

Audited Financial Statements
Wycliffe Bible Translators, Inc. and Affiliates
September 30, 2003



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INDEPENDENT AUDITORS' REPORT

**Board of Directors
Wycliffe Bible Translators, Inc.
Orlando, Florida**

We have audited the accompanying combined statement of financial position of Wycliffe Bible Translators, Inc. and Affiliates as of September 30, 2003, and the related combined statements of activities and cash flows for the year then ended. These combined financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these combined financial statements based on our audit. The prior year summarized comparative information has been derived from the organization's 2002 combined financial statements and, in our report dated December 13, 2002, we expressed an unqualified opinion on those combined financial statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Wycliffe Bible Translators, Inc. and Affiliates as of September 30, 2003, and the changes in their net assets and cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The combining financial statements on pages 12 and 13 are presented for purposes of additional analysis and are not a required part of the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic combined financial statements taken as a whole.

Capin Crouse LLP

Carol Stream, Illinois
December 12, 2003

**WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES
COMBINED STATEMENT OF FINANCIAL POSITION**

September 30, 2003

With Comparative Totals for the Year Ended September 30, 2002

(in thousands of dollars)

ASSETS		2003	2002
Cash		\$ 2,320	\$ 1,804
Investments - <i>Note B</i>		36,542	33,041
Bequests receivable		932	2,102
Notes receivable - <i>Note C</i>		1,510	1,558
Amounts due from related entities - <i>Note E</i>		14	60
Other assets		1,044	813
Investments related to trust agreements - <i>Note B</i>		5,791	5,618
Property and equipment, net of accumulated depreciation - <i>Note D</i>		49,443	49,263
Assets held for endowment - <i>Note B</i>		1,046	1,045
		<hr/>	<hr/>
TOTAL ASSETS		\$ 98,642	\$ 95,304
		<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable and accrued expenses		\$ 1,849	\$ 1,758
Construction costs payable		-	675
Medical claims payable - <i>Note H</i>		1,119	1,220
Amounts due to related entities - <i>Note E</i>		232	243
Funds due members		5,905	5,713
Notes payable		645	640
Fiduciary agreements - <i>Note A</i>		11,277	10,780
Commitments - <i>Note J</i>		-	-
		<hr/>	<hr/>
TOTAL LIABILITIES		21,027	21,029
		<hr/>	<hr/>
NET ASSETS			
Unrestricted			
Equity in property & equipment		49,443	48,588
Board designated		10,582	9,683
Wycliffe Mobilization Center - <i>Note K</i>		(4,883)	(4,585)
Undesignated		6,599	3,046
		<hr/>	<hr/>
Total unrestricted		61,741	56,732
Temporarily restricted - <i>Note G</i>		14,828	16,498
Permanently restricted - <i>Note G</i>		1,046	1,045
		<hr/>	<hr/>
TOTAL NET ASSETS		77,615	74,275
		<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS		\$ 98,642	\$ 95,304
		<hr/> <hr/>	<hr/> <hr/>

See notes to combined financial statements.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES
COMBINED STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2003

With Comparative Totals for the Year Ended September 30, 2002

(in thousands of dollars)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2003 Total	2002 Total
OPERATING SUPPORT AND REVENUE					
Contributions	\$ 12,065	\$ 100,704	\$ 1	\$ 112,770	\$ 120,703
Service income	2,854			2,854	2,516
Interest and dividend income	1,766	76		1,842	2,015
Net realized loss on investments	(153)	(6)		(159)	(106)
Contributions to trust agreements		257		257	345
Net gain on sale of property & equipment				-	190
Other	370			370	446
Net assets released from restrictions				-	-
Satisfaction of program restrictions	99,872	(99,872)		-	-
Satisfaction of asset acquisition restrictions	781	(781)		-	-
Expiration of time restrictions	2,892	(2,892)		-	-
Total operating support and revenue	120,447	(2,514)	1	117,934	126,109
OPERATING EXPENSES					
Program services					
Bible translation and related programs - <i>Note E</i>	94,588			94,588	93,112
Supporting activities					
General and administrative	16,142			16,142	16,125
Fund raising	6,027			6,027	5,935
Total supporting services	22,169			22,169	22,060
Total operating expenses	116,757			116,757	115,172
Excess of operating support and revenue over operating expenses	3,690	(2,514)	1	1,177	10,937
NON-OPERATING					
Net unrealized gain (loss) on investments	852	1,853		2,705	(1,020)
Change in value of fiduciary agreements	467	(1,009)		(542)	1,341
Total non-operating	1,319	844	-	2,163	321
CHANGE IN NET ASSETS	5,009	(1,670)	1	3,340	11,258
Net assets at beginning of year	56,732	16,498	1,045	74,275	63,017
NET ASSETS AT END OF YEAR	\$ 61,741	\$ 14,828	\$ 1,046	\$ 77,615	\$ 74,275

