



Battt Morrison  
Wales & Lee

CPAs for Nonprofits

# unfoldingWord

Financial Statements

For The Years Ended December 31, 2025 and 2024



Batts Morrison  
Wales & Lee  
CPAs for Nonprofits

## REPORT OF INDEPENDENT AUDITOR

The Board of Directors  
unfoldingWord  
Orlando, Florida

### **Opinion**

We have audited the accompanying financial statements of unfoldingWord (“the Organization”), which consist of the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, cash flows, and functional expenses for the years then ended, 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 unfoldingWord as of December 31, 2025 and 2024, the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 the Organization’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor’s Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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- Identify and assess the risk 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 the Organization'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

*Batts Morrison Wales & Lee, P.A.*

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida  
April 8, 2026



**UNFOLDINGWORD**  
STATEMENTS OF ACTIVITIES

For The Years Ended December 31,

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS</b>						
Project support	\$ —	\$ 8,192,307	\$ 8,192,307	\$ —	\$ 9,264,439	\$ 9,264,439
Contributions	1,579,077	—	1,579,077	1,377,093	—	1,377,093
Other revenue	52,478	—	52,478	21,512	—	21,512
Net assets released from restrictions	<u>8,669,584</u>	<u>(8,669,584)</u>	<u>—</u>	<u>8,774,138</u>	<u>(8,774,138)</u>	<u>—</u>
<b>Total public support and revenue and net assets released from restrictions</b>	<b><u>10,301,139</u></b>	<b><u>(477,277)</u></b>	<b><u>9,823,862</u></b>	<b><u>10,172,743</u></b>	<b><u>490,301</u></b>	<b><u>10,663,044</u></b>
<b>EXPENSES</b>						
Program activities	<u>7,428,124</u>	<u>—</u>	<u>7,428,124</u>	<u>7,180,952</u>	<u>—</u>	<u>7,180,952</u>
Supporting activities						
General and administrative	1,409,716	—	1,409,716	1,563,808	—	1,563,808
Fundraising	<u>925,740</u>	<u>—</u>	<u>925,740</u>	<u>1,073,871</u>	<u>—</u>	<u>1,073,871</u>
Total supporting activities	<u>2,335,456</u>	<u>—</u>	<u>2,335,456</u>	<u>2,637,679</u>	<u>—</u>	<u>2,637,679</u>
<b>Total expenses</b>	<b><u>9,763,580</u></b>	<b><u>—</u></b>	<b><u>9,763,580</u></b>	<b><u>9,818,631</u></b>	<b><u>—</u></b>	<b><u>9,818,631</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>537,559</b>	<b>(477,277)</b>	<b>60,282</b>	<b>354,112</b>	<b>490,301</b>	<b>844,413</b>
<b>NET ASSETS - Beginning of year</b>	<b><u>(348,371)</u></b>	<b><u>2,632,920</u></b>	<b><u>2,284,549</u></b>	<b><u>(702,483)</u></b>	<b><u>2,142,619</u></b>	<b><u>1,440,136</u></b>
<b>NET ASSETS - End of year</b>	<b><u>\$ 189,188</u></b>	<b><u>\$ 2,155,643</u></b>	<b><u>\$ 2,344,831</u></b>	<b><u>\$ (348,371)</u></b>	<b><u>\$ 2,632,920</u></b>	<b><u>\$ 2,284,549</u></b>

