



**THE WYCLIFFE SEED COMPANY, INC.
(The Seed Company)**

FINANCIAL STATEMENTS

September 30, 2010

THE WYCLIFFE SEED COMPANY, INC.

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INDEPENDENT AUDITORS' REPORT

**Board of Directors
The Wycliffe Seed Company, Inc.
Arlington, Texas**

We have audited the statement of financial position of The Wycliffe Seed Company, Inc. as of September 30, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized information has been derived from the organization's 2009 financial statements and, in our report dated February 10, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Wycliffe Seed Company, Inc. as of September 30, 2010, and changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements are those of The Wycliffe Seed Company, Inc., under common control with Wycliffe Bible Translators, Inc., and are not those of the primary reporting entity. Combined financial statements of Wycliffe Bible Translators, Inc. and Affiliates for the year ended September 30, 2010, have been issued separately with the independent auditors' report.

Capin Crouse LLP

Dallas, Texas
December 21, 2010

THE WYCLIFFE SEED COMPANY, INC.
STATEMENT OF FINANCIAL POSITION
September 30, 2010

With Comparative Totals for the Year Ended September 30, 2009

	2010	2009
ASSETS		
Cash	\$ 293,102	\$ 652,054
Deposits with related organization - <i>Note A</i>		
Restricted projects	12,188,371	11,324,700
Unrestricted	9,093,095	5,475,696
Contribution receivable - <i>Note A</i>	401,454	-
Advances to related ministries - <i>Note H</i>	85,332	41,006
Other assets	258,647	117,673
Beneficial interest in split-interest agreements - <i>Note H</i>	111,362	108,041
Property and equipment, net of accumulated depreciation - <i>Note B</i>	114,281	60,175
TOTAL ASSETS	\$ 22,545,644	\$ 17,779,345
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 521,957	\$ 310,295
Amounts due to affiliated entities - <i>Note H</i>	128,569	137,619
TOTAL LIABILITIES	650,526	447,914
NET ASSETS		
Unrestricted:		
Equity in property and equipment	114,281	60,175
Board designated	4,000,000	-
Unrestricted	4,993,615	5,938,996
Total unrestricted	9,107,896	5,999,171
Temporarily restricted - <i>Note E</i>	12,787,222	11,332,260
TOTAL NET ASSETS	21,895,118	17,331,431
TOTAL LIABILITIES AND NET ASSETS	\$ 22,545,644	\$ 17,779,345

See notes to financial statements.

THE WYCLIFFE SEED COMPANY, INC.
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010
With Comparative Totals for the Year Ended September 30, 2009

	Unrestricted	Temporarily Restricted	2010	2009
SUPPORT AND REVENUE				
Contributions	\$ 5,553,823	\$ 8,554,889	\$ 14,108,712	\$ 12,626,053
Support from affiliates - <i>Note H</i>				
WBT contributions	59,392	572,544	631,936	1,151,658
Member support	3,656,292	-	3,656,292	2,937,505
Investment income	703,201	-	703,201	502,460
Other	41,210	-	41,210	76,279
Reclassifications:				
Administrative assessments (19% administration & fund-raising; 6% field administration)	2,384,516	(2,384,516)	-	-
Satisfaction of program restrictions	5,287,955	(5,287,955)	-	-
TOTAL SUPPORT AND REVENUE	17,686,389	1,454,962	19,141,351	17,293,955
EXPENSES - <i>Note F</i>				
Program services (see note below)	9,629,571	-	9,629,571	6,737,004
Administration services	1,466,397	-	1,466,397	1,495,906
Fund-raising services (Includes communications, marketing)	3,481,696	-	3,481,696	2,362,703
TOTAL EXPENSES	14,577,664	-	14,577,664	10,595,613
CHANGE IN NET ASSETS	3,108,725	1,454,962	4,563,687	6,698,342
Net assets at beginning of year	5,999,171	11,332,260	17,331,431	10,633,089
NET ASSETS AT END OF YEAR	\$ 9,107,896	\$ 12,787,222	\$ 21,895,118	\$ 17,331,431

See notes to financial statements.

Program Services note: At September 30, 2010 The Seed Company was partnering to complete translations of the Scriptures in nearly 400 languages spoken by more than 800 million people.

THE WYCLIFFE SEED COMPANY, INC.
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2010
With Comparative Totals for the Year Ended September 30, 2009

	2010	2009
OPERATING ACTIVITIES		
Change in net assets	\$ 4,563,687	\$ 6,698,342
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	40,433	80,092
Gifted stock	(185,829)	(849)
Contribution of airplane to affiliate	-	64,017
Changes in assets and liabilities:		
Contributions receivable	(401,454)	-
Advances to related ministries	(44,326)	13,962
Other assets	(140,974)	17,486
Beneficial interest in split-interest agreements	(3,321)	(32,275)
Accounts payable and accrued expenses	211,662	38,697
Amounts due to affiliated entities	(9,050)	42,678
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,030,828	6,922,150
INVESTING ACTIVITIES		
Purchase of property and equipment	(94,539)	(12,778)
Change in deposits with related organization	(4,481,070)	(6,366,924)
Proceeds from sale of gifted stock	185,829	849
NET CASH USED BY INVESTING ACTIVITIES	(4,389,780)	(6,378,853)
NET CHANGE IN CASH	(358,952)	543,297
Cash at beginning of year	652,054	108,757
CASH AT END OF YEAR	\$ 293,102	\$ 652,054

See notes to financial statements.

