA**

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY DATA**

Audit Committee of the Board of Directors  
Summer Institute of Linguistics, Inc.  
Dallas, Texas

We have audited the consolidated financial statements of Summer Institute of Linguistics, Inc. as of and for the years ended September 30, 2020 and 2019, and our report thereon dated April 7, 2021, 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 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 consolidating 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*

Grapevine, Texas  
April 7, 2021

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Consolidating Statement of Financial Position

(in thousands of dollars)

September 30, 2020

	Summer Institute of Linguistics	JAARS	SIL LEAD	Eliminations	Total
<b>ASSETS:</b>					
Cash	\$ 20,611	\$ 140	\$ 587	\$ (406)	\$ 20,932
Accounts receivable	2,292	68	89	-	2,449
Notes receivable	200	-	-	-	200
Amounts due from related entities	1,482	-	-	(447)	1,035
Inventory	1,536	530	-	-	2,066
Investments	39,073	5,355	-	(5,355)	39,073
Other assets	2,724	712	5	-	3,441
Property and equipment—net of accumulated depreciation	30,313	5,822	-	-	36,135
Investment in SIL LEAD	672	-	-	(672)	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 98,903</u>	<u>\$ 12,627</u>	<u>\$ 681</u>	<u>\$ (6,880)</u>	<u>\$ 105,331</u>
<b>LIABILITIES AND NET ASSETS:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued expenses	\$ 3,984	\$ 448	\$ 24	\$ -	\$ 4,456
Deferred advances	2,083	-	10	-	2,093
Amounts due to staff and related entities	22,991	62	91	(6,208)	16,936
Other liabilities	432	669	-	-	1,101
	<u>29,490</u>	<u>1,179</u>	<u>125</u>	<u>(6,208)</u>	<u>24,586</u>
<b>Net assets:</b>					
<b>Net assets without donor restrictions:</b>					
Undesignated	21,314	1,185	549	(407)	22,641
Board designated	11,297	2,150	-	-	13,447
Equity in property and equipment—net	30,301	4,816	-	-	35,117
	<u>62,912</u>	<u>8,151</u>	<u>549</u>	<u>(407)</u>	<u>71,205</u>
<b>Net assets with donor restrictions:</b>					
Restricted by purpose or time	6,107	3,297	7	(265)	9,146
Restricted in perpetuity	394	-	-	-	394
	<u>69,413</u>	<u>11,448</u>	<u>556</u>	<u>(672)</u>	<u>80,745</u>
Total Liabilities and Net Assets	<u>\$ 98,903</u>	<u>\$ 12,627</u>	<u>\$ 681</u>	<u>\$ (6,880)</u>	<u>\$ 105,331</u>

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Consolidating Statement of Activities

(in thousands of dollars)

Year Ended September 30, 2020

	Summer Institute of Linguistics	JAARS	SIL LEAD	Eliminations	Total
<b>OPERATING SUPPORT AND REVENUE:</b>					
Support from related entities	\$ 110,589	\$ 7,589	\$ 93	\$ (548)	\$ 117,723
Contributions	4,449	3,843	68	(251)	8,109
Donated goods and services	2,175	803	-	(113)	2,865
Program service revenue	-	1,353	815	-	2,168
Sales and service income	12,397	-	47	(843)	11,601
Gain on sale of fixed assets	(35)	11	-	-	(24)
Other income (loss)	133	213	-	-	346
Total operating support and revenue	<u>129,708</u>	<u>13,812</u>	<u>1,023</u>	<u>(1,755)</u>	<u>142,788</u>
<b>OPERATING EXPENSES:</b>					
Program services:					
Bible translation and related programs	<u>103,071</u>	<u>10,797</u>	<u>784</u>	<u>(1,217)</u>	<u>113,435</u>
Supporting services:					
General and administrative	24,640	1,498	345	(677)	25,806
Fund-raising	300	636	10	-	946
	<u>24,940</u>	<u>2,134</u>	<u>355</u>	<u>(677)</u>	<u>26,752</u>
Total operating expenses	<u>128,011</u>	<u>12,931</u>	<u>1,139</u>	<u>(1,894)</u>	<u>140,187</u>
Change in net assets from operating activities	<u>1,697</u>	<u>881</u>	<u>(116)</u>	<u>139</u>	<u>2,601</u>
<b>NON-OPERATING ACTIVITIES:</b>					
Interest and dividends	684	89	-	(89)	684
Net realized/unrealized gain	2,030	-	-	-	2,030
Gain on transfer of SIL LEAD net assets	<u>672</u>	<u>-</u>	<u>-</u>	<u>(672)</u>	<u>-</u>
Change in net assets from non-operating activities	<u>3,386</u>	<u>89</u>	<u>-</u>	<u>(761)</u>	<u>2,714</u>
Change in Net Assets	5,083	970	(116)	(622)	5,315
Net Assets, Beginning of Year	<u>64,330</u>	<u>10,478</u>	<u>672</u>	<u>(50)</u>	<u>75,430</u>
Net Assets, End of Year	<u>\$ 69,413</u>	<u>\$ 11,448</u>	<u>\$ 556</u>	<u>\$ (672)</u>	<u>\$ 80,745</u>



# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Consolidating Statement of Financial Position

(in thousands of dollars)

September 30, 2019

	Summer Institute of Linguistics	JAARS	Eliminations	Total
<b>ASSETS:</b>				
Cash	\$ 14,375	\$ 328	\$ -	\$ 14,703
Accounts receivable	1,545	82	-	1,627
Notes receivable	100	-	-	100
Amounts due from related entities	822	17	(17)	822
Inventory	2,052	497	-	2,549
Investments	37,782	4,097	(4,097)	37,782
Other assets	2,512	1,082	-	3,594
Property and equipment—net of accumulated depreciation	27,634	5,401	-	33,035
<b>Total Assets</b>	<b>\$ 86,822</b>	<b>\$ 11,504</b>	<b>\$ (4,114)</b>	<b>\$ 94,212</b>
<b>LIABILITIES AND NET ASSETS:</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 4,189	\$ 351	\$ (17)	\$ 4,523
Deferred income and advances	719	-	-	719
Amounts due to staff and related entities	17,168	-	(4,047)	13,121
Other liabilities	416	675	-	1,091
	22,492	1,026	(4,064)	19,454
<b>Net assets:</b>				
Net assets without donor restrictions:				
Undesignated	19,228	459	-	19,687
Board designated	11,512	2,363	(50)	13,825
Equity in property and equipment—net	27,218	4,816	-	32,034
	57,958	7,638	(50)	65,546
Net assets with donor restrictions:				
Restricted by purpose or time	5,979	2,840	-	8,819
Restricted in perpetuity	393	-	-	393
	64,330	10,478	(50)	74,758
<b>Total Liabilities and Net Assets</b>	<b>\$ 86,822</b>	<b>\$ 11,504</b>	<b>\$ (4,114)</b>	<b>\$ 94,212</b>

# SUMMER INSTITUTE OF LINGUISTICS, INC.

## Consolidating Statement of Activities

(in thousands of dollars)

Year Ended September 30, 2019

	Summer Institute of Linguistics	JAARS	Eliminations	Total
<b>OPERATING SUPPORT AND REVENUE:</b>				
Support from related entities*	\$ 113,945	\$ 8,383	\$ (356)	\$ 121,972
Contributions	3,368	2,616	-	5,984
Donated goods and services	1,114	142	(113)	1,143
Program service revenue	-	1,732	-	1,732
Sales and service income	14,798	-	(523)	14,275
Loss on disposal of fixed assets	(455)	-	-	(455)
Gain on sale of fixed assets	16	367	-	383
Other income (loss)	(53)	106	-	53
Total operating support and revenue	<u>132,733</u>	<u>13,346</u>	<u>(992)</u>	<u>145,087</u>
<b>OPERATING EXPENSES:</b>				
Program services:				
Bible translation and related programs*	<u>113,267</u>	<u>11,209</u>	<u>(851)</u>	<u>123,625</u>
Supporting services:				
General and administrative*	23,622	1,357	(211)	24,768
Fund-raising*	237	619	-	856
	<u>23,859</u>	<u>1,976</u>	<u>(211)</u>	<u>25,624</u>
Total operating expenses	<u>137,126</u>	<u>13,185</u>	<u>(1,062)</u>	<u>149,249</u>
Change in net assets from operating activities	<u>(4,393)</u>	<u>161</u>	<u>70</u>	<u>(4,162)</u>
<b>NON-OPERATING ACTIVITIES:</b>				
Interest and dividends	581	70	(70)	581
Net realized/unrealized gain	352	-	-	352
Change in net assets from non-operating activities	<u>933</u>	<u>70</u>	<u>(70)</u>	<u>933</u>
Change in Net Assets	(3,460)	231	-	(3,229)
Net Assets, Beginning of Year	<u>67,790</u>	<u>10,247</u>	<u>(50)</u>	<u>77,987</u>
Net Assets, End of Year	<u>\$ 64,330</u>	<u>\$ 10,478</u>	<u>\$ (50)</u>	<u>\$ 74,758</u>

\*See Note 2 for prior period restatement to conform to current year presentation and valuation methodology.