The Accompanying Notes are an Integral  
Part of These Financial Statements

**UNFOLDINGWORD**  
STATEMENTS OF CASH FLOWS

	For The Years Ended	
	December 31,	
	2025	2024
<b>OPERATING CASH FLOWS</b>		
Cash received from grantors and contributors	\$ 9,771,384	\$ 10,641,532
Other revenue received	52,478	21,512
Cash paid for operating activities and costs	<u>(9,709,278)</u>	<u>(9,804,582)</u>
<b>Net operating cash flows</b>	<u><b>114,584</b></u>	<u><b>858,462</b></u>
<b>INVESTING CASH FLOWS</b>		
Purchases of certificates of deposit	<u>(501,680)</u>	<u>—</u>
<b>Net investing cash flows</b>	<u><b>(501,680)</b></u>	<u><b>—</b></u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(387,096)</b>	<b>858,462</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<u><b>2,439,439</b></u>	<u><b>1,580,977</b></u>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<u><b>\$ 2,052,343</b></u>	<u><b>\$ 2,439,439</b></u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS</b>		
Change in net assets	\$ 60,282	\$ 844,413
Adjustments to reconcile change in net assets to net operating cash flows		
Depreciation and amortization	155,895	156,470
Net change in right-of-use asset and lease liability	(75,063)	(68,787)
Change in other assets	1,513	99,704
Change in accounts payable and accrued expenses	<u>(28,043)</u>	<u>(173,338)</u>
<b>Net operating cash flows</b>	<u><b>\$ 114,584</b></u>	<u><b>\$ 858,462</b></u>

**UNFOLDINGWORD**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

For The Year Ended December 31, 2025

	Supporting Activities				Total Expenses
	Program Activities	General and Administrative	Fundraising	Total Supporting Activities	
Professional services	\$ 4,936,104	\$ 138,316	\$ 497,901	\$ 636,217	\$ 5,572,321
Salaries, benefits, and taxes	1,390,211	701,358	300,478	1,001,836	2,392,047
General and office	312,909	282,591	28,599	311,190	624,099
Travel and hospitality	366,456	71,247	46,737	117,984	484,440
Conferences, conventions, and meetings	422,444	38,619	11,688	50,307	472,751
Depreciation and amortization	—	155,895	—	155,895	155,895
Other	—	21,690	40,337	62,027	62,027
<b>Total expenses</b>	<b>\$ 7,428,124</b>	<b>\$ 1,409,716</b>	<b>\$ 925,740</b>	<b>\$ 2,335,456</b>	<b>\$ 9,763,580</b>

For The Year Ended December 31, 2024

	Supporting Activities				Total Expenses
	Program Activities	General and Administrative	Fundraising	Total Supporting Activities	
Professional services	\$ 4,661,100	\$ 218,489	\$ 376,349	\$ 594,838	\$ 5,255,938
Salaries, benefits, and taxes	1,349,464	754,364	522,888	1,277,252	2,626,716
General and office	351,885	271,791	58,057	329,848	681,733
Conferences, conventions, and meetings	471,557	41,212	33,208	74,420	545,977
Travel and hospitality	346,785	105,122	60,557	165,679	512,464
Depreciation and amortization	161	156,309	—	156,309	156,470
Other	—	16,521	22,812	39,333	39,333
<b>Total expenses</b>	<b>\$ 7,180,952</b>	<b>\$ 1,563,808</b>	<b>\$ 1,073,871</b>	<b>\$ 2,637,679</b>	<b>\$ 9,818,631</b>

The Accompanying Notes are an Integral  
Part of These Financial Statements

**UNFOLDINGWORD**  
NOTES TO FINANCIAL STATEMENTS

**NOTE A – NATURE OF ACTIVITIES**

unfoldingWord (“the Organization”), is a Montana not-for-profit corporation. The Organization is focused on revolutionizing Bible translation by empowering the global church with open sourced, cutting-edge technology and creative common resources so that people around the world can quickly and reliably translate the Bible and other biblical resources into their own language. The Organization’s headquarters is in Orlando, Florida.

The Organization is the single member of two single-member limited liability companies established to carry out specific work in various countries, providing practical or legal advantages where needed. There has been no financial activity in either entity since their inception. For security purposes, the names of the entities are not disclosed in these notes. For ease of readability, the word “consolidated” has been omitted from the financial statement titles, although the statements are, in substance, consolidated.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Revenue and project support**

The Organization recognizes cash contributions and project support as revenue when the contributions and project support are received by the Organization. Contributions and project support received are recorded as without or with donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as “net assets released from restrictions.”