See notes to combined financial statements.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES
COMBINED STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2003
With Comparative Totals for the Year Ended September 30, 2002
(in thousands of dollars)

	2003	2002
OPERATING ACTIVITIES		
Change in net assets	\$ 3,340	\$ 11,258
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,798	1,153
Gain on disposal of equipment	-	(190)
Gifts-in-kind	(2,421)	(4,700)
Net realized loss on sale of investments	159	106
Net unrealized (gain) loss on investments	(2,705)	1,020
Change in value of fiduciary agreements	542	(1,341)
Contributions restricted for investment in property & equipment	(781)	(8,564)
Contribution of property to SIL	-	327
Changes in assets and liabilities:		
Bequests receivable	1,170	(1,728)
Contributions receivable	-	250
Amounts due from related entities	46	91
Other assets	(231)	(56)
Accounts payable, accrued expenses & medical claims payable	(685)	(2,596)
Amounts due to members & related entities	181	(232)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	413	(5,202)
INVESTING ACTIVITIES		
Purchase of investments	(10,909)	(3,184)
Proceeds from sale of investments and gift-in-kind stock	11,673	12,959
Issuance of notes receivable	-	(30)
Payments received on notes receivable	48	258
Purchase of property & equipment	(1,450)	(13,657)
Proceeds from sale of property & equipment	-	586
NET CASH USED BY INVESTING ACTIVITIES	(638)	(3,068)
FINANCING ACTIVITIES		
Proceeds from new fiduciary agreements	1,380	1,003
Payments on fiduciary agreements	(1,425)	(1,390)
Proceeds from notes payable	5	60
Payments on notes payable	-	(100)
Contributions restricted for investment in property & equipment	781	8,564
NET CASH PROVIDED BY FINANCING ACTIVITIES	741	8,137
NET INCREASE (DECREASE) IN CASH	516	(133)
Cash at beginning of year	1,804	1,937
CASH AT END OF YEAR	\$ 2,320	\$ 1,804
NONCASH INVESTING AND FINANCING ACTIVITIES		
Capital contribution of property held for sale to a limited partnership	\$ -	\$ 4,266
Transfer of land from property & equipment to property held for sale	\$ -	\$ 136

See notes to combined financial statements.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2003

NOTE A – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: 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. WBT makes known to the Christian community the opportunities for service, the need for financial and prayer support, and encourages Christians to join with it in bringing God's Word to ethnic groups around the world. WBT is a member of Wycliffe International, an association of thirty-six organizations, which carry out similar work throughout the world.

Support for WBT's ministry comes primarily from donor contributions. WBT is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (Code) and comparable state law and is classified as a publicly supported organization, which is not a private foundation, under Section 509(a)(1) of the Code.

Principles of Combination: This report presents the combined financial position, changes in net assets and cash flows of WBT and its controlled affiliates, The Wycliffe Seed Company (TSC), Moss Park Holdings (MPH), and the Wycliffe Bible Translation Foundation, Inc. (Wycliffe Foundation). Significant transactions and balances between the organizations have been eliminated for combined financial statement purposes.

TSC, a California non-profit corporation, creatively networks with God's people around the world to translate the Bible into every language for His glory. TSC 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 members.

MPH is a Florida for-profit corporation formed in 2002 to hold a 20% interest in a limited partnership that holds land for development and resale. The purposes of the limited partnership are to take title to property, develop the land in accordance with a master plan, finance such development and ultimately dispose of the land and improvements.

