

# **Deaf Bible Society, Inc.**

**Financial Statements  
December 31, 2022**



**Deaf Bible Society, Inc.**  
**Contents**

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Independent Auditors' Report	1
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



## **Independent Auditors' Report**

To the Board of Directors of  
Deaf Bible Society, Inc.

### **Opinion**

We have audited the accompanying financial statements of Deaf Bible Society, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the period from April 1, 2022 to December 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Deaf Bible Society, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the period from April 1, 2022 to December 31, 2022 in accordance with accounting principles generally accepted in the United States of America (GAAP).

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for 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.

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Deaf Bible Society, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Deaf Bible Society, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.



A Limited Liability Partnership

Arlington, Texas  
January 31, 2024

**Deaf Bible Society, Inc.**  
**Statement of Financial Position**  
**December 31, 2022**

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**Assets**

**Current assets:**

Cash and cash equivalents	\$ 3,179,988
Investments	1,336,356

**Total current assets** 4,516,344

Investments	2,336,527
Deposits	8,780
Property and equipment, net	989,558

**Total assets** \$ 7,851,209

**Liabilities and Net Assets**

**Current liabilities:**

Accounts payable	\$ 109,147
Accrued expenses and other liabilities	22,883

**Total liabilities** 132,030

**Net assets:**

Without donor restrictions	1,363,393
With donor restrictions	6,355,786

**Total net assets** 7,719,179

**Total liabilities and net assets** \$ 7,851,209

See notes to financial statements.

**Deaf Bible Society, Inc.**  
**Statement of Activities**  
**Period from April 1, 2022 to December 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support:</b>			
Contributions	\$ 2,853,183	\$ 1,304,751	\$ 4,157,934
Interest income	31,721	-	31,721
Government grant	167,114	-	167,114
<b>Total revenue and support</b>	<b>3,052,018</b>	<b>1,304,751</b>	<b>4,356,769</b>
<b>Expenses:</b>			
Program services	2,086,067	-	2,086,067
Management and general	550,589	-	550,589
Fundraising	172,644	-	172,644
<b>Total expenses</b>	<b>2,809,300</b>	<b>-</b>	<b>2,809,300</b>
<b>Change in net assets</b>	<b>242,718</b>	<b>1,304,751</b>	<b>1,547,469</b>
<b>Net assets at beginning of year</b>	<b>1,120,675</b>	<b>5,051,035</b>	<b>6,171,710</b>
<b>Net assets at end of year</b>	<b>\$ 1,363,393</b>	<b>\$ 6,355,786</b>	<b>\$ 7,719,179</b>

See notes to financial statements.

**Deaf Bible Society, Inc.**  
**Statement of Functional Expenses**  
**Period from April 1, 2022 to December 31, 2022**

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	Program Services	Management and General	Fundraising	Total
Advertising and promotions	\$ 15,260	\$ 595	\$ 78,888	\$ 94,743
Translations and ministry services	1,187,295	4,174	-	1,191,469
Depreciation and amortization	19,294	19,293	-	38,587
Insurance, accounting fees and professional services	174,471	129,219	4,410	308,100
Miscellaneous	1,749	3,776	3,065	8,590
Payroll taxes and fringe benefits	35,013	8,750	3,794	47,557
Salaries and wages	461,616	235,131	49,265	746,012
Equipment expense	1,234	5,314	-	6,548
Supplies and office expense	53,349	28,026	-	81,375
Telephone and internet	-	2,717	-	2,717
Occupancy	60,727	30,364	30,364	121,455
Travel, meetings and entertainment	76,059	83,230	2,858	162,147
<b>Total expenses</b>	<b>\$ 2,086,067</b>	<b>\$ 550,589</b>	<b>\$ 172,644</b>	<b>\$ 2,809,300</b>

See notes to financial statements.

