

Audited Financial Statements

**WYCLIFFE BIBLE TRANSLATORS
INTERNATIONAL, INC.**

September 30, 2010

INDEPENDENT AUDITORS' REPORT

**Board of Directors
Wycliffe Bible Translators International, Inc.
Dallas, Texas**

We have audited the accompanying statement of financial position of Wycliffe Bible Translators International, 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 May 3, 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 purposes of expressing an opinion on the effectiveness of the organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 Wycliffe Bible Translators International, Inc. as of September 30, 2010, and the changes in its net assets and cash flows for the year then ended in conformity accounting principles generally accepted in the United States of America.



Wheaton, Illinois
February 17, 2011

Wycliffe Bible Translators International, Inc.
STATEMENT OF FINANCIAL POSITION
September 30, 2010
With Comparative Totals for September 30, 2009

	2010	2009
ASSETS		
Cash	\$ 2,219,605	\$ 1,874,402
Accounts receivable	94,571	70,708
Amounts due from staff, member and partner organizations	518,997	199,203
Property and equipment, net	12,360	15,387
Other assets	37,864	60,007
TOTAL ASSETS	\$ 2,883,397	\$ 2,219,707
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 301,369	\$ 76,221
Amounts due to staff, member and partner organizations	905,439	689,316
TOTAL LIABILITIES	1,206,808	765,537
NET ASSETS		
Unrestricted:		
Equity in property and equipment	12,360	15,387
Undesignated	1,147,910	840,911
Total unrestricted	1,160,270	856,298
Temporarily restricted	516,319	597,872
TOTAL NET ASSETS	1,676,589	1,454,170
TOTAL LIABILITIES AND NET ASSETS	\$ 2,883,397	\$ 2,219,707

See notes to financial statements.

Wycliffe Bible Translators International, 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 Total	2009 Total
SUPPORT AND REVENUE				
From member and partner organizations:				
Contributions	\$ 1,938,619	\$ 2,896,079	\$ 4,834,698	\$ 4,293,414
Contributed services	8,618,796	-	8,618,796	7,631,386
Interest income	70,975	-	70,975	87,193
Sales and services, net			-	-
From other sources:				
Contributions	4,806	12,033	16,839	9,330
Sales and services, net	12,886	-	12,886	25,401
Other income	4,365	-	4,365	(4,600)
Net assets released from restrictions:				
Satisfaction of purpose restrictions	2,989,665	(2,989,665)	-	-
TOTAL SUPPORT AND REVENUE	13,640,112	(81,553)	13,558,559	12,042,124
EXPENSES				
Program services:				
Bible translation facilitation	12,403,888	-	12,403,888	10,597,880
Supporting services:				
General and administrative	932,252	-	932,252	871,797
TOTAL EXPENSES	13,336,140	-	13,336,140	11,469,677
CHANGE IN NET ASSETS	303,972	(81,553)	222,419	572,447
Net assets at beginning of year	856,298	597,872	1,454,170	881,723
NET ASSETS AT END OF YEAR	\$ 1,160,270	\$ 516,319	\$ 1,676,589	\$ 1,454,170

See notes to financial statements.

Wycliffe Bible Translators International, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2010
With Comparative Totals for the Year Ended September 30, 2009

	<u>2010</u>	<u>2009</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 222,419	\$ 572,447
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,026	5,900
Changes in assets and liabilities:		
Accounts receivable	(23,863)	(57,144)
Amounts due from staff, member and partner organizations	(319,794)	(93,925)
Other assets	22,143	(19,843)
Accounts payable and accrued expenses	225,148	(24,915)
Amounts due to staff, member and partner organizations	216,123	570,890
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>351,202</u>	<u>953,410</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(5,999)	(14,721)
NET CASH USED BY INVESTING ACTIVITIES	<u>(5,999)</u>	<u>(14,721)</u>
NET CHANGE IN CASH	345,203	938,689
Cash at beginning of year	1,874,402	935,713
CASH AT END OF YEAR	<u><u>\$ 2,219,605</u></u>	<u><u>\$ 1,874,402</u></u>

See notes to financial statements.

Wycliffe Bible Translators International, Inc.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE A – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: Wycliffe Bible Translators International, Inc. (WBTI) is a Texas non-profit corporation, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The organization is classified as a public organization under Section 509(a), and not a private foundation. Contributions to it are tax deductible within the limitations prescribed by the tax code. WBTI has offices in Singapore; Dallas, Texas; Nairobi, Kenya; San Jose, Costa Rica; Manila, Philippines; and Burbach, Germany. Expenditures related to the activities of these offices are included in these financial statements.

WBTI exists to encourage and facilitate greater partnership in reaching minority peoples with God's Word and message of hope in the languages they understand best. It promotes the efforts of its 45 member organizations and more than 25 partner organizations as they engage with the worldwide Church in providing resources for Bible translation and other compassionate service around the globe. It also facilitates and encourages the work of member organizations who lead Bible translation programs and serve language communities in their own nations. WBTI and its member organizations partner closely with SIL International, which facilitates language based development and serves the people of the world through research, translation and literacy.