Wycliffe Foundation, a California non-profit corporation headquartered in Orlando, Florida, exists to engage new donors and nurture existing donors by offering gift planning services and providing competent financial agreement management and administration of financial resources for Bible translation.

Related entities, not included in these combined financial statements due to their financial and administrative independence, are listed below:

- ❖ Wycliffe Associates, Inc. (WA) furthers the work of WBT through programs of prayer, missionary support, construction projects, recruitment, missionary services and special projects.
- ❖ Tahquitz Conference Association, Inc. provides training and conference facilities for WBT.
- ❖ Summer Institute of Linguistics, Inc. (SIL) provides training programs for linguists and supports the study of and translation into the less known and unwritten languages in the world. It also promotes literacy development in these languages.
- ❖ JAARS, Inc. provides technical, logistical and personnel support for field operations.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2003

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

Members: The work of WBT is primarily carried out by approximately 4,500 individuals who voluntarily joined the organization. Individual members are responsible for identifying a supporting constituency. To facilitate their work, the organization provides, on a cost basis, a variety of services for these members.

Basis of Presentation: The combined financial statements of WBT are prepared on the accrual basis of accounting and in accordance with the Evangelical Joint Accounting Committee's *Accounting and Financial Reporting Guide for Christian Ministries* and the American Institute of Certified Public Accountants' *Audit and Accounting Guide for Not-for-Profit Organizations*. The preparation of combined financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the combined 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 combined financial statements include certain prior-year comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with WBT financial statements for the year ended September 30, 2002, from which the summarized information was derived. Certain amounts in the 2002 combined financial statements have been reclassified to conform to the 2003 presentation.

Cash: Cash includes checking, savings and money market accounts deposited with FDIC-insured financial institutions. Certain accounts that meet the definition of cash but are part of a larger pool of investments are included in investments. Deposits in excess of FDIC insurance limits at September 30, 2003 were approximately \$1,102,000. WBT performs ongoing evaluations of the financial institutions to limit its concentration of credit risk exposure.

Investments: Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at fair values on the statement of financial position. Land and buildings and limited partnership interests are recorded at the lower of cost or estimated market value. Unrealized gains and losses are recorded as non-operating gain or loss on the combined statement of activities. Investment income is reported as unrestricted unless specifically restricted by donors or by law.

Property and Equipment: Property and equipment are stated at cost. Expenditures for property and equipment in excess of \$5,000 are capitalized at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the depreciable assets as follows:

Buildings	10 to 40 years
Equipment	3 to 10 years
Furniture & fixtures	7 to 10 years

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2003

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

Notes Payable: Notes payable consist of uncollateralized, interest-free notes, due on demand. Imputed interest of approximately \$26,000 has not been recorded due to immateriality.

Fiduciary Agreements: Fiduciary agreements represent the long-term liability of WBT for annuity contracts, revocable charitable trusts, and charitable remainder trusts. Assets for trusts are recognized on the basis of their fair market value and reported as investments related to trust agreements (Note B). The total liabilities under fiduciary agreements for the year ended September 30, 2003 were as follows (in thousands):

Annuity contracts	\$ 5,650
Revocable charitable trusts	2,728
Charitable remainder trusts	2,555
Amounts due others	344
	<u>\$ 11,277</u>

WBT has a gift annuity program whereby donors may contribute assets to WBT for the right to receive a fixed dollar annual return during their lifetime. A portion of the transfer is considered to be a charitable contribution for income tax purposes. The difference between the amount provided for the gift annuity and the discounted liability for future payments, determined on an actuarial basis, is recognized as contribution income at the date of the gift. Upon the death of the annuitant, income distributions cease. The actuarial liability for annuities payable is calculated annually using published mortality rate tables adopted by the Internal Revenue Service at an assumed rate of return of 6%. The resulting actuarial gain (\$467,000 in 2003) is recorded as non-operating income on the combined statement of activities. Certain states require that WBT maintain reserve funds adequate to meet the future payments under its outstanding annuity contracts. WBT has separately invested funds sufficient to meet state requirements.