**Deaf Bible Society, Inc.**  
**Statement of Cash Flows**  
**Period from April 1, 2022 to December 31, 2022**

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<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 1,547,469
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	38,587
Net investment income	(5,526)
Changes in operating assets and liabilities:	
Accounts payable	65,067
Accrued expenses and other liabilities	<u>(17,443)</u>
<b>Net cash provided by operating activities</b>	<b>1,628,154</b>
<b>Cash flows from investing activities:</b>	
Purchases of property and equipment	(214,894)
Purchases of investments	(4,589,357)
Proceeds from sale of investments	<u>922,000</u>
<b>Net cash used by investing activities</b>	<b><u>(3,882,251)</u></b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,254,097)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b><u>5,434,085</u></b>
<b>Cash and cash equivalents at end of year</b>	<b><u><u>\$ 3,179,988</u></u></b>

See notes to financial statements.



# Deaf Bible Society, Inc.

## Notes to Financial Statements

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### 1. Organization

Deaf Bible Society, Inc. (Organization) is a for-purpose Christian ministry dedicated to making the Bible freely available and easily accessible in every sign language. The ministry works in cooperation with Bible societies, churches and mission groups worldwide. The Organization is exempt from income taxes under the Internal Revenue Code (IRC) Section 501(c)(3) and is governed by a board of directors. The Organization is primarily supported by contributions from individuals and other organizations.

The Organization's primary exempt purpose is to offer free access to the Bible in every sign language. The Organization believes that the Great Commission is true for all people, including the Deaf. We believe the Deaf have a right to access the Bible in their sign language resulting in a personal relationship with God and community within the Church.

The Organization's mission is to provide God's Word in every sign language. Our vision is to create locally sustainable Great Commission initiatives amongst the Deaf to reveal the hope of the Gospel, so that every Deaf person has the opportunity to receive, experience and share it.

We provide many Deaf people an opportunity to see the Gospel in their sign languages, so they can come to know and understand the ultimate Advocate-Jesus Christ. We balance these efforts by keeping the following organizational core values in mind to advance sign language Bible translation and engagement.

- God First
- Servant Hearted
- Deaf Centric
- Legacy
- Innovation
- Stewardship

Of the more than 350 known sign languages, only one has a full Bible. We know that Christian communities thrive when they have access to and encouragement with God's Word. This is why the Organization exists. From developing the Deaf Bible App in 2012 to launching as an independent 501(c)(3) nonprofit organization in 2015, the Organization diligently works with partners far and wide in the following areas to reach the world's Deaf with the Gospel:

- Bridging - To accelerate the translation and access of Scripture into sign languages.
- Deaf Community Relations - Equipping Deaf people and ministry leaders to develop Scripture-engaged lives and communities.

## **Deaf Bible Society, Inc.**

### **Notes to Financial Statements**

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- Deaf Bible Ecosystem - Creating new tools and technology to ensure Deaf people have access to and engage with God's Truth and His Church.
- Advocacy - Equipping communities to understand the needs of Deaf people so they can become advocates that contribute time, talents and prayer.

#### ***Translation Acceleration***

The Organization bridges the divide between partners with various backgrounds, language and translation expertise and the unique needs of sign language translation. More than 20 translation projects for differing sign language communities are in motions to provide greater access to the Scriptures for an estimated 16 million people. For the period from April 1, 2022 to December 31, 2022, we were able to accelerate 66 sign language Bible translation initiatives. Our goal over the next 5 years is to see 200+ sign language translation initiatives for Deaf communities worldwide in motion.

#### ***Tools and Technology***

There are many challenges in trying to reach the intended audience. One that has been overlooked, ignored or hidden away. Advancements were made within our Deaf Bible Ecosystem on the Deaf Bible app and online platforms, Deaf Bible Media Network, Deaf Church Where, and our Partner Portal. These are just a few of the emerging tools and technology being worked on to reach the Deaf with the Gospel. For the period from April 1, 2022 to December 31, 2022, tens of thousands of people were engaged with the Deaf Bible via our mobile application and online resources. We were able to offer a directory of over 1,000 Deaf churches/ministries within the United States.

