



PIONEER BIBLE TRANSLATORS

Financial Statements  
With Independent Auditors' Report

December 31, 2019 and 2018

# PIONEER BIBLE TRANSLATORS

## Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses–2019	5
Statement of Functional Expenses–2018	6
Statements of Cash Flows	7
Notes to Financial Statements	8

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Pioneer Bible Translators  
Dallas, Texas

We have audited the accompanying financial statements of Pioneer Bible Translators, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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  
Pioneer Bible Translators  
Dallas, Texas

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pioneer Bible Translators as of December 31, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

Pioneer Bible Translators 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. This has had a material effect on the presentation of the December 31, 2019 financial statements. Our opinion is not modified with respect to this matter.

*Capin Crouse LLP*

Grapevine, Texas  
June 3, 2020

# PIONEER BIBLE TRANSLATORS

## Statements of Financial Position

	December 31,	
	2019	2018
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 6,269,694	\$ 4,823,519
Cash held for others	191,851	172,737
Grants receivable	1,157,572	-
Investments	2,837,254	2,756,074
Other assets	219,791	256,592
	<u>10,676,162</u>	<u>8,008,922</u>
Non-current assets:		
Grants receivable	483,238	-
Property and equipment—net	5,304,106	5,562,434
	<u>5,787,344</u>	<u>5,562,434</u>
Total Assets	<u>\$ 16,463,506</u>	<u>\$ 13,571,356</u>
<b>LIABILITIES AND NET ASSETS:</b>		
Current liabilities:		
Accounts payable and other liabilities	\$ 180,474	\$ 240,233
Funds held for others	191,851	172,737
	<u>372,325</u>	<u>412,970</u>
Net assets:		
Net assets without donor restrictions	6,925,937	6,426,010
Net assets with donor restrictions	9,165,244	6,732,376
	<u>16,091,181</u>	<u>13,158,386</u>
Total Liabilities and Net Assets	<u>\$ 16,463,506</u>	<u>\$ 13,571,356</u>

See notes to the financial statements

# PIONEER BIBLE TRANSLATORS

## Statements of Activities

	Year Ended December 31,					
	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Support:						
Contributions	\$ 700,042	\$ 16,290,871	\$ 16,990,913	\$ 915,206	\$ 13,246,476	\$ 14,161,682
Revenue:						
Rental income	86,332	-	86,332	87,663	-	87,663
Interest and dividends	103,617	-	103,617	38,480	-	38,480
Other revenue	180,973	-	180,973	129,309	-	129,309
	370,922	-	370,922	255,452	-	255,452
Total Support and Revenue	1,070,964	16,290,871	17,361,835	1,170,658	13,246,476	14,417,134
<b>RECLASSIFICATIONS:</b>						
Satisfaction of purpose						
restrictions	12,335,986	(12,335,986)	-	10,972,848	(10,972,848)	-
Assessment against restricted gifts	1,522,017	(1,522,017)	-	1,354,935	(1,354,935)	-
	13,858,003	(13,858,003)	-	12,327,783	(12,327,783)	-
<b>EXPENSES:</b>						
Program services:						
Bible translation and literacy	10,042,832	-	10,042,832	9,316,586	-	9,316,586
Recruitment and training	780,262	-	780,262	780,262	-	780,262
Missionary care	417,589	-	417,589	417,589	-	417,589
	11,240,683	-	11,240,683	10,514,437	-	10,514,437
Supporting activities:						
Management and general	1,924,236	-	1,924,236	1,805,238	-	1,805,238
Fundraising	1,264,121	-	1,264,121	1,178,593	-	1,178,593
	3,188,357	-	3,188,357	2,983,831	-	2,983,831
Total Expenses	14,429,040	-	14,429,040	13,498,268	-	13,498,268
Change in Net Assets	499,927	2,432,868	2,932,795	173	918,693	918,866
Net Assets, Beginning of Year	6,426,010	6,732,376	13,158,386	6,425,837	5,813,683	12,239,520
Net Assets, End of Year	\$ 6,925,937	\$ 9,165,244	\$ 16,091,181	\$ 6,426,010	\$ 6,732,376	\$ 13,158,386

