



WYCLIFFE BIBLE TRANSLATORS, INC.
AND AFFILIATES

Combined Financial Statements
With Independent Auditors' Report

September 30, 2014 and 2013

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Combined Financial Statements	
Combined Statements of Financial Position	2
Combined Statement of Activities - 2014	3
Combined Statement of Activities - 2013	4
Combined Statements of Cash Flows	5
Notes to Combined Financial Statements	6
Supplemental Information	
Independent Auditors' Report on Supplemental Information	28
Combining Statement of Financial Position - 2014	29
Combining Statement of Financial Position - 2013	30
Combining Statement of Activities - 2014	31
Combining Statement of Activities - 2013	32

INDEPENDENT AUDITORS' REPORT

Board of Directors
Wycliffe Bible Translators, Inc. and Affiliates
Orlando, Florida

We have audited the accompanying combined financial statements of Wycliffe Bible Translators, Inc. and Affiliates, which comprise the combined statements of financial position as of September 30, 2014 and 2013, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Wycliffe Bible Translators, Inc. and Affiliates as of September 30, 2014 and 2013, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Atlanta, Georgia
February 6, 2015

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Combined Statements of Financial Position

(in thousands of dollars)

	September 30,	
	2014	2013
ASSETS:		
Cash and cash equivalents (Note 2)	\$ 11,060	\$ 8,826
Investments (Note 3)	58,262	56,748
Contributions receivable–net	-	120
Bequests receivable	973	223
Note receivable (Note 5)	873	932
Amounts due from related entities (Note 8)	752	814
Other assets	2,375	1,569
Investments related to fiduciary agreements (Note 4)	19,769	19,411
Property and equipment–net of accumulated depreciation (Note 6)	38,070	38,894
Assets held for endowment (Note 14)	2,643	2,444
Total Assets	\$ 134,777	\$ 129,981
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 2,365	\$ 1,369
Deferred matching contribution revenue (Note 2)	693	546
Medical claims payable (Note 10)	1,500	1,500
Amounts due to related entities (Note 8)	789	789
Accrued compensation	7,846	7,945
Fiduciary agreements (Note 2)	12,741	12,477
Total liabilities	25,934	24,626
Net assets:		
Unrestricted:		
Undesignated	16,787	19,512
Equity in property and equipment–net	38,070	38,894
Board designated	17,021	13,900
Total unrestricted	71,878	72,306
Temporarily restricted (Note 9)	34,895	31,138
Permanently restricted (Note 9)	2,070	1,911
Total net assets	108,843	105,355
Total Liabilities and Net Assets	\$ 134,777	\$ 129,981

See notes to combined financial statements

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Combined Statement of Activities

(in thousands of dollars)

Year Ended September 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING SUPPORT AND REVENUE:				
Contributions	\$ 26,289	\$ 151,749	\$ 159	\$ 178,197
Service income	2,962	-	-	2,962
Interest and dividend income	1,283	253	-	1,536
Net gain on sale of property and equipment	5	-	-	5
Other	301	-	-	301
Net assets released from restrictions:				
Satisfaction of program restrictions	148,180	(148,180)	-	-
Expiration of time restrictions	99	(99)	-	-
Total operating support and revenue	179,119	3,723	159	183,001
OPERATING EXPENSES:				
Program services:				
Bible translation and related programs	139,134	-	-	139,134
Supporting services:				
General and administrative	24,131	-	-	24,131
Fund-raising	16,417	-	-	16,417
Total supporting services	40,548	-	-	40,548
Total operating expenses	179,682	-	-	179,682
Change in net assets from operating activities	(563)	3,723	159	3,319
NON-OPERATING ACTIVITIES:				
Net realized/unrealized gain on investments	501	40	-	541
Change in value of fiduciary agreements (Note 4)	(366)	(6)	-	(372)
Change in net assets from non-operating activities	135	34	-	169
Change in Net Assets	(428)	3,757	159	3,488
Net Assets, Beginning of Year	72,306	31,138	1,911	105,355
Net Assets, End of Year	\$ 71,878	\$ 34,895	\$ 2,070	\$ 108,843