As trustee, WBT administers revocable trusts that provide a beneficial interest to WBT and other beneficiaries at the grantor's death. Net investment income from trust assets is paid to the grantor or designated beneficiaries. Because the trusts are revocable at the discretion of the grantor, the principal amounts are recorded as liabilities. Upon the death of the donor, the trust assets become the property of WBT and are recognized as donations at that time. Any portion of a trust designated for other beneficiaries will be distributed in accordance with the trust agreement.

WBT also administers irrevocable charitable remainder trusts. The trusts provide the payment of lifetime distributions to the donor or other designated beneficiaries. The present value of the estimated future payments is calculated using a discount rate of 5.6% and applicable mortality tables. At the death of the beneficiaries, the remaining assets are available for use by WBT. The present value of the remainder interest of WBT is reported as temporarily restricted contributions in the period received, and as temporarily restricted net assets until a reclassification to unrestricted net assets is made, upon maturity of the trust.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2003

NOTE A – GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Continued

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

Unrestricted net assets include gifts for the general operations of WBT, amounts designated by the board for specific use, and those resources invested in property and equipment.

Temporarily restricted net assets include gifts for which donor-imposed or timing restrictions have not been met, but for which the ultimate purpose of the proceeds is not permanently restricted.

Permanently restricted net assets include gifts for which donor-imposed restrictions do not expire by the passage of time or cannot be fulfilled or removed by actions of WBT pursuant to those stipulations.

Revenue: Revenue is recognized when earned and support when contributions are made, which may be when cash is received, or when ownership of other assets is transferred to WBT. Conditional promises received are not included as revenue until the conditions are substantially met. Bequests are recorded as income at the time WBT has an established right to the bequest and the proceeds are measurable. Service income represents amounts received from members and affiliated entities for housing, printing and other related services.

All contribution income of entities that are Wycliffe organizations are subject to a ten percent (10%) assessment, which is to be used for general and administrative expenses with instructions to the administration that waivers of this assessment not be made. This assessment is reclassified from temporarily restricted to unrestricted net assets at the time the contribution is received.

Donated Goods and Services: Donated goods are recorded at fair market value at the time of donation. Donated services are recognized 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 WBT. Approximately \$530,000 in donated services was recognized as revenue and included in construction in progress in 2003. Volunteers also provided other services throughout the year that are not recognized as contributions in the combined financial statements since the recognition criteria were not met.

Allocation of Expenses: Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing various program services and supporting activities of the organization have been summarized on a functional basis in the combined statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

WBT incurred joint costs of \$14,258,000 for members in training or on furlough. Joint costs are costs incurred in activities that involve a combination of fund raising and program and/or general and administrative activities. Of these costs, 29% was allocated to fund raising and 71% to Bible translation and related programs.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2003

NOTE B – INVESTMENTS

WBT's investments at September 30, 2003 are as follows (in thousands):

Investments (includes funding for gift annuities):

Investments at fair market value:

Stocks	\$ 597
Mutual funds	5,281
Bonds	6,614
Pooled funds	20,099
	32,591

Investments at lower of cost or estimated market value:

Investment in limited partnership (MPH, as described in Note A)	4,267
Land and buildings	730
	37,588

Less assets held for endowment	(1,046)
	\$ 36,542

Investments related to trust agreements (at fair market value):

Investments at fair market value:

Mutual funds	\$ 4,961
Pooled funds	781
	5,742

Investments at lower of cost or estimated market value:

Land and buildings	49
	\$ 5,791

Investments in pooled funds represent WBT's funds that are combined with funds from other related entities for investment purposes in an investment pool owned and operated by SIL. The funds are invested by SIL in a variety of fixed income securities including US Treasury issues, corporate bonds, foreign domestic bonds which borrow and pay in US 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, 2003) of 5.75%. Credit risk is the failure of another party to perform in accordance with the contract terms. WBT is exposed to credit risk for the amount invested in the pool.

Unrestricted interest and dividends consist of \$226,000 from investments at lower of cost or estimated market value. All other investment income is from investments at fair market value.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2003

NOTE C – NOTES RECEIVABLE

Notes receivable includes an installment note secured by a deed of trust. The note bears interest at 6%. Principal and interest payments totaling \$14,000 are due monthly through December 13, 2011, at which time the remaining balance of principal and interest shall become due. The balance on this note at September 30, 2003 is approximately \$1,484,000. Also included in notes receivable are notes totaling approximately \$26,000, which bear interest at 8%.