See notes to the financial statements

# PIONEER BIBLE TRANSLATORS

## Statement of Functional Expenses

Year Ended December 31, 2019

	Program Services	Supporting Activities		Total
		Management and General	Fundraising	
Salaries and payroll taxes	\$ 6,762,440	\$ 1,289,579	\$ 823,137	\$ 8,875,156
Employee benefits	647,670	73,446	43,142	764,258
Travel	1,500,123	66,184	165,046	1,731,353
Occupancy and utilities	252,559	98,952	5	351,516
Communications	152,154	137,161	19,688	309,003
Office expenses	302,188	83,374	34,326	419,888
Professional development and training expenses	145,575	19,684	8,409	173,668
Professional fees	206,606	107,078	40,156	353,840
Depreciation	372,252	20,681	20,681	413,614
Grant expense	738,935	-	-	738,935
Other expenses	160,181	28,097	109,531	297,809
<b>Total expenses</b>	<b>\$ 11,240,683</b>	<b>\$ 1,924,236</b>	<b>\$ 1,264,121</b>	<b>\$ 14,429,040</b>
Percentage of total expenses	77.9%	13.3%	8.8%	100%

See notes to the financial statements

# PIONEER BIBLE TRANSLATORS

## Statement of Functional Expenses

Year Ended December 31, 2018

	Program Services	Supporting Activities		Total
		Management and General	Fundraising	
Salaries and payroll taxes	\$ 6,317,301	\$ 1,251,863	\$ 749,310	\$ 8,318,474
Employee benefits	666,286	63,491	40,574	770,351
Travel	1,389,991	42,954	184,871	1,617,816
Occupancy and utilities	296,731	81,622	-	378,353
Communications	139,473	136,347	16,191	292,011
Office expenses	237,360	56,738	15,533	309,631
Professional development and training expenses	150,032	5,760	7,116	162,908
Professional fees	177,333	121,995	29,318	328,646
Postage and shipping	40,644	5,843	22,406	68,893
Depreciation	304,837	20,561	20,561	345,959
Grant expense	561,807	-	-	561,807
Other expenses	232,642	18,064	92,713	343,419
<b>Total expenses</b>	<b>\$ 10,514,437</b>	<b>\$ 1,805,238</b>	<b>\$ 1,178,593</b>	<b>\$ 13,498,268</b>
Percentage of total expenses	77.9%	13.4%	8.7%	100%

See notes to the financial statements



# PIONEER BIBLE TRANSLATORS

## Statements of Cash Flows

	Year Ended December 31,	
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 2,932,795	\$ 918,866
Adjustments to reconcile change in net assets		
net cash provided (used) by operating activities:		
Depreciation	413,613	345,959
Unrealized gains on investments	(15,371)	-
(Gains) losses on sale of property and equipment	(17,294)	54,533
Contributions restricted for long-term purposes	-	(6,104)
Change in operating assets and liabilities:		
Grants receivable	(1,640,810)	-
Other assets	36,801	2,633
Accounts payable	(59,759)	(48,488)
Construction costs payable	-	(92,401)
Net Cash Provided by Operating Activities	1,649,975	1,174,998
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of certificates of deposit	-	(2,294,668)
Proceeds from sale of certificates of deposit	-	796,835
Purchases of investments	(888,096)	-
Proceeds from sale of investments	822,287	-
Proceeds from sales of property and equipment	9,540	4,100
Purchases of property and equipment	(147,531)	(228,955)
Net Cash Used by Investing Activities	(203,800)	(1,722,688)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Contributions restricted for long-term purposes	-	6,104
Net Change in Cash and Cash Equivalents	1,446,175	(541,586)
Cash and Cash Equivalents, Beginning of Year	4,823,519	5,365,105
Cash and Cash Equivalents, End of Year	\$ 6,269,694	\$ 4,823,519