See notes to combined financial statements

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Combined Statement of Activities

(in thousands of dollars)

Year Ended September 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING SUPPORT AND REVENUE:				
Contributions	\$ 28,254	\$ 139,350	\$ 5	\$ 167,609
Service income	2,783	-	-	2,783
Interest and dividend income	1,522	257	-	1,779
Net gain on sale of property and equipment	2	-	-	2
Other	224	-	-	224
Net assets released from restrictions:				
Satisfaction of program restrictions	147,596	(147,596)	-	-
Expiration of time restrictions	(729)	729	-	-
Total operating support and revenue	179,652	(7,260)	5	172,397
OPERATING EXPENSES:				
Program services:				
Bible translation and related programs	137,072	-	-	137,072
Supporting services:				
General and administrative	22,748	-	-	22,748
Fund-raising	17,161	-	-	17,161
Total supporting services	39,909	-	-	39,909
Total operating expenses	176,981	-	-	176,981
Change in net assets from operating activities	2,671	(7,260)	5	(4,584)
NON-OPERATING ACTIVITIES:				
Net realized/unrealized gain on investments	955	289	-	1,244
Change in value of fiduciary agreements (Note 4)	39	(64)	-	(25)
Change in net assets from non-operating activities	994	225	-	1,219
Change in Net Assets	3,665	(7,035)	5	(3,365)
Net Assets, Beginning of Year	68,641	38,173	1,906	108,720
Net Assets, End of Year	\$ 72,306	\$ 31,138	\$ 1,911	\$ 105,355

See notes to combined financial statements

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Combined Statements of Cash Flows

(in thousands of dollars)

	Year Ended September 30,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,488	\$ (3,365)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	2,115	2,069
Gain on disposal of property and equipment	(5)	(2)
Gifts-in-kind	(52)	(993)
Net realized/unrealized gain on sale of investments	(541)	(1,244)
Change in value of trust agreements	6	64
Actuarial change in annuities, net of payments	658	736
Contributions restricted for endowment	(159)	(5)
Changes in assets and liabilities:		
Contributions receivable	120	(21)
Bequests receivable	(750)	416
Amounts due from related entities	62	(130)
Other assets	(806)	(72)
Accounts payable, accrued expenses and medical claims payable	996	(2,146)
Deferred matching contribution revenue	147	499
Amounts due to related entities	-	19
Accrued compensation	(99)	595
Amounts due other remaindermen	227	145
Net Cash Provided (Used) by Operating Activities	5,407	(3,435)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(4,330)	(4,275)
Proceeds from sale of investments	2,800	16,777
Payments received on note receivable	59	59
Purchase of property and equipment	(1,239)	(1,243)
Proceeds from sale of property and equipment and property held for sale	5	2
Net Cash Provided (Used) by Investing Activities	(2,705)	11,320
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from new fiduciary agreements	461	420
Investment income from trust agreements	512	347
Payments on fiduciary agreements	(1,600)	(1,809)
Contributions restricted for endowment	159	5
Net Cash Used by Financing Activities	(468)	(1,037)
Net Change in Cash	2,234	6,848
Cash, Beginning of Year	8,826	1,978
Cash, End of Year	\$ 11,060	\$ 8,826

See notes to combined financial statements

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

1. NATURE OF ORGANIZATION:

Wycliffe Bible Translators, Inc. (Wycliffe USA), a California non-profit corporation, is an interdenominational 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. Wycliffe USA 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. Wycliffe USA is a member of Wycliffe Global Alliance, an association of approximately 100 member and partner organizations, which carry out similar work throughout the world.

Support for Wycliffe USA's ministry comes primarily from donor contributions. Wycliffe USA 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

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

PRINCIPLES OF COMBINATION

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

TSC, a California religious non-profit corporation, 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.

MPH is a Florida for-profit corporation invested in a limited partnership. MPH has a right to 20% of the profits on sales of land owned by the limited partnership. 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.

