

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

FINANCIAL STATEMENTS

September 30, 2009

CAPINCROUSE_{LLP}
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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, 2009, 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 2008 financial statements and, in our report dated February 2, 2009, 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, 2009, 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.

As discussed in Note I and J, the organization has adopted the new provisions of the following topics of the FASB Accounting Standards Codification: Fair Value Measurements and Disclosures and Subsequent Events. The adoption of these standards had no impact on previously reported net assets.

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, 2009, have been issued separately with the independent auditors' report.



Wheaton, Illinois
February 10, 2010

THE WYCLIFFE SEED COMPANY, INC.
STATEMENT OF FINANCIAL POSITION
September 30, 2009

With Comparative Totals for the Year Ended September 30, 2008

	2009	2008
ASSETS		
Cash	\$ 652,054	\$ 108,757
Deposits with related organization - <i>Note A</i>		
Restricted projects	11,324,700	8,137,754
Unrestricted	5,475,696	2,295,719
Advances to related ministries - <i>Note H</i>	41,006	54,968
Other assets	117,673	135,159
Beneficial interest in split-interest agreements - <i>Note H</i>	108,041	75,766
Property and equipment, net of accumulated depreciation - <i>Note B</i>	60,175	191,505
TOTAL ASSETS	\$ 17,779,345	\$ 10,999,628
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 310,295	\$ 271,598
Amounts due to affiliated entities - <i>Note H</i>	137,619	94,941
TOTAL LIABILITIES	447,914	366,539
NET ASSETS		
Unrestricted:		
Equity in property and equipment	60,175	191,505
Unrestricted	5,938,996	2,218,562
Total unrestricted	5,999,171	2,410,067
Temporarily restricted - <i>Note E</i>	11,332,260	8,223,022
TOTAL NET ASSETS	17,331,431	10,633,089
TOTAL LIABILITIES AND NET ASSETS	\$ 17,779,345	\$ 10,999,628

See notes to financial statements.

THE WYCLIFFE SEED COMPANY, INC.
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2009
With Comparative Totals for the Year Ended September 30, 2008

	Unrestricted	Temporarily Restricted	2009	2008
SUPPORT AND REVENUE				
Contributions	\$ 4,601,054	\$ 8,024,999	\$ 12,626,053	\$ 9,085,226
Support from affiliates - <i>Note H</i>				
WBT contributions	188,792	962,866	1,151,658	854,463
Member support	2,937,505	-	2,937,505	2,507,496
Investment income	502,460	-	502,460	346,270
Other	76,279	-	76,279	46,828
Reclassifications:				
Administrative assessments (19% administration & fund-raising; 6% field administration)	2,002,701	(2,002,701)	-	-
Satisfaction of program restrictions	3,875,926	(3,875,926)	-	-
TOTAL SUPPORT AND REVENUE	14,184,717	3,109,238	17,293,955	12,840,283
EXPENSES - <i>Note F</i>				
Program services	6,737,004	-	6,737,004	4,837,043
Administration services	1,495,906	-	1,495,906	1,687,363
Fund-raising services (Includes communications, marketing)	2,362,703	-	2,362,703	1,876,412
TOTAL EXPENSES	10,595,613	-	10,595,613	8,400,818
CHANGE IN NET ASSETS	3,589,104	3,109,238	6,698,342	4,439,465
Net assets at beginning of year	2,410,067	8,223,022	10,633,089	6,193,624
NET ASSETS AT END OF YEAR	\$ 5,999,171	\$ 11,332,260	\$ 17,331,431	\$ 10,633,089

See notes to financial statements.

THE WYCLIFFE SEED COMPANY, INC.
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2009
With Comparative Totals for the Year Ended September 30, 2008

	2009	2008
OPERATING ACTIVITIES		
Change in net assets	\$ 6,698,342	\$ 4,439,465
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	80,092	118,666
Gifted stock	(849)	(82,434)
Contribution of airplane to affiliate	64,017	-
Changes in assets and liabilities:		
Advances to related ministries	13,962	(43,145)
Other assets	17,486	(65,589)
Beneficial interest in split-interest agreements	(32,275)	43,386
Accounts payable and accrued expenses	38,697	158,230
Amounts due to affiliated entities	42,678	24,830
NET CASH PROVIDED BY OPERATING ACTIVITIES	6,922,150	4,593,409
INVESTING ACTIVITIES		
Purchase of property and equipment	(12,778)	(40,701)
Change in deposits with related organization	(6,366,924)	(4,759,426)
Proceeds from sale of gifted stock	849	82,434
NET CASH USED BY INVESTING ACTIVITIES	(6,378,853)	(4,717,693)
NET CHANGE IN CASH	543,297	(124,284)
Cash at beginning of year	108,757	233,041
CASH AT END OF YEAR	\$ 652,054	\$ 108,757

See notes to financial statements.

THE WYCLIFFE SEED COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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.

The Seed Company creatively networks with God's people around the world to translate the Bible into every language for His glory. The Seed Company empowers Christians from countries where Bible translation is needed to participate fully in the Bible translation task by creating partnerships between American Christians and national translators. American Christians provide prayer and financial support while national Christians carry out the actual translation task, usually in cooperation with Wycliffe field personnel. The Seed Company accomplishes its goal by partnering with Wycliffe Bible Translators, Inc. and SIL International.