See notes to the financial statements

# PIONEER BIBLE TRANSLATORS

## Notes to Financial Statements

December 31, 2019 and 2018

### 1. NATURE OF ORGANIZATION:

Pioneer Bible Translators (PBT) is a Texas nonprofit organization classified as a 501(c)(3) religious organization by the United States Internal Revenue Service. As such, it is exempt from U.S. federal and state income tax, and contributions by the public are deductible for income tax purposes.

PBT represents an international outreach organization dedicated to completing the task of world evangelization through Bible translation for every language.

PBT's objective is to recruit, train, and equip men and women to advance the Kingdom of God in specific areas of the world. This is carried out through evangelizing, discipling, church planting (where needed), and existing missions support. PBT assists in the educational, scientific, and religious development of the minority and tribal peoples of the world by developing a written form of their languages. To accomplish this, PBT engages in translating and printing the Scriptures in the various languages and by aiding in literacy and educational, scientific, and religious training.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of PBT have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### ESTIMATES

The preparation of 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 and disclosures at the date of the financial statements and during the reporting period. Actual results could differ from those estimates. Significant estimates in these financial statements include the allocation of expenses on a functional basis, the value of donated goods and services, and estimated useful lives of long-lived assets.

#### PRINCIPLES OF REPORTING WORLD WIDE MINISTRY

The financial statements report the worldwide ministries of PBT, including material assets, liabilities, net assets, revenues, and expenses of its fields of service around the world.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, checking, savings, and money market accounts. These accounts may, at times, exceed the federally insured limits. At December 31, 2019 and 2018, PBT's cash balances exceeded federally insured limits by approximately \$4,000,000 and \$3,300,000, respectively. PBT has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

# PIONEER BIBLE TRANSLATORS

## Notes to Financial Statements

December 31, 2019 and 2018

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

#### GRANTS RECEIVABLE

Grants receivable are amounts due from grant agreements to fund program activities. Management believe 100% of these receivables will be collected and has not established an allowance for doubtful accounts. The majority of these grants will be received in the next fiscal year, thus any discount would be immaterial to the financial statements.

#### INVESTMENTS

Investments consist of certificates of deposit, treasury bills and equities. Certificates of deposit and treasury bills have original maturity dates exceeding 90 days and are recorded at cost plus accrued interest. Equities are measured at fair value and makes up approximately \$66,000 and \$0, respectively, of the ending investment balance as of December 31, 2019 and 2018. Interest earned from investments are recorded in the statements of activities in the year it is earned as interest and dividends.

#### PROPERTY, EQUIPMENT, AND DEPRECIATION

Assets capitalized as property and equipment are recorded at cost or, if donated, at market value on the date of donation. PBT capitalizes assets with a cost basis of \$5,000 or greater. Depreciation is recorded on the straight-line basis over the following estimated useful lives:

Buildings	18 to 25 years
Furniture, fixtures, and equipment	5 to 10 years
Vehicles	3 to 5 years

#### NET ASSETS

The financial statements report amounts by class of net assets:

*Net assets without donor restrictions* are currently available for operations under the direction of the board or resources invested in property and equipment.

*Net assets with donor restrictions* are contributed with donor stipulations for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

# PIONEER BIBLE TRANSLATORS

## Notes to Financial Statements

December 31, 2019 and 2018

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

#### SUPPORT, REVENUE, RECLASSIFICATIONS, AND EXPENSES

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 PBT.

PBT reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as satisfaction of purpose restrictions.

Contributions are charged an administrative assessment in order to offset the general fund's administrative costs. Each year, amounts are transferred from missionary and project funds to the general fund, ranging from 3% to 10%, and reported as reclassifications in the statements of activities.