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment as of September 30, 2003 consist of the following (in thousands):

Land and land improvements	\$ 7,365
Buildings	38,613
Equipment	2,613
Furniture and fixtures	4,112
Construction in progress	3,156
	<u>55,859</u>
Less accumulated depreciation	(6,416)
	<u><u>\$ 49,443</u></u>

Constructions in progress relates primarily to WBT's member retirement center in Dallas, Texas, and an RV park in Orlando, Florida, which will be used primarily by volunteers.

Operating Leases – TSC has three leases, which require total monthly payments of approximately \$15,000. Future minimum rental payments that are required during the accounting periods ending September 30, are presented below (in thousands):

2004	\$ 168
2005	134
2006	138
2007	137
2008	141
Thereafter	293
	<u><u>\$ 1,011</u></u>

Rental expense for leased facilities was \$77,000 for the year ended September 30, 2003.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2003

NOTE E – TRANSACTIONS WITH RELATED ENTITIES

As of September 30, 2003, WBT had amounts due to and from related entities as follows (in thousands):

	Due from	Due to
Members	\$ 4	\$ 20
SIL and its affiliates	4	198
Other U.S. entities	6	14
	<u>\$ 14</u>	<u>\$ 232</u>

During the year ended September 30, 2003, WBT received support from and provided support to various related entities. Such amounts included in revenue and program services were as follows (in thousands):

	Received from	Provided to
SIL and its affiliates	\$ 1,020	\$ 83,855
Other U.S. entities	2,059	526
	<u>\$ 3,079</u>	<u>\$ 84,381</u>

Of the total amount provided to related entities, approximately \$78,110,000 is non-cash contributions related to members assigned to related entities.

NOTE F – GUARANTEE TO RELATED PARTY

In November of 1998, the WBT Board of Directors approved a guarantee for a loan to the East Africa Group of SIL for the construction of the West Nairobi School. This loan is from the SIL investment pool. It is not a loan from an unrelated institution. The pool has advanced a portion of the \$2 million authorized. As of September 30, 2003, the WBT portion of the loan guarantee is \$317,000.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2003

NOTE G – NET ASSETS

Temporarily restricted net assets as of September 30, 2003 consist of the following (in thousands):

TSC:	
Training center	\$ 266
National translation start-up fund	57
Translation projects	1,204
	<u>1,527</u>
WBT:	
Projects	3,255
Irrevocable trusts	3,139
Other donor agreements	5,975
Bequests receivable - timing restricted	932
	<u>13,301</u>
	<u>\$ 14,828</u>

Permanently restricted net assets as of September 30, 2003, consist of the amounts available for investment in perpetuity, the income from which is restricted for (in thousands):

Supplemental income fund	\$ 464
Member ministries	582
	<u>\$ 1,046</u>

NOTE H – HEALTH INSURANCE

WBT provides health insurance to its members limited to a lifetime maximum of \$500,000 per covered individual. WBT's net cost under this program and accruals for known and incurred but not reported claims are reported as medical claims payable in the accompanying combined financial statements. This reserve is based on an estimate of outstanding claims at September 30. However, the actual liability is unknown and exposure to losses in excess of the accrued reserve may exist. Management believes that the liability reflected as medical claims payable in the combined statement of financial position is adequate to cover future losses.

NOTE I – EMPLOYEE RETIREMENT PLAN

WBT provides non-member employees the opportunity to participate in a 403(b) retirement plan that includes matching contributions. Eligible employees are those who have completed 3 months of service and work 20 or more hours per week. Eligible employees can designate a portion of their salary to fund their retirement account and WBT matches those contributions dollar for dollar up to 2.5% of compensation. For the year ended September 30, 2003, contributions by WBT were \$31,000.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2003

NOTE J – PROJECT FUNDING COMMITMENTS

In the normal course of business, TSC 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, 2003, TSC had \$304,000 remaining to be disbursed under these sponsorship agreements.