#### ***Scripture Engagement***

For continued Scripture engagement efforts to be sustainable among Deaf communities, translation, and resources to serve them are needed. For the period from April 1, 2022 to December 31, 2022, more than 2 million sign language Scripture videos were engaged with. We also distributed Bible content in 45+ sign languages across 20+ countries. This alone provides the capacity for bible access in the heart language of more than 16 million Deaf. Monthly online streams of Scripture have increased 3X, leading to 116,000 streams per month. As these Deaf lives are transformed, a solid foundation is being built for them to lead the way in establishing daily scripture absorption in their lives and in their communities.

Being that the Deaf people groups are among the most unengaged with Gospel and that only 2% of the world's 70 Million Deaf people have ever experienced the Gospel message in a format they understand, the above-mentioned efforts are changing these startling statistics. A unified movement has begun and continues to function to ensure the Deaf are part of the Great Commission command.

# Deaf Bible Society, Inc.

## Notes to Financial Statements

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The Organization serves as an ally for Deaf communities around the world with one goal in mind: providing opportunities for Deaf people groups to have access to God's Word in their sign languages.

Effective April 1, 2022, the Organization changed its fiscal year end from March 31<sup>st</sup> to December 31<sup>st</sup>.

## 2. Summary of Significant Accounting Policies

### ***Basis of Accounting***

The Organization prepares the financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

### ***Financial Statement Presentation***

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

*Net assets without donor restrictions* - Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

*Net assets with donor restrictions* - Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board of directors approved spending policy. As of December 31, 2022, no such net asset restrictions existed.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization chooses to show restricted contributions whose restrictions are met in the same reporting period as contributions without donor restrictions.

## **Deaf Bible Society, Inc.**

### **Notes to Financial Statements**

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#### ***Financial Instruments and Credit Risk Concentrations***

Financial instruments which are potentially subject to concentrations of credit risk consist principally of cash and investments. Cash and investments are placed with high credit quality financial institutions to minimize risk.

The Organization maintains its cash balances with high credit quality financial institutions located in Texas, which at times may exceed federally insured limits. Balances at financial institutions exceeded federally insured amounts by \$2,679,930 at December 31, 2022. The Organization has not incurred any losses in these accounts, and does not believe that they are exposed to any significant credit risk on cash.

#### ***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash and highly liquid investments with a maturity of three months or less when purchased.

#### ***Investments***

The investments of the Organization consist of treasury notes and are classified as held-to-maturity securities. Therefore, these investments are stated at cost in the statement of financial position. Investment income is recognized when the treasury notes reach maturity. Investment income is included with interest income in the statement of activities.

#### ***Property and Equipment***

Property and equipment that is purchased is recorded at cost and depreciated over the estimated useful lives using the straight-line method over a life of 3 to 20 years.

Donations of property and equipment are recorded as support at their fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as donor restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Property and equipment exceeding \$1,000 are capitalized and are stated at cost less accumulated depreciation. Maintenance and repairs that do not significantly improve or extend the lives of the furniture and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reported in the statement of activities.

## **Deaf Bible Society, Inc.**

### **Notes to Financial Statements**

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#### ***Internally Developed Software***

The Organization develops internal software for use in their programs. The Organization capitalizes direct costs associated with the development of the software. Costs incurred subsequent to the software being placed into service are charged to program expense. Capitalized costs are amortized over the estimated useful life on a straight-line basis. Unamortized costs are carried at the lower of book value or net realizable value.

#### ***Revenue Recognition***

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Conditional promises to give, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to meeting measurable performance or other barriers are reported as refundable advances.

Donated services are reflected as contributions at their estimated fair values at date of receipt. The Organization recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. As of December 31, 2022, the Organization did not receive any donated services.

#### ***Functional Expenses***

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, and a portion of depreciation and amortization expense, which are allocated on approximate space usage basis of the building as well as fixed assets and equipment that each department uses. Salaries and wages, benefits and payroll taxes, professional services, office expenses, equipment expense, insurance and other expenses are allocated on the basis of time, effort and intent.