Motivation for giving results as God moves on the hearts of individuals. It views faith promises as an expression of a desire to give based on God's future provision. Faith promises received are not recognized as contributions in the financial statements as all conditions rest with the donor, and the donor reserves the right to modify the promise.

Gifts of property and equipment are classified as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

Donated services are recognized for those services that improve or enhance property and equipment (as contributions and increases to the basis of property and equipment) or for those that require specialized skills (as contributions and expenses). Amounts are valued at equivalent local labor rates in the area of the country where the services were provided.

Expenses are recorded when costs are incurred.

#### CURRENCY CONVERSION

Each field receives cash in U.S. Dollars that is converted into local currency. The exchange rate provided by the local bank is used for all expenses incurred with those funds. As a result, PBT has currency gains and losses reported in the statements of activities. Fixed assets purchased with local currency are revalued annually in accordance with PBT's depreciation policies. Total currency conversion gains (losses) of \$15,274 and (\$11,950), were included in expenses for the years ended December 31, 2019 and 2018, respectively. Due to immateriality, these are reported as part of expenses for both years.

# PIONEER BIBLE TRANSLATORS

## Notes to Financial Statements

December 31, 2019 and 2018

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

#### ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, salaries and wages have been allocated on the basis of time and effort; depreciation and facility expenses have been allocated on the basis of square footage used. All other expenses were allocated based upon the functional nature of the underlying expenses.

#### JOINT ACTIVITIES

Joint activities were conducted that included requests for contributions as well as program services and/or management and general functions. Those activities included promotional mailings, missionary furloughs, and other informational activities. Of the total joint costs, costs attributable to missionaries on furlough, in training, and new recruits were \$720,527 and \$967,231 for the years ended December 31, 2019 and 2018, respectively. Total joint costs consist of the following:

	Year Ended December 31,	
	2019	2018
Program services	\$ 521,524	\$ 610,230
Management and general	51,493	168,838
Fund-raising	147,510	188,163
	<u>\$ 720,527</u>	<u>\$ 967,231</u>

#### ADVERTISING EXPENSES

Advertising expenses are expensed as incurred. Advertising expenses were approximately \$57,600 and \$64,700 for the years ended December 31, 2019 and 2018, respectively.

# PIONEER BIBLE TRANSLATORS

## Notes to Financial Statements

December 31, 2019 and 2018

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

#### FOREIGN OPERATIONS

In connection with its international ministry, PBT maintains offices, Bible translation sites, and other supporting facilities in various countries outside the United States. As of December 31, 2019 and 2018, respectively, current assets in other countries, including cash, receivables, and prepaid expenses, totaled \$703,612 and \$1,123,793; property and equipment, net of accumulated depreciation, amounted to \$1,099,958 and \$1,134,904; and liabilities in other countries were \$351,690 and \$230,718. Total overseas support and revenue received from foreign sources amounted to \$127,383 and \$125,663 for the years ended December 31, 2019 and 2018, respectively. Foreign field operations include East Asia and the Pacific, Sub Saharan Africa, Russia, and neighboring states, South Asia, and Europe.

Management has reviewed the assets in other countries and, in its opinion, has determined they are under the control of PBT. For this reason such items are recognized as assets of PBT. However, it should be noted that the political situation in many countries is subject to rapid change. Therefore, the reader should be aware that while management believes the assets are properly stated at the date of this report, subsequent changes could occur that would adversely affect the value of the assets in other countries. In addition, it should be understood that the assets in other countries may not be representative of the amount that would be realized should the assets be sold. Many of the assets were designed to carry out the specific programs of PBT, and might have limited resale potential.

#### RECENTLY ISSUED ACCOUNTING STANDARDS

In 2018, FASB issued ASU No. 2018-08, *Not-for-Profit Entities* (Topic 958)—Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. PBT adopted the provisions of this new standard as a resource recipient in the current year. Adoption of this standard resulted in an increase in grants receivable, restricted net assets and donor restricted revenue.