The Wycliffe Foundation is a California non-profit corporation headquartered in Orlando, Florida. It supports 501(c)(3) tax-exempt organizations that are involved in Bible translation by engaging in gift planning services and planned gift administration. Some of the planned giving instruments that are used by Wycliffe Foundation include wills, annuities, trusts, endowments and donor-advised funds.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PRINCIPLES OF COMBINATION, continued

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

- Wycliffe Associates, Inc. (WA) is committed to involving people in the advancement of Bible translation worldwide through programs of prayer, financial stewardship and international volunteer service opportunities.
- 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. (JAARS) provides technical, logistic and personnel support for field operations. SIL and JAARS are combined for financial reporting purposes.
- Wycliffe Global Alliance (WGA) promotes the efforts of the Wycliffe Global Alliance Participating Organizations (45 member organizations and more than 60 partner organizations) as they engage the worldwide Church in providing resources for Bible translation and related ministry around the globe.
- RIA Charitable Investments Inc. (RIACII) exists to provide a pooled investment opportunity for Wycliffe Global Alliance member and associated partner organizations.
- Graduate Institute of Applied Linguistics (GIAL) is a graduate professional institute that provides training and research opportunities in such areas as linguistics, language and culture learning, language assessment and development, literacy, and Bible translation and equips students with the skills to train and serve others.

MEMBERS

The work of Wycliffe USA is primarily carried out by approximately 3,450 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.

ESTIMATES

The preparation of combined 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, 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.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS

Cash includes checking, savings, money market accounts deposited with FDIC-insured financial institutions and a cash deposit with a related entity. Certain accounts that meet the definition of cash but are part of a larger pool of investments are included in investments. From time to time, Wycliffe USA has cash deposits in excess of federally insured limits; however, Wycliffe USA has not experienced any losses on these accounts and does not believe that it is exposed to any significant credit risk. Wycliffe USA performs ongoing evaluations of the financial institutions to limit its concentration of credit risk exposure. As of September 30, 2014 and 2013, Wycliffe USA, TSC, and Wycliffe Foundation had approximately \$4,945,000 and \$7,067,000, respectively, deposited with a related entity functioning as a money market account.

INVESTMENTS AND INVESTMENTS RELATED TO FIDUCIARY AGREEMENTS

Investments in marketable securities with readily determinable fair values, all investments in debt securities and donated rental property are reported at fair value on the combined statements of financial position. Land and building and limited partnership interests are recorded at the lower of cost or estimated market value.

RIA Charitable Investment Funds, Inc. (RIACII) operates as an investment pool available to certain Wycliffe Global Alliance member and associated partner organizations. Funds deposited with RIACII are invested in a variety of fixed income securities including U.S. Treasury issues, corporate bonds and mortgage backed bonds, which borrow and pay in U.S. dollars. The deposits are carried at the value of actual deposits made plus accrued interest. Deposits earned interest at the rate of 2.75% and 3% for the years ended September 30, 2014 and 2013, respectively. Interest income recorded in the combined statements of activities for 2014 and 2013 was approximately \$1,138,000 and \$1,388,000, respectively. As of September 30, 2014 and 2013, RIACII reported total assets with a fair value of approximately \$75,362,000 and \$79,397,000, respectively, of which Wycliffe USA, TSC and Wycliffe Foundation hold approximately \$46,897,000 (62%) and \$46,450,000 (59%), respectively. Credit risk is the failure of another party to perform in accordance with the contract terms. Wycliffe USA is exposed to credit risk for the amount invested in the pool.

Realized and unrealized gains and losses are recorded as non-operating gain or loss on the combined statements of activities. Investment income is reported as unrestricted unless specifically restricted by donors or by law.

BEQUESTS RECEIVABLE

Bequests receivable, that have been approved by the probate court and are measurable, are recorded at net realizable value. In most cases, proceeds are expected to be received within one year.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are recognized as income and contributions receivable in the period received. Conditional promises to give are recognized as income when the conditions on which they depend are substantially met. There is no allowance or discount applied to the contributions receivable in anticipation of these amounts being received in less than one year.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Expenditures for property and equipment in excess of minimum threshold amount 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

DEFERRED MATCHING CONTRIBUTION REVENUE

Deferred revenue consists of funds received by TSC with donor stipulations that matching contributions be raised in order to retain the gift. Contribution revenue is recognized as matching funds are raised. During 2014 and 2013, TSC received approximately \$1,600,000 and \$945,000, respectively, in matching funds for certain translation projects that must be raised within a three year period. For the years ended September 30, 2014 and 2013, approximately \$1,400,000 and \$445,000 in matching gifts had been raised, respectively.