NOTE K – NEW HEADQUARTERS

On October 23, 2000, WBT broke ground in Orlando, Florida in preparation for construction of its new mobilization center. WBT received significant amounts of volunteer labor and contributed materials. As of September 30, 2003, this project was complete.

Interested individuals have made faith promises to assist in the funding of this project. These promises, totaling \$1,087,000 at September 30, 2003, are conditional and may be revised or cancelled at any time by the donor and are not included in the financial statements at September 30, 2003. In addition to the faith promises there are specific plans in place to complete the funding for this project by FY 2009, mainly through the development and sale of real estate held by our affiliate Moss Park Holdings.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES
COMBINING STATEMENT OF FINANCIAL POSITION
September 30, 2003

ASSETS	Wycliffe Bible Translators	The Seed Company	Wycliffe Foundation	Moss Park Holdings	Eliminations	Total
Cash	\$ 1,997	\$ 232	\$ 90	\$ 1	\$ -	\$ 2,320
Investments	34,591	1,951		4,267	(4,267)	36,542
Bequests receivable	932					932
Notes receivable	1,510					1,510
Amounts due from affiliated entities	143	42	306	105	(582)	14
Other assets	871	173				1,044
Investments related to trust agreements	5,791					5,791
Property and equipment, net of accumulated depreciation	49,144	287	12			49,443
Assets held for endowment	1,046					1,046
TOTAL ASSETS	\$ 96,025	\$ 2,685	\$ 408	\$ 4,373	\$ (4,849)	\$ 98,642
LIABILITIES AND NET ASSETS						
LIABILITIES						
Accounts payable and accrued expenses	\$ 1,776	\$ 42	\$ 12	\$ 19	\$ -	\$ 1,849
Medical claims payable	1,119					1,119
Amounts due to affiliated entities	398	180	225	11	(582)	232
Funds due members	5,905					5,905
Notes payable	645					645
Fiduciary agreements	11,277					11,277
TOTAL LIABILITIES	21,120	222	237	30	(582)	21,027
NET ASSETS						
Unrestricted						
Equity in property & equipment	49,144	287	12			49,443
Board designated	10,582					10,582
Wycliffe Mobilization Center	(4,883)					(4,883)
Undesignated	5,715	649	159	4,343	(4,267)	6,599
Total unrestricted	60,558	936	171	4,343	(4,267)	61,741
Temporarily restricted	13,301	1,527				14,828
Permanently restricted	1,046					1,046
TOTAL NET ASSETS	74,905	2,463	171	4,343	(4,267)	77,615
TOTAL LIABILITIES AND NET ASSETS	\$ 96,025	\$ 2,685	\$ 408	\$ 4,373	\$ (4,849)	\$ 98,642

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES
COMBINING STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2003

	Wycliffe Bible Translators	The Seed Company	Wycliffe Foundation	Moss Park Holdings	Eliminations	Total
OPERATING SUPPORT AND REVENUE						
Contributions	\$ 110,492	\$ 2,426	\$ 820	\$ -	\$ (968)	\$ 112,770
Service income	2,810	229			(185)	2,854
Interest and dividend income	1,502	114		226		1,842
Net realized loss on investments	(159)					(159)
Contributions to trust agreements	257					257
Other	339	31				370
Total operating support and revenue	115,241	2,800	820	226	(1,153)	117,934
OPERATING EXPENSES						
Program services:						
Bible translation and related programs	92,808	1,809			(29)	94,588
Supporting services:						
General and administrative	15,513	656	447	150	(624)	16,142
Fund raising	6,051	274	202		(500)	6,027
Total supporting services	21,564	930	649	150	(1,124)	22,169
Total operating expenses	114,372	2,739	649	150	(1,153)	116,757
Excess of operating support and revenue over operating expenses	869	61	171	76		1,177
NON-OPERATING						
Net unrealized gain on investments	2,705					2,705
Change in value of fiduciary agreements	(542)					(542)
Total non-operating	2,163					2,163
CHANGE IN NET ASSETS	3,032	61	171	76		3,340
Net assets at beginning of year	71,873	2,402		4,267	(4,267)	74,275
NET ASSETS AT END OF YEAR	\$ 74,905	\$ 2,463	\$ 171	\$ 4,343	\$ (4,267)	\$ 77,615