THE WYCLIFFE SEED COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: The Wycliffe Seed Company, Inc. (The Seed Company) is a California non-profit corporation, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue 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, The Seed Company has become the fastest growing Bible translation organization 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.

Ministry Methodology: The 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.

The 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, is accelerating the pace of Bible translation and making it possible even in the most remote regions of the world.

Ministry Motivation: Each year, 2.4 million people die without hearing the promises and truth in God's Word in their language. Motivated by this reality and the Great Commission given in Matthew 28:18–20 to "go and make disciples," The Seed Company is on an urgent mission to see God's Word transforming lives in every language in this generation. The Seed Company believes that as lives are enriched by Scripture, communities are empowered to thrive. With more than 2,200 language groups representing 350 million people who don't have full access to God's promises and truth, now is the time to act.

THE WYCLIFFE SEED COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Deep Roots: Wycliffe Bible Translators 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 launched The Seed Company with a renewed sense of urgency. The 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: The Seed Company is able to fulfill its mission and pursue its vision through the investments of its financial partners. With a firm commitment to accountability and stewardship, more than 80 percent of every dollar invested in translation projects is utilized for direct translation expenses. The Seed Company is an accredited member of the Evangelical Council for Financial Accountability, demonstrating compliance with established standards for financial stewardship, ethical fundraising and proper board governance.

Technological Advancement: The Seed Company is creating new opportunities for accelerating Bible translation even in the most remote locations by leveraging emerging technologies such as cellular 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: The 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.

The OneVerse Program: For only \$26 a month, OneVerse provides an opportunity for you to participate in providing God's eternal Word for those who have never read or experienced it before.

OneVerse partners, through their \$26 monthly gifts, transform individual lives and whole communities by supporting local translators in bringing God's Word "to life" for the first time in their languages. The financial and prayerful support of OneVerse monthly partners expresses God's love in the most important and powerful way — through His living Word.

THE WYCLIFFE SEED COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation: The financial statements of The Seed Company have been prepared on the accrual basis of accounting in accordance with the Evangelical Joint Accounting Committee's *Accounting and Financial Reporting Guide to Christian Ministries* and the American Institute of Certified Public Accountant's *Audit and Accounting Guide for Not-for-Profit Organizations*. 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.

Prior Year Summarized Information: The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with The Seed Company's financial statements for the year ended September 30, 2009, from which the summarized information was derived.

Cash and Cash Equivalents: Cash and cash equivalents consists of cash on hand and checking accounts. The Seed Company manages these account balances to remain within federally insured limits by promptly transferring any excess balances. From time to time, balances in these accounts may exceed federally insured limits. The Seed Company has not experienced any losses on these accounts and does not believe it is subject to any credit risk related to cash and cash equivalents.

Deposits with Related Organization: Deposits with related organization consist of funds transferred to SIL. Funds from WBT and SIL organizations are invested by SIL in a variety of fixed income securities including U.S. Treasury issues, corporate bonds, foreign domestic bonds which borrow and pay in U.S. dollars and certificates of deposit. The deposits are carried at the value of actual deposits made plus accrued interest. The deposits earn interest at the current rate (as of September 30, 2010) of 3.75%.

Contributions Receivable: Unconditional promises to give from private foundations and other individuals to The Seed Company are recognized as income and contributions receivable when made. Conditional promises to give are recognized as income when the conditions are met.

An unconditional promise was made in June 2010 for at least \$500,000 as a part of a multi-year grant to jointly meet the translation needs of 16 projects, representing 46 languages in 2010. The remaining \$401,454 of the grant was sent out at the end of September of 2010 and received October 1, 2010. This amount has been included in the contribution receivable in the statement of financial position.

THE WYCLIFFE SEED COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 as follows:

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

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

- Unrestricted net assets include gifts or those resources invested in property and equipment for the general operations of The Seed Company or designated by the Board for a specific use.
- Temporarily restricted net assets include gifts for which donor-imposed restrictions have not been met, but for which the ultimate purpose of the proceeds is not permanently restricted.

Revenue: Revenue is recognized when cash is received, unconditional promises are made and when ownership of donated assets is transferred. WBT and SIL provided 23% of total contributions and support from affiliates, of which 85% is non-cash contributions consisting of the value of member labor (Note H). Two other donors provided 37% of total contributions and support from affiliates.

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 temporarily restricted to unrestricted net assets at the time the contribution is received.