**Assessments**

The Board of Directors (“the Board”) has established a policy to utilize up to 18% of donor-restricted project support to help offset general operational expenses. The amounts so utilized are reflected as “project support” with donor restrictions and “net assets released from restrictions” in the accompanying statements of activities.

**Cash and cash equivalents**

The Organization considers investment instruments purchased or donated with original maturities of three months or less to be cash equivalents.

**Certificates of deposit**

The Organization’s certificates of deposit as of December 31, 2025 mature in April 2026 and bear interest at 4.00% per annum.

**Assets held for deferred benefits**

The Organization maintains a deferred compensation plan for certain employees. The underlying assets are invested primarily in equities, mutual funds, and debt securities. For fair value measurement reporting purposes, the investments are considered to be valued using “Level 1” measurements (i.e., estimated fair value is based on unadjusted quoted prices in active markets).

**Lease**

The Organization leases certain facilities space as further described in Note G. The Organization assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases that are immaterial to the overall financial statements or with an initial term of twelve months or less are not recorded on the statement of financial position. Lease expense is recognized for those leases on a straight-line basis over the lease term.

**Property and equipment**

Property and equipment is stated at original cost, if purchased, or estimated fair value on the date of donation, if donated. Depreciation is provided using the straight-line method over the expected useful lives of the related assets.

**UNFOLDINGWORD**  
NOTES TO FINANCIAL STATEMENTS

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net assets**

Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. Net assets with donor restrictions consist of amounts with uses limited by donor-imposed time and/or purpose restrictions.

**Functional allocation of expenses**

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Indirect costs that benefit multiple functional areas are allocated among the various functional areas based primarily on employee time and space utilization.

**Income taxes**

The Organization is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from applicable state income taxes. The Organization is further classified as a public charity and not a private foundation for federal tax purposes. The Organization has not incurred unrelated business income taxes. As a result, no income tax provision or liability has been provided for in the accompanying financial statements.

**Use of estimates**

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those used in determining the present value of right-of-use lease assets and lease liabilities and those related to the estimated useful lives of property and equipment. Actual results could differ from the estimates.

**Subsequent events**

The Organization has evaluated for possible financial reporting and disclosure subsequent events through April 8, 2026, the date as of which the financial statements were available to be issued.

**NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditure within one year of the date of the statements of financial position are as follows:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Financial assets available within one year:		
Cash and cash equivalents	\$ 2,052,343	\$ 2,439,439
Certificates of deposit	<u>501,680</u>	<u>—</u>
Total financial assets available within one year	2,554,023	2,439,439
Less: Amounts unavailable for general expenditure within one year	<u>—</u>	<u>—</u>
Net financial assets available within one year	<u>\$ 2,554,023</u>	<u>\$ 2,439,439</u>

The Organization is primarily supported by project support and contributions. As part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Donor-restricted net assets are available for general expenditure within one year of December 31, 2025 and 2024, because the restrictions on the net assets are expected to be met by conducting the normal activities of the Organization's programs in the coming year. The assets held for deferred benefits are not considered by management to be available for general expenditure within one year. Management believes the Organization has sufficient financial assets available for general operations that may be drawn upon in the event of unanticipated financial distress or immediate liquidity need.

**UNFOLDINGWORD**  
NOTES TO FINANCIAL STATEMENTS

**NOTE D – CONCENTRATIONS**

The Organization maintains its cash, cash equivalents, and certificates of deposit in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash, cash equivalents, and certificates of deposit.

During the year ended December 31, 2025 and 2024, the Organization received approximately 64% and 71%, respectively, of its funding from three grantors. Such amounts are included in the accompanying statements of activities as “project support” with donor restrictions. The Organization hopes and expects to gratefully continue its relationship with these grantors, and may be adversely impacted financially if support from these grantors were to diminish significantly or cease.