Wycliffe Bible Translators, Inc. (WBT) is an interdenominational nonprofit missionary organization with the goal of forwarding, in every way possible, the translation of the Word of God into all those languages of the world where it is needed.

SIL International (SIL) provides training for Wycliffe linguists, directs the study of languages less known and unwritten, oversees translations into the languages studied, and promotes literacy among the people whose languages are studied.

OneVerse is an initiative of The Seed Company that is focused on connecting individuals and groups to a Bible translation project by sponsoring one verse at a time.

The Luke Partnership is a joint effort of The Seed Company and the *JESUS Film Project*. The goal of this partnership is to translate the Gospel of Luke, plus some selected portions of the Old and New Testaments, in order to produce the *JESUS Film*. This two-hour movie enactment of the life of Christ has already been translated and shown in over 700 languages. In most cases, these will be the first Scripture the people have heard in their own language. Modifications are made for dubbing, lip-synching and the like, but otherwise it is a straight translation from the book of Luke. It is anticipated that it will take up to three years to complete these goals for each language. The Seed Company provides services to the Luke Partnership including facilitation, translation and publication of the Gospel of Luke and other Scripture selections and the preparations of the *JESUS Film* scripts. Revenue from these services is reported as service income in the financial statements. In addition, The Seed Company provides advances that result in grants when expended for specified purposes.

The Seed Company's revenues consist primarily of contributions and support from affiliates.

THE WYCLIFFE SEED COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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, 2008, 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 Organizations: Deposits with related organizations 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, 2009) of 4.0%.

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.

THE WYCLIFFE SEED COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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

Property and Equipment: Property and equipment in excess of \$3,000 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:

Buildings	30 to 40 years
Equipment and furnishings	3 to 10 years
Airplanes	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.
- 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 24% of total contributions and support from affiliates, of which 72% is non-cash contributions consisting of the value of member labor (Note H). Two other donors provided 41% 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 fundraising 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 7,900 volunteer hours per year.

THE WYCLIFFE SEED COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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

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.

NOTE B - PROPERTY AND EQUIPMENT

Property and equipment as of September 30, 2009, consist of the following:

Overseas vehicles	\$ 93,358
Company vehicles	68,747
Websites	84,575
Software	105,788
Equipment	42,972
Furniture	130,105
	<u>525,545</u>
Less accumulated depreciation	(465,370)
Net property and equipment	<u><u>\$ 60,175</u></u>

Depreciation in the amount of \$80,092 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 \$19,982, respectively. The Seed Company incurred \$281,889 in rental expense during 2009. Minimum future rentals as of September 30, 2009, are:

Year-ended September 30,	
2010	\$ 221,824
2011	19,384
	<u><u>\$ 241,208</u></u>

During 2008, The Seed Company entered into a lease agreement to sublease building space. The lease is for 24 months and expires on January 31, 2010. The lease requires a monthly payment of \$2,250 for the first year of the lease with an increase equal to the Consumer Price Index, not to be less than 2% and not to be greater than 5%, thereafter. Future minimum lease payment is \$9,180 for 2010. The Seed Company received \$54,950 in rental income during 2009.

THE WYCLIFFE SEED COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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, 2009, The Seed Company had \$688,234 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	10,983,463
	<u>11,224,219</u>
Time restricted:	
Beneficial interest in split-interest agreements	108,041
	<u><u>\$ 11,332,260</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 2009 expenses, yet funded through affiliated organizations, is \$851,962 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, 2009, The Seed Company contributed \$43,908 to this plan.

THE WYCLIFFE SEED COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE H - RELATED PARTY TRANSACTIONS

As of September 30, 2009, The Wycliffe Seed Company had amounts due to and from related entities as follows:

	Advances from	Due to
SIL and its affiliates	<u>\$ 41,006</u>	<u>\$ 137,619</u>

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 Wycliffe Seed Company's remainder interest in those agreements to be \$108,041 at September 30, 2009. That amount has been included in the statement of financial position as beneficiary interest in split-interest agreements.

During the year ended September 30, 2009, The Seed Company received \$4,089,163 in support from WBT and SIL. Of this amount, \$2,937,505 was non-cash contributions consisting of the value of labor by members assigned to The Seed Company.

Also during the year ended September 30, 2009, The Seed Company's program expense includes \$1,214 for services provided to the Luke Partnership. \$449 has been advanced to the Luke Partnership as of year-end, and will be reported as program expenses when expended for the specified purpose.

In addition, the organization received \$1,500 in rental income for office space rented by WBT.

NOTE I - FAIR VALUE MEASUREMENTS

Effective October 1, 2008, the Seed Company adopted the new provisions of the Fair Value Measurement and Disclosure Topic of the FASB Accounting Standards Codification. The new provisions have been applied prospectively as of the beginning of the year. These standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: 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 have the lowest priority. The Seed Company uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. 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.

THE WYCLIFFE SEED COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

NOTE I - FAIR VALUE MEASUREMENTS, continued

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2009:

	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	<u>\$ 108,041</u>	<u>\$ 108,041</u>	<u>\$ -</u>	<u>\$ -</u>

For the year ended September 30, 2009, 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 \$32,275. The total change in value of the beneficial interest is included in contributions on the statements 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.