



SEED COMPANY, INC.

Financial Statements
With Independent Auditors' Report

September 30, 2024 and 2023

SEED COMPANY, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Seed Company, Inc.
Arlington, Texas

Opinion

We have audited the accompanying financial statements of Seed Company, Inc., which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities and cash flows 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 Seed Company, Inc. as of September 30, 2024 and 2023, and 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Seed Company, Inc. 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 these 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 Seed Company, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Seed Company, Inc.
Arlington, Texas

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 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.
- 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 Seed Company, 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 Seed Company, 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.

Capin Crouse LLP

Irving, Texas
January 13, 2025

SEED COMPANY, INC.

Statements of Financial Position

	September 30,	
	2024	2023
ASSETS:		
Cash and cash equivalents (Note 2)	\$ 7,578,072	\$ 11,153,246
Investments (Note 5)	31,341,164	60,841,460
Prepaid expenses and other assets (Note 4)	10,665,013	8,805,680
Grants receivable (Note 2)	2,282,860	914,377
Operating right-of-use asset (Note 7)	1,946,649	2,185,051
Property and equipment—net of accumulated depreciation (Note 6)	1,326,767	1,431,938
Beneficial interest in split-interest agreements (Note 13)	370,566	292,674
Total Assets	<u>\$ 55,511,091</u>	<u>\$ 85,624,426</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 2,570,732	\$ 2,366,050
Amounts due to related entities (Note 12)	-	187,902
Operating lease obligation (Note 7)	2,517,622	2,825,355
Total liabilities	<u>5,088,354</u>	<u>5,379,307</u>
Net assets:		
Without donor restrictions (Note 8)	24,781,667	27,124,845
With donor restrictions (Note 9)	25,641,070	53,120,274
Total net assets	<u>50,422,737</u>	<u>80,245,119</u>
Total Liabilities and Net Assets	<u>\$ 55,511,091</u>	<u>\$ 85,624,426</u>

See notes to financial statements

SEED COMPANY, INC.

Statements of Activities

	Year Ended September 30,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING:						
Support and revenue:						
Contributions	\$ 13,379,284	\$ 49,703,722	\$ 63,083,006	\$ 7,201,361	\$ 60,972,679	\$ 68,174,040
Donated services	5,265,987	-	5,265,987	132,823	-	132,823
Member labor	-	-	-	1,236,066	-	1,236,066
Investment income-net	3,849,221	-	3,849,221	3,154,610	-	3,154,610
Other income	63,134	-	63,134	11,120	-	11,120
Net assets released from restrictions:						
Field operations adjustments	12,420,560	(12,420,560)	-	15,247,385	(15,247,385)	-
Administrative assessments (19% administration & fundraising)	9,265,062	(9,265,062)	-	11,327,737	(11,327,737)	-
Satisfaction of program restrictions	55,575,196	(55,575,196)	-	37,555,482	(37,555,482)	-
Total Support and Revenue	99,818,444	(27,557,096)	72,261,348	75,866,584	(3,157,925)	72,708,659
Expenses:						
Program services—Bible translation	83,454,130	-	83,454,130	62,444,178	-	62,444,178
General and administration services	5,411,830	-	5,411,830	4,097,597	-	4,097,597
Fundraising services	13,295,662	-	13,295,662	11,234,613	-	11,234,613
Total Expenses	102,161,622	-	102,161,622	77,776,388	-	77,776,388
Change in Net Assets from Operations	(2,343,178)	(27,557,096)	(29,900,274)	(1,909,804)	(3,157,925)	(5,067,729)
NON-OPERATING:						
Change in value of beneficial interest in trusts	-	77,892	77,892	-	16,352	16,352
Equity transfer from Wycliffe Bible Translators, Inc.	-	-	-	3,721,594	56,944	3,778,538
Change in Net Assets	(2,343,178)	(27,479,204)	(29,822,382)	1,811,790	(3,084,629)	(1,272,839)
Net Assets, Beginning of Year	27,124,845	53,120,274	80,245,119	25,313,055	56,204,903	81,517,958
Net Assets, End of Year	\$ 24,781,667	\$ 25,641,070	\$ 50,422,737	\$ 27,124,845	\$ 53,120,274	\$ 80,245,119

See notes to financial statements

SEED COMPANY, INC.