# Deaf Bible Society, Inc.

## Notes to Financial Statements

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### ***Estimates and Assumptions***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimated.

### ***Income Taxes***

The Organization is exempt from federal income taxes under Section 501(a) of the IRC as an organization described in IRC Section 501(c)(3), except to the extent it has unrelated business income. In addition, the Organization has been determined by the Internal Revenue Service (IRS) not to be a private foundation within the meaning of Section 509(a) of the IRC. For the period from April 1, 2022 to December 31, 2022, the Organization had no unrelated business income. Accordingly, no provision for income taxes has been provided in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax return and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

### **3. Investments**

Under the Fair Value Measurements and Disclosures topic of the Codification, ASC 820, disclosures are required about how fair value is determined for assets and liabilities and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs as follows:

- Level 1      Inputs to the valuation methodology are quoted prices available in active markets;
- Level 2      Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable;
- Level 3      Inputs to the valuation methodology are unobservable inputs in which little or no market data exists, therefore requiring an entity to make its own assumptions.

**Deaf Bible Society, Inc.**  
**Notes to Financial Statements**

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The fair value of the investments are classified within the fair value hierarchy based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies for assets and liabilities measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

***United States Treasury Notes***

United States treasury notes are valued based on amortized cost and are therefore included in Level 1 of fair value hierarchy. The following table sets forth the Organization’s investments’ costs and average yields by maturity at December 31, 2022:

	Cost	Average Yield
Due in one year or less	\$ 1,336,356	1.66%
Due after one year through five years	2,336,527	2.73%
	\$ 3,672,883	

Interest income for the investments during the period from April 1, 2022 to December 31, 2022 totaled \$5,526.

**4. Property and Equipment**

Property and equipment consist of the following at December 31:

Equipment	\$ 298,862
Website	155,106
Video recordings	300,300
Intellectual property	122,709
Deaf bible - in progress	381,527
Aveditz - in progress	179,346
SLTT - in progress	29,850
Partner portal - in progress	101,047
SURV - in progress	10,047
Deaf Church Where - in progress	25,713
	1,604,507
Less accumulated depreciation and amortization	(614,949)
	\$ 989,558

Depreciation and amortization expense for the period from April 1, 2022 to December 31, 2022 totaled \$38,587.

**Deaf Bible Society, Inc.**  
**Notes to Financial Statements**

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## 5. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of December 31:

Advocacy	\$ 15,517
Deaf Bible Ecosystem	2,509,332
Bridging	3,308,490
Deaf Community Relations	<u>552,447</u>
	<u>\$ 6,385,786</u>

## 6. Employee Retention Credit

The Taxpayer Certainty and Disaster Tax Relief Act of 2020, enacted December 27, 2020, amended and extended the Employee Retention Credit (ERC) of the CARES Act. The ERC is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an eligible employer pays to employees after March 12, 2020, and before June 30, 2021. Employers are eligible for the credit if they met certain criteria that include either a full or partial suspension of operations during any calendar quarter of 2020 and the first and second quarters of 2021 due to government orders or a significant decline on gross receipts. The Organization has determined it is eligible for the ERC in the amount of \$167,114. The amount was recorded as government grant income on the statement of activities for the period from April 1, 2022 to December 31, 2022.

## 7. Liquidity and Availability of Resources

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows at December 31:

Cash and cash equivalents	\$ 3,179,988
Investments	<u>3,672,883</u>
Total financial assets	6,852,871
Less amounts not available for general expenditures within one year:	
Investments restricted by time	<u>(2,336,527)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,516,344</u>



**Deaf Bible Society, Inc.**  
**Notes to Financial Statements**

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The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures within one year.

The Organization is supported by donor restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Additionally, the Organization typically maintains approximately \$400,000 to \$600,000 in unrestricted cash available for its general operations throughout the period. Restricted cash will fluctuate based upon program activities related to that cash.

### **8. Subsequent Events**

Management has evaluated subsequent events through January 31, 2024, the date the financial statements were available to be issued, and concluded that no additional disclosures are required.