The work of WBTI is primarily carried out by staff that voluntarily joined a WBTI member organization which assigned them to serve WBTI. WBTI's revenues consist primarily of contributions from member organizations.

Basis of Presentation: The financial statements of WBTI have been prepared on the accrual basis of accounting in accordance with the Evangelical Joint Accounting Committee's "Accounting and Financial Reporting Guide for Christian Ministries" and the AICPA's "Audit and Accounting Guide For Not-for-Profit Organizations". The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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 these 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 generally accepted accounting principles in the United States of America. Accordingly, such information should be read in conjunction with the WBTI financial statements for the year ended September 30, 2009, from which the summarized information was derived.

Wycliffe Bible Translators International, Inc.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

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

Cash: Included in cash are amounts invested in an investment fund operated by SIL International. Most of these funds are invested in government and investment grade commercial bonds and notes. These funds are available to WBTI on demand. The amount invested in the investment fund at September 30, 2010 is \$1,823,366. WBTI holds 10% of its cash in accounts outside the U.S.

Other assets: Included in other assets are various prepaid expenses.

Property and equipment: WBTI's property and equipment includes equipment in Africa, Asia and Europe. Property and equipment expenditures in excess of \$5,000 are capitalized at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the equipment, which ranges from 3 to 10 years.

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

Unrestricted net assets include gifts for the general operations of WBTI, funds designated for specific uses by the Board of Directors, and equity in property and equipment.

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. Wycliffe Organizations assess contribution income at rates that range from 0 to 15%. Some of this assessment is passed to WBTI as a contribution to be used for general and administrative expenses. This assessment contribution is classified as unrestricted net assets at the time WBTI receives the contribution.

Donated Services: Donated services represent the value of the staff provided by Wycliffe Organizations. These services are recorded at the salary expense amount incurred by the Wycliffe Organizations.

Allocation of Expenses: The costs of providing program and supporting services are allocated and summarized on a functional basis in the statement of activities.

Foreign Currency: The financial activities of the area offices are recorded and maintained in U.S. dollars. Contributions received and expenses paid in foreign currencies are recorded in U.S. dollars using the exchange rate applicable on the date of the transactions. The statement of financial position reflects the value of foreign currency accounts in U.S. dollars using the exchange rate as of September 30, 2010.

Wycliffe Bible Translators International, 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, WBTI 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 31, 2010, WBTI had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

SUBSEQUENT EVENTS

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

NOTE B – TRANSACTIONS WITH MEMBER AND PARTNER ORGANIZATIONS

As of September 30, 2010, WBTI had accounts receivable and payable as follows:

	Receivable	Payable
Wycliffe Organizations	\$ 29,727	\$ 112,621
SIL International	441,756	5,504
Staff	47,514	787,314
	<u>\$ 518,997</u>	<u>\$ 905,439</u>

During the year ended September 30, 2010, WBTI received support from and provided support to various related entities. Such amounts included in revenue and expenses were as follows:

	Received from	Provided to
Wycliffe Organizations	\$ 12,626,011	\$ 753,610
SIL International	898,458	72,497
	<u>\$ 13,524,469</u>	<u>\$ 826,107</u>

Of the total amount received from affiliated entities, \$8,618,797 is the value of donated services received through Wycliffe Organizations and assigned to WBTI. Of this, \$297,567 was for staff performing management and general functions, and \$8,321,230 was for staff performing Bible translation promotion and related program functions.

Wycliffe Bible Translators International, Inc.
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September 30, 2010

NOTE C – PROPERTY, PLANT, AND EQUIPMENT

Property as of September 30, 2010, consists of the following:

Equipment in Europe	\$ 24,062
Equipment in Asia	5,999
Equipment in Africa	14,721
	<u>44,782</u>
Less accumulated depreciation	(32,422)
	<u><u>\$ 12,360</u></u>

Americas Area, Asia Pacific Area and Europe Area lease office space from outside parties under multi-year leases. These lease agreements vary in length. Expected future expense for these leases is as follows:

2011	\$ 33,582
2012	33,737
2013	25,417
2014	25,582
Thereafter	25,752
Total future lease expense	<u><u>\$ 144,070</u></u>

In the current fiscal year, rent expense for these leases totaled \$31,112, which is included in total 2010 rent expense of \$89,414. Other rent includes home offices and offices leased from partner organizations.

NOTE D – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of September 30, 2010, consist of the following:

Bible translation organization assistance	\$ 297,282
Language program support	95,108
Support services	13,303
Translator assistance	36,530
Training programs	74,096
	<u><u>\$ 516,319</u></u>

Wycliffe Bible Translators International, Inc.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE E – CHANGE IN INTERPRETATION FOR ALLOCATING FUNCTIONAL EXPENSES

During 2010, WBTI reviewed its functional expense allocations and its interpretation of the definition of management and general expenses under financial accounting standards. Based on this review, certain field operating expenses were identified as program related that had been previously reported as management and general. Accordingly, reclassifications have been made to functional expenses during the year ended September 30, 2010, and related reclassifications have been made to the prior year comparative amounts.