Statements of Cash Flows

	Year Ended September 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (29,822,382)	\$ (1,272,839)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	256,848	251,636
Realized and unrealized gain on investments	(3,063,701)	(2,452,531)
Non-cash effect of change in accounting principle	-	640,304
Change in operating assets and liabilities:		
Prepaid expenses and other assets	(1,859,333)	(3,828,915)
Grants receivable	(1,368,483)	1,092,282
Beneficial interest in split-interest agreements	(77,892)	(16,352)
Accounts payable and accrued expenses	16,780	115,463
Right-of-use leases	(69,331)	-
Net Cash Used by Operating Activities	(35,987,494)	(5,470,952)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(57,981,390)	(77,804,076)
Proceeds from sale of investments	90,545,387	85,212,620
Purchase of property and equipment	(151,677)	(377,102)
Net Cash Provided by Investing Activities	32,412,320	7,031,442
Net Change in Cash and Cash Equivalents	(3,575,174)	1,560,490
Cash and Cash Equivalents, Beginning of Year	11,153,246	9,592,756
Cash and Cash Equivalents, End of Year	\$ 7,578,072	\$ 11,153,246
SUPPLEMENTAL DISCLOSURE:		
Right-of-use asset obtained in exchange for operating lease obligation	\$ -	\$ 3,111,276

See notes to financial statements

SEED COMPANY, INC.

Notes to Financial Statements

September 30, 2024 and 2023

1. NATURE OF ORGANIZATION:

Seed Company, Inc. (Seed Company) is a religious non-profit corporation incorporated in the state of Texas, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code). The organization has been classified as a public organization, which is not a private foundation under Section 509(a) of the Code. Contributions are tax deductible within the limitations prescribed by the Code.

Vision Statement : God’s Word transforming lives in every language in this generation.

Mission Statement : To accelerate Scripture translation and impact for people without God’s Word through Great Commission partnerships.

Background: Founded in 1993 by Wycliffe Bible Translators Inc. (Wycliffe USA), Seed Company has become one of the fastest growing Bible translation organizations in the world by developing innovative ways to more rapidly, efficiently, and accurately translate the Bible for people groups who don’t have it in their language. From its inception, Seed Company was an entity controlled by Wycliffe USA. As such, Seed Company’s financials were consolidated into Wycliffe USA’s financials. Effective September 30, 2023, Seed Company’s articles and bylaws were amended to remove Wycliffe USA’s control of Seed Company’s board of directors, and as of October 1, 2023, Seed Company is independent from Wycliffe USA. Starting in fiscal 2024, Seed Company’s financials are no longer consolidated into Wycliffe USA’s financials.

Ministry Methodology : Seed Company 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.

Seed Company, in partnership with others, develops and manages national-led translation projects with clearly defined timeframes, outcomes, milestones and budgets. Financial and prayer partners for each project provide the necessary resources. Experienced linguists train and mentor local translators, while every scriptural translation is reviewed thoroughly for accuracy and clarity. In addition, emerging technology, such as solar-powered equipment, satellite uplinks, and cell phones AI, is accelerating the pace of Bible translation and making it possible even in the most remote regions of the world.

Ministry Motivation: There are currently over 29.34 million people without any access to God’s Word in their language. Motivated by this reality and the Great Commission in Matthew 28:18-20 to “go and make disciples,” Seed Company is on an urgent mission to see God’s Word transforming lives in every language in this generation. Seed Company believes that as Scripture enriches lives, communities are empowered to thrive. With approximately 980 language groups who do not have access to God’s promises and truth, now is the time to act (data from ProgressBible™. SNAPSHOT. September 2024).