In 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, as amended (Topic 606). PBT adopted the provisions of this new standard in the current year. The ASU did not have a material effect on the financial statements.

# PIONEER BIBLE TRANSLATORS

## Notes to Financial Statements

December 31, 2019 and 2018

### 3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects PBT's financial assets as of the statement of financial position sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	Year Ended December 31,	
	2019	2018
Financial assets:		
Cash and cash equivalents	\$ 6,269,694	\$ 4,823,519
Cash held for others	191,851	172,737
Investments	2,837,254	2,756,074
Grants receivable	1,640,810	-
Financial assets, at year-end	10,939,609	7,752,330
Less those not available for general expenditure within one year:		
Restrictions by donor with time or purpose restrictions	(2,454,333)	(1,396,639)
Grants receivable, not expected to be collected within one year	(483,238)	-
Funds held for others	(191,851)	(172,737)
	(3,129,422)	(1,569,376)
Financial assets available to meet cash needs for general expenditures within one year	\$ 7,810,187	\$ 6,182,954

As part of PBT's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As of December 31, 2019 and 2018, PBT has \$7,524,434 and \$6,732,217, respectively, in funds with donor restrictions for missionary, project and branch support. A total of \$5,070,101 and \$5,335,578, respectively, of these funds are considered available to meet needs for general expenditures within one year.

### 4. GRANTS RECEIVABLE:

Grants receivable consist of:

	December 31,	
	2019	2018
Due in less than one year	\$ 1,157,572	\$ -
Due in one to five years	483,238	-
	\$ 1,640,810	\$ -

# PIONEER BIBLE TRANSLATORS

## Notes to Financial Statements

December 31, 2019 and 2018

5. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consist of:

	December 31, 2019		
	USA	Foreign	Total
Land	\$ 237,371	\$ -	\$ 237,371
Buildings and improvements	4,689,378	2,082,790	6,772,168
Furniture, fixtures, and equipment	132,691	149,672	282,363
Vehicles	-	939,765	939,765
	5,059,440	3,172,227	8,231,667
Less accumulated depreciation	(1,087,150)	(1,899,805)	(2,986,955)
	3,972,290	1,272,422	5,244,712
Construction in progress	25,833	33,561	59,394
	\$ 3,998,123	\$ 1,305,983	\$ 5,304,106
	December 31, 2018		
	USA	Foreign	Total
Land	\$ 237,371	\$ -	\$ 237,371
Buildings and improvements	4,880,137	2,082,790	6,962,927
Furniture, fixtures, and equipment	154,223	157,410	311,633
Vehicles	-	905,462	905,462
	5,271,731	3,145,662	8,417,393
Less accumulated depreciation	(1,042,297)	(1,837,627)	(2,879,924)
	4,229,434	1,308,034	5,537,469
Construction in progress	24,965	-	24,965
	\$ 4,254,399	\$ 1,308,034	\$ 5,562,434



# PIONEER BIBLE TRANSLATORS

## Notes to Financial Statements

December 31, 2019 and 2018

6. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	December 31,	
	2019	2018
Missionary support balances	\$ 4,013,459	\$ 3,872,949
Projects	2,998,017	2,437,880
Branch funds	512,958	421,388
Building funds	-	159
Grants receivable (restricted for projects)	1,640,810	-
	<u>\$ 9,165,244</u>	<u>\$ 6,732,376</u>

7. 403(B) RETIREMENT PLAN:

PBT offers a 403(b) retirement plan for missionaries. This plan is funded solely through salary reductions. Deferrals are not matched by PBT.

8. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through June 3, 2020, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

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

The duration of disruption and related impact cannot be reasonably estimated at this time. PBT is monitoring global developments and critical program expenditures. Expenditures are being reduced as necessary. Management believes that they have responded to the pandemic in a manner which will allow them to continue all of their programs when the pandemic is over and believes the mission of PBT will not change.