Donated Services: Donated services are recorded as contributions at their estimated fair values at the date of donation if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. No amounts have been recognized in the financial statements for donated services. The Seed Company generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist The Seed Company with specific assistance programs, campaign solicitations, and various committee assignments. The organization receives more than 7,600 volunteer hours per year.

Allocation of Expenses: The costs of providing the program and supporting services are allocated and summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting activities benefited. The supporting services are indispensable to the conduct of the program activities and to The Seed Company's existence. All expenses are recorded when incurred in accordance with the accrual basis of accounting.

THE WYCLIFFE SEED COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

RECENTLY ISSUED ACCOUNTING STANDARDS: On October 1, 2009, The Seed Company adopted the new provisions of the Income Tax Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). These provisions clarify the accounting for uncertainty in tax positions and prescribe guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of September 30, 2010, The Seed Company had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

NOTE B - PROPERTY AND EQUIPMENT

Property and equipment as of September 30, 2010, consist of the following:

Overseas vehicles	\$ 93,358
Company vehicles	68,747
Websites	84,575
Software	105,788
Equipment	91,346
Furniture	176,270
	<u>620,084</u>
Less accumulated depreciation	(505,803)
Net property and equipment	<u><u>\$ 114,281</u></u>

Depreciation in the amount of \$40,433 has been allocated to the various functional expense categories in the statement of activities.

NOTE C - LEASE COMMITMENTS

The Seed Company has three leases, which require monthly payments of \$128, \$5,470, and \$19,898, respectively. The Seed Company incurred \$271,536 in rental expense during 2010. Minimum future rentals as of September 30, 2010, are:

Year-ended September 30,		
	2011	\$ 187,833
	2012	171,896
	2013	239,997
	2014	225,144
	2015	252,889
	2016	21,115
		<u><u>\$ 1,098,874</u></u>

THE WYCLIFFE SEED COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE D - PROJECT FUNDING COMMITMENTS

In the normal course of business, The Seed Company makes commitments to sponsor Bible translation projects carried on by related and foreign organizations in those countries. The sponsorships are conditional on approval of the organization's project proposal, receiving periodic progress and financial reports, and satisfactory progress toward project goals as outlined in the sponsorship agreements. The sponsorship commitments represent expected disbursements based on approved project budgets, and may vary based on currency exchange rates, staffing changes, inflationary factors and/or significant changes in the project as reported per the project agreements. At September 30, 2010, The Seed Company had \$784,365 remaining to be disbursed under these sponsorship agreements.

NOTE E - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

Purpose restricted:	
Training center	\$ 240,756
Language projects and translations	<u>12,435,104</u>
	12,675,860
Time restricted:	
Beneficial interest in split-interest agreements	<u>111,362</u>
	<u><u>\$ 12,787,222</u></u>

NOTE F - EXPENSES

Salaries of WBT members assigned to The Seed Company are not funded by contributions from Seed Company donors, but rather are funded by donors through affiliated organizations (support from affiliates). Included in The Seed Company's fiscal 2010 expenses, yet funded through affiliated organizations, is \$1,071,689 of salary expenses in administration and fund-raising.

Eighty-one percent of all gifts (temporarily restricted) to Seed Company translation projects are utilized for translation program expenses.

NOTE G - RETIREMENT PLAN

The Seed Company has established a 403(b) retirement plan. The Seed Company matches employee contributions at 100% up to 2% of annual salary and contributes another 3% of salary beyond the match. Employees are eligible for the plan after completely satisfying the earnings requirement and service requirements. Employees are vested gradually over a two year period. For the year ended September 30, 2010, The Seed Company contributed \$70,561 to this plan.

THE WYCLIFFE SEED COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE H - RELATED PARTY TRANSACTIONS

As of September 30, 2010, The Seed Company had amounts due to and from related entities as follows:

	Advances from	Due to
SIL and its affiliates	\$ 85,332	\$ 128,569

The due to amounts are for accrued expenses due to SIL.

The Seed Company is a named beneficiary in annuity and trust agreements held and administered by the Wycliffe Bible Translation Foundation. The Foundation has estimated The Seed Company's remainder interest in those agreements to be \$111,362 at September 30, 2010. That amount has been included in the statement of financial position as beneficiary interest in split-interest agreements.

During the year ended September 30, 2010, The Seed Company received \$4,288,228 in support from WBT and SIL. Of this amount, \$3,656,292 was non-cash contributions consisting of the value of labor by members assigned to The Seed Company.

NOTE I - FAIR VALUE MEASUREMENTS

The Seed Company uses appropriate valuation techniques to determine fair value based on inputs available. When available, the 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.

Fair values of assets measured on a recurring basis at September 30, 2010, are as follows:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in trusts	\$ 111,362	\$ 111,362	\$ -	\$ -

For the year ended September 30, 2010, the total change in value of the beneficial interest in trusts included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date was \$3,321. The total change in value of the beneficial interest is included in contributions on the statement of activities.

NOTE J - SUBSEQUENT EVENTS

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