SEED COMPANY, INC.

Notes to Financial Statements

September 30, 2024 and 2023

1. NATURE OF ORGANIZATION, continued:

Deep Roots: Wycliffe USA pioneered the modern-day Bible translation movement among unreached international people groups by sending missionaries to live with them, learn their heart language, and help provide an understandable and accurate translation of the Scriptures. Realizing it would take multiple generations to reach the last languages, Wycliffe USA launched Seed Company with a renewed sense of urgency. Seed Company's mandate was to develop innovative methods empowering national translators to accelerate Bible translation, leverage linguistic expertise, maximize Scripture impact and ultimately, change lives.

Financial Accountability: Seed Company is able to fulfill its mission and pursue its vision through the contributions of its financial partners. With a firm commitment to accountability and stewardship, 81% of every dollar (donor restricted) contributed for translation projects is utilized for translation expenses, as noted by the 19% assessment on restricted gifts.

Technological Advancement: Seed Company is creating new opportunities for accelerating Bible translation even in the most remote locations by leveraging emerging technologies such as cellular AI and satellite systems for remote connectivity and proven solar technology for powering equipment. Today, a translation consultant in the U.S. can provide same-day assistance and guidance for a translation team located in a remote village. In addition, software tools developed specifically for local translators further equip them for even greater productivity and accuracy.

Biblical Accuracy: Seed Company ensures that every translation accurately conveys the meaning of the biblical text by following a rigorous six-step process in every project. This process includes careful analysis of the text before creating a first draft translation, multiple reviews to confirm accuracy and clarity, and careful checking at every stage.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

Seed Company maintains its accounts and prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

SEED COMPANY, INC.

Notes to Financial Statements

September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, checking accounts, and cash on deposit with a related entity. From time to time, balances in these accounts may exceed federally insured limits. As of September 30, 2024 and 2023, Seed Company had cash balances exceeding federally insured limits by approximately \$6,598,000 and \$10,465,000, respectively. For the year ended September 30, 2023, Seed Company had \$360,814 deposited with a SIL (see Note 12) functioning as a money market account.

GRANTS RECEIVABLE

Grants receivable are amounts due from grant agreements to fund program activities. Management believes 100% of these receivables will be collected and has not established an allowance for doubtful accounts. The grants receivable are due within one year of the statement of financial position date.

INVESTMENTS

Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair value. Interest and dividend income and the realized and unrealized gain or loss on investments is reported as investment income (loss) without donor restrictions in the accompanying statements of activities unless a donor or law restricts its use. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Donated investments are recorded at fair value at the date of donation and are thereafter carried in conformity with the stated policy.

PROPERTY AND EQUIPMENT

Property and equipment in excess of \$5,000 are capitalized and reported at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the depreciable assets which are:

Leasehold improvements	20 years
Equipment and furnishings	3 to 10 years
Website development/software	2 to 3 years
Vehicles	5 years

SEED COMPANY, INC.

Notes to Financial Statements

September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

OPERATING LEASE RIGHT-OF-USE ASSET AND OBLIGATION

Right-of-use assets represent Seed Company's right to use the underlying asset for the lease term. Right-of-use assets and related liabilities are recognized at commencement date based on the net present value of lease payments over the lease term discounted using a risk-free rate. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise the option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The additional lease disclosures can be found in Note 7.

NET ASSETS

Net assets are classified into net asset categories according to externally (donor) imposed restrictions as follows:

Net assets without donor restrictions include gifts or those resources invested in property and equipment and intangible assets for the general operations of Seed Company or designated by the board of directors for a specific use.

Seed Company maintains an operating reserve policy whereby the board requires management to set aside a portion of available unrestricted net assets to fund a board-designated operating reserve. The policy establishes a goal for the board-designated operating reserve of a target balance equal to three months of operating expenses.

Net assets with donor restrictions include gifts for which donor-imposed restrictions or time restrictions have not been met, but for which the ultimate purpose of the proceeds is not restricted in perpetuity.