**NOTE E – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following:

Category	December 31,	
	2025	2024
Computer equipment	\$ 6,419	\$ 6,419
Leasehold improvements	827,571	827,571
Total property and equipment	833,990	833,990
Less: Accumulated depreciation and amortization	(583,703)	(427,808)
Net property and equipment, net	\$ 250,287	\$ 406,182

Depreciation and amortization expense on property and equipment amounted to \$155,895 and \$156,470 for the years ended December 31, 2025 and 2024, respectively.

**NOTE F – NET ASSETS WITH DONOR RESTRICTIONS**

Activity for net assets with donor restrictions was as follows during 2025:

	Balance January 1	Project Support	Releases	Balance December 31
Whole Bible Whole Nation	\$ 1,586,314	\$ 4,045,175	\$ (4,728,026)	\$ 903,463
Strategic Language Resources	610,025	2,863,167	(2,590,058)	883,134
Catalyzation	152,623	533,158	(443,800)	241,981
Technology	283,958	750,807	(907,700)	127,065
Total	\$ 2,632,920	\$ 8,192,307	\$ (8,669,584)	\$ 2,155,643

**UNFOLDINGWORD**  
NOTES TO FINANCIAL STATEMENTS

**NOTE F – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Activity for net assets with donor restrictions was as follows during 2024:

	Balance <u>January 1</u>	Project Support	Releases	Balance <u>December 31</u>
Whole Bible Whole Nation	\$ 879,854	\$ 5,701,072	\$ (4,994,612)	\$ 1,586,314
Strategic Language Resources	181,023	2,204,415	(1,775,413)	610,025
Technology	913,602	937,000	(1,566,644)	283,958
Catalyzation	<u>168,140</u>	<u>421,952</u>	<u>(437,469)</u>	<u>152,623</u>
Total	<u>\$ 2,142,619</u>	<u>\$ 9,264,439</u>	<u>\$ (8,774,138)</u>	<u>\$ 2,632,920</u>

As of December 31, 2024, the Organization had temporarily utilized approximately \$200,000 of cash restricted by donors in order to sustain general operations. The Organization restored the restricted funds by December 31, 2025.

**NOTE G – LEASE**

The Organization is a party to a lease agreement granting it the right to use certain office space and facilities. The agreement is referred to herein as “the lease agreement.” The Organization’s lease agreement is classified as an operating lease and is recorded at the present value of the remaining lease payments utilizing a discount rate of 4.00%.

The lease is recognized in the accompanying statements of financial position as follows:

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Right-of-use asset	<u>\$ 378,407</u>	<u>\$ 488,437</u>
Lease liability	<u>\$ 643,110</u>	<u>\$ 828,203</u>

The total operating lease cost for 2025 and 2024 was \$145,013 and \$142,203, respectively.

The remaining lease term as of December 31, 2025 is 3 years.

Following is a schedule by years of future undiscounted payments required under the lease agreement reconciled to the total lease liability as of December 31, 2025:

<u>Year Ending</u> <u>December 31,</u>	
2026	\$ 221,353
2027	227,990
2028	<u>234,842</u>
Total undiscounted payments	684,185
Less: Effect of discount rate applied	<u>(41,075)</u>
Total lease liability	<u>\$ 643,110</u>

**UNFOLDINGWORD**  
NOTES TO FINANCIAL STATEMENTS

**NOTE H - RETIREMENT PLAN**

The Organization maintains a 403(b) retirement plan (“the Plan”) in which certain employees are eligible to participate. Eligible employees may make tax-deferred contributions to the Plan. The Organization currently makes discretionary contributions to the Plan of up to 3% of the annual salary for eligible employees. The Organization made contributions to the Plan of approximately \$59,000 and \$61,000 during 2025 and 2024, respectively.