SUPPORT INCOME

Support income is recognized when cash is received, unconditional promises are made or when ownership of donated assets is transferred to Seed Company. Contribution income to translation projects is subject to a 19% assessment, which is used for general and administrative and fund-raising expenses. This assessment is reclassified from net assets with donor restrictions to net assets without donor restrictions at the time the contribution is received.

For the year ended September 30, 2024, three donors provided 39%, and two foundations, representing 167 donors, provided 49% of total contributions. For the year ended September 30, 2023, three donors provided 52%, and two foundations, representing 149 donors, provided 33% of total contributions.

SEED COMPANY, INC.

Notes to Financial Statements

September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

DONATED SERVICES

Donated services are recorded at the fair market value of the labor according to market rates at the time of the contribution. Donated services are reported 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 Seed Company.

Donated services for the years ended September 30, 2024 and 2023, included in the financial statements were as follows:

	Year Ended September 30,	
	2024	2023
Wycliffe member labor (equity transfer)	\$ -	\$ 3,778,538
Related entities member labor	-	789,528
Donated services	5,197,402	-
Other member labor	-	446,538
Investment advisory services	68,585	132,823
	<u>\$ 5,265,987</u>	<u>\$ 5,147,427</u>

Numerous volunteers donate significant amounts of time and perform a variety of tasks, assisting Seed Company in its charitable programs. Although no amounts have been reflected in the financial statements because the criteria for recognition of such efforts under generally accepted accounting principles have not been satisfied, management estimates those volunteer hours to be approximately 6,500 and 6,700 for the years ended September 30, 2024 and 2023, respectively.

For the year ended September 30, 2023, Equity transfer from Wycliffe Bible Translators, Inc. represented contributions received from Wycliffe and the value of compensation for Wycliffe member staff. These services are recorded at the compensation expense amount incurred by the affiliate organization and are shown as an equity transfer on the statements of activities. See Note 12 for donated services from affiliates recorded. This presentation is in conformity with Accounting Standards Update (ASU) No. 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities*. All donated services and member labor in years ended September 30, 2024 and 2023, were received without donor restriction and were used for field operations and Bible translation efforts.

SEED COMPANY, INC.

Notes to Financial Statements

September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

EXPENSES

Expenses are recorded when incurred. Accounts payable and accrued expenses represent expenses that have been incurred but not paid as of fiscal year-end.

ALLOCATION OF EXPENSES

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of Seed Company. 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.

SEED COMPANY, INC.

Notes to Financial Statements

September 30, 2024 and 2023

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects Seed Company's financial assets as of September 30, 2024 and 2023, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions.

	September 30,	
	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 7,578,072	\$ 11,153,246
Investments	31,341,164	60,841,460
Grants receivable	2,282,860	914,377
Beneficial interest in split-interest agreements	370,566	292,674
Financial assets, at year-end	<u>41,572,662</u>	<u>73,201,757</u>
Less those unavailable for general expenditure within one year, due to:		
Contractual or donor-imposed restrictions:		
Beneficial interest in split-interest agreements	(370,566)	(292,674)
Donor-restricted funds, not expected to be spent in the next fiscal year	-	(14,734,160)
Board-designated operating reserves	<u>(10,597,645)</u>	<u>(10,389,487)</u>
	<u>(10,968,211)</u>	<u>(25,416,321)</u>
	<u>\$ 30,604,451</u>	<u>\$ 47,785,436</u>

As part of Seed Company'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. Financial assets are available for language projects, translations, and other operational initiatives. These programs are considered general expenditures of Seed Company and thus are considered available to fund operations in fiscal year 2025. Seed Company is planning to strategically draw down some of these excess reserves in the coming year.

During the years ended September 30, 2024 and 2023, Seed Company agreed to grant out approximately \$36,250,000 and \$36,760,000 for 825 and 756 different projects, respectively, during the next fiscal year. Amounts are estimated and subject to change based on cash flow needs for the various projects. Management believes these to be conditional on future expenditures and/or future reporting based on the understanding with the grantees. Therefore, they have not been recorded as payables in the accompanying statements of financial position.

SEED COMPANY, INC.

Notes to Financial Statements

September 30, 2024 and 2023

4. PREPAID EXPENSES AND OTHER ASSETS:

Prepaid expenses and other assets consist of the following:

	September 30,	
	2024	2023
Investor event deposits	\$ 1,145,449	\$ 715,807
Investor event prepaid expenses	385,430	462,569
Other prepaid expenses	1,149,967	1,553,489
Other receivables, including partner advances	7,984,167	6,073,815
	<u>\$ 10,665,013</u>	<u>\$ 8,805,680</u>

5. INVESTMENTS:

Investments consist of the following:

	September 30,	
	2024	2023
Investments at fair value:		
Government bonds	\$ 17,365,220	\$ 45,329,041
Mutual funds	4,232,302	8,817,541
Money market mutual funds	4,181,451	3,411,510
Preferred stock	-	720,000
Equities	5,562,191	2,563,368
	<u>\$ 31,341,164</u>	<u>\$ 60,841,460</u>

Investment income (loss) income consists of the following:

	Year Ended September 30,	
	2024	2023
Interest income	\$ 909,314	\$ 896,810
Realized and unrealized gains on investments	3,063,701	2,452,531
Investment fees	(123,794)	(194,731)
	<u>\$ 3,849,221</u>	<u>\$ 3,154,610</u>

SEED COMPANY, INC.

Notes to Financial Statements

September 30, 2024 and 2023

6. PROPERTY AND EQUIPMENT—NET:

Property and equipment consist of the following:

	September 30,	
	2024	2023
Software	\$ 1,774,852	\$ 1,774,852
Leasehold improvements	1,914,971	1,891,144
Furniture and equipment	995,098	988,600
Website	244,002	167,402
Company and overseas vehicles	48,553	101,201
	<u>4,977,476</u>	<u>4,923,199</u>
Less accumulated depreciation	<u>(3,797,915)</u>	<u>(3,593,714)</u>
	1,179,561	1,329,485
Construction in progress	147,206	102,453
	<u>\$ 1,326,767</u>	<u>\$ 1,431,938</u>

7. OPERATING RIGHT-OF-USE ASSET AND LIABILITY:

Seed Company has one operating lease for office space with an expiration date in fiscal year 2031. The office space requires monthly payment that ranges from \$33,389 to \$35,956. The discount rate represents the risk-free rate using a period comparable with that of the individual lease term on the inception date of the lease. Short-term leases with a term of 12 or fewer months are not reflected on the statements of financial position, and costs are expensed as incurred.

	September 30,	
	2024	2023
Operating lease right-of-use asset	<u>\$ 1,946,649</u>	<u>\$ 2,185,051</u>
Operating lease obligation	<u>\$ 2,517,622</u>	<u>\$ 2,825,355</u>
Operating lease costs	<u>\$ 344,785</u>	<u>\$ 344,785</u>
Cash paid for amounts included in the measurement of operating lease obligations	<u>\$ 414,117</u>	<u>\$ 404,018</u>
Weighted Average Discount Rate	3.96%	3.96%
Weighted Average Remaining lease term (years)	6.67	7.67

SEED COMPANY, INC.

Notes to Financial Statements

September 30, 2024 and 2023

7. OPERATING RIGHT-OF-USE ASSET AND LIABILITY, continued:

Future minimum lease payments required under operating leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

Future minimum lease payments are as follows:

Year Ending September 30,

2025	\$	424,469
2026		431,483
2027		431,483
2028		431,483
2029		431,483
Thereafter		719,141
		<u>2,869,542</u>
Less imputed interest		<u>(351,920)</u>
	\$	<u><u>2,517,622</u></u>

8. NET ASSETS WITHOUT DONOR RESTRICTIONS:

Net assets without donor restrictions consist of the following:

	<u>September 30,</u>	
	<u>2024</u>	<u>2023</u>
Undesignated	\$ 14,184,022	\$ 16,735,358
Board-designated operating reserve	<u>10,597,645</u>	<u>10,389,487</u>
	<u><u>\$ 24,781,667</u></u>	<u><u>\$ 27,124,845</u></u>

SEED COMPANY, INC.

Notes to Financial Statements

September 30, 2024 and 2023

9. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following:

	<u>September 30,</u>	
	<u>2024</u>	<u>2023</u>
Purpose restricted:		
Language projects, translations, and other initiatives	\$ 25,270,504	\$ 52,827,600
Time restricted:		
Beneficial interest in split-interest agreements	<u>370,566</u>	<u>292,674</u>
	<u>\$ 25,641,070</u>	<u>\$ 53,120,274</u>

10. EMPLOYEE RETIREMENT PLAN:

Seed Company has established a 403(b) retirement plan. Seed Company matches employee contributions at 100% up to 6% of annual salary. Employees are eligible for the plan after completely satisfying the earnings requirement and service requirements. Employees are vested over a four year period. For the years ended September 30, 2024 and 2023, Seed Company contributed \$783,570 and \$784,897 to this plan, respectively.

SEED COMPANY, INC.

Notes to Financial Statements

September 30, 2024 and 2023

11. NATURAL CLASSIFICATION OF EXPENSES:

Functional expenses by natural classification for the year ended September 30, 2024:

	Program Services– Bible Translation	General and Administration Services	Fundraising Services	Total
Grants	\$ 48,282,447	\$ -	\$ -	\$ 48,282,447
Compensation and benefits	22,986,763	3,322,147	6,445,390	32,754,300
Travel, conference, and meetings	5,568,529	716,465	3,851,187	10,136,181
Professional services	3,134,172	672,181	2,110,895	5,917,248
Information technology	1,951,294	220,469	213,502	2,385,265
Office expenses	978,096	179,896	368,502	1,526,494
Occupancy	314,232	130,141	122,591	566,964
Depreciation	136,199	54,147	66,502	256,848
Other	49,683	111,512	20,367	181,562
Marketing and promotion	52,715	4,872	96,726	154,313
	<u>\$ 83,454,130</u>	<u>\$ 5,411,830</u>	<u>\$ 13,295,662</u>	<u>\$ 102,161,622</u>

Functional expenses by natural classification for the year ended September 30, 2023:

	Program Services– Bible Translation	General and Administration Services	Fundraising Services	Total
Compensation and benefits	\$ 19,549,187	\$ 2,848,751	\$ 5,946,998	\$ 28,344,936
Grants	33,400,869	-	-	33,400,869
Travel, conference, and meetings	3,917,049	336,752	2,691,698	6,945,499
Information technology	2,118,172	199,898	205,122	2,523,192
Professional services	1,951,233	402,366	1,709,518	4,063,117
Depreciation	167,440	37,269	46,927	251,636
Office expenses	730,507	138,322	348,663	1,217,492
Occupancy	510,464	122,422	201,035	833,921
Marketing and promotion	68,534	3,361	70,908	142,803
Other	30,723	8,456	13,744	52,923
	<u>\$ 62,444,178</u>	<u>\$ 4,097,597</u>	<u>\$ 11,234,613</u>	<u>\$ 77,776,388</u>

SEED COMPANY, INC.

Notes to Financial Statements

September 30, 2024 and 2023

12. TRANSACTIONS WITH RELATED AND AFFILIATED ENTITIES:

Seed Company had assets held with related and affiliated entities as follows:

	September 30,	
	2024	2023
Cash:		
SIL	\$ -	\$ 360,814
Beneficial interest in split-interest agreements:*		
Wycliffe Foundation (WF)	-	292,674
	<u>\$ -</u>	<u>\$ 653,488</u>

*Seed Company is a named beneficiary in annuity and trust agreements held and administered by WF. The Foundation estimates Seed Company's remainder interest in these agreements.

Seed Company had amounts due to a related entity as follows:

	September 30,	
	2024	2023
SIL	<u>\$ -</u>	<u>\$ 187,902</u>

SEED COMPANY, INC.

Notes to Financial Statements

September 30, 2024 and 2023

12. TRANSACTIONS WITH RELATED AND AFFILIATED ENTITIES, continued:

Seed Company received support and revenue from related and affiliate entities including contributions, member labor, change in value of beneficial interest in trusts, and the equity transfer from Wycliffe USA. Member labor consists of the value of labor by members assigned to Seed Company from related organizations, including SIL and international Wycliffe organizations. The equity transfer consists of contributions from Wycliffe USA and the value of Wycliffe USA members assigned to Seed Company. Such amounts are included in support and revenue and were received as follows:

	Year Ended September 30,	
	2024	2023
Contributions from related entities	\$ -	\$ 338
Member labor	\$ -	\$ 1,236,066
Change in value of beneficial interest in trusts	\$ -	\$ 16,352
Equity transfer from Wycliffe USA	\$ -	\$ 3,778,538

As described in Note 1, Seed Company became independent from Wycliffe USA as of October 1, 2023, and therefore no longer has assets held, amounts due, or equity transfers with the affiliated entities as described above.

13. FAIR VALUE MEASUREMENTS:

Seed Company uses appropriate valuation techniques to determine fair value based on inputs available. When available, Seed Company measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of significant unobservable inputs and have the lowest priority.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

SEED COMPANY, INC.

Notes to Financial Statements

September 30, 2024 and 2023

13. FAIR VALUE MEASUREMENTS, continued:

Fair value of investments measured on a recurring basis as of September 30, 2024, are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments at fair value:				
Government bonds	\$ 17,365,220	\$ -	\$ 17,365,220	\$ -
Mutual funds	4,232,302	4,232,302	-	-
Money market mutual fund	4,181,451	4,181,451	-	-
Equities	5,562,191	5,562,191	-	-
	<u>\$ 31,341,164</u>	<u>\$ 13,975,944</u>	<u>\$ 17,365,220</u>	<u>\$ -</u>
Beneficial interest in split-interest agreements	<u>\$ 370,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 370,566</u>

Fair value of investments measured on a recurring basis as of September 30, 2023, are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments at fair value:				
Government bonds	\$ 45,329,041	\$ -	\$ 45,329,041	\$ -
Mutual funds	8,817,541	8,817,541	-	-
Money market mutual fund	3,411,510	3,411,510	-	-
Preferred stock	720,000	-	720,000	-
Equities	2,563,368	2,563,368	-	-
	<u>\$ 60,841,460</u>	<u>\$ 14,792,419</u>	<u>\$ 46,049,041</u>	<u>\$ -</u>
Beneficial interest in split-interest agreements	<u>\$ 292,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 292,674</u>

SEED COMPANY, INC.

Notes to Financial Statements

September 30, 2024 and 2023

13. FAIR VALUE MEASUREMENTS, continued:

Changes in valuation techniques: None.

Methods and assumptions used by Seed Company in estimating fair value are as follows:

Valuation techniques: Fair values for equities and mutual funds are based upon quoted market prices or dealer quotes in an active market. Government bonds are based on yields currently available on comparable securities of issuers with similar credit ratings. The fair value of non-publicly traded securities are determined based on sales of similar investments.

14. OPERATING AND NON-OPERATING ACTIVITIES:

The activity of Seed Company has been reported in the statements of activities in the following two categories: operating and non-operating. Operating includes the core activities of Seed Company. Non-operating includes all other activities that are not normally carried on in the course of Seed Company's operations such as the grant expense due to deconsolidation, change in value of beneficial interest in trusts, and equity transfer from Wycliffe Bible Translators, Inc.

15. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through January 13, 2025, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.