FIDUCIARY AGREEMENTS

Fiduciary agreements, administered by Wycliffe Foundation, represent the long-term liability of Wycliffe USA for charitable gift annuity contracts, revocable charitable trusts and charitable remainder trusts. Fiduciary agreement assets are recognized on the basis of their fair market value and reported as investments related to fiduciary agreements. The total liabilities under fiduciary agreements were as follows (in thousands):

	September 30,	
	2014	2013
Charitable gift annuity contracts	\$ 6,876	\$ 6,946
Revocable charitable trusts	1,400	1,402
Charitable remainder trusts	2,374	2,265
Amount due to other remaindermen	2,091	1,864
	<u>\$ 12,741</u>	<u>\$ 12,477</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

FIDUCIARY AGREEMENTS, continued

Wycliffe USA has a charitable gift annuity program whereby donors may contribute assets to Wycliffe USA 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 of approximately \$580,000 and \$509,000 in 2014 and 2013, respectively, is included in unrestricted change in value of fiduciary agreements on the combined statements of activities. Certain states require that Wycliffe USA maintain reserve funds adequate to meet the future payments under its outstanding annuity contracts. Wycliffe USA has separately invested funds sufficient to meet state requirements.

As trustee, Wycliffe USA administers revocable trusts that provide a beneficial interest to Wycliffe USA 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 Wycliffe USA 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.

Wycliffe USA 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 the current IRS Section 7520 interest rate and applicable mortality tables. At the death of the beneficiaries, the remaining assets are available for use by Wycliffe USA. The present value of the remainder interest of Wycliffe USA 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. Investments related to trust agreements totaled approximately \$6,631,000 and \$6,483,000 as of September 30, 2014 and 2013, respectively.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

NET ASSETS

The net assets of Wycliffe USA 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 Wycliffe USA, 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 Wycliffe USA 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 Wycliffe USA. Conditional promises received are not included as revenue until the conditions are substantially met. Bequests are recorded as income at the time Wycliffe USA 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.

Contribution income to Wycliffe USA is subject to a ten to nineteen percent (10-19%) assessment and contribution income to TSC translation projects is subject to a nineteen percent (19%) assessment, which are used for general and administrative and fund-raising expenses. These assessments are reclassified from temporarily restricted to unrestricted net assets at the time the contribution is received.

CONTRIBUTED GOODS AND SERVICES

Contributed goods are recorded at fair market value at the time of donation. Contributed 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 Wycliffe USA. Approximately \$52,000 and \$100,000 in contributed services were recognized as revenue and included in construction and construction in progress in 2014 and 2013, respectively. In addition, approximately \$82,000 and \$233,000 in contributed services were recognized as revenue and included in general and administrative expense in 2014 and 2013, respectively. Volunteers also provided other services throughout the year that are not recognized as contributions in the combined financial statements because the recognition criteria were not met.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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 statements of activities. Accordingly, certain costs have been allocated among the program services and activities benefited. Joint costs are costs incurred in activities that involve a combination of fund-raising and program and/or management and general activities.

In developing and maintaining their support teams, members spend a portion of their time on fund-raising activities. In 2013, a new survey of member activities showed that all members are conducting at least some fund-raising and therefore that all member labor has joint costs (approximately \$85,778,000 and \$85,895,000 as of September 30, 2014 and 2013, respectively). Of this amount, 75% is allocated to fund-raising for pre-field members and members assigned to fulltime support team development, 12% for members on furlough, and 1.5% for all other active members. Fund-raising expense is approximately \$4,146,000 and \$4,182,000 in 2014 and 2013, respectively. All remaining labor was assigned to either program or general and administrative activities.

RECLASSIFICATIONS

Certain information from the prior year combined financial statements have been reclassified to conform to the current year presentation format.

UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the combined financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the combined statements of activities. As of September 30, 2014, Wycliffe USA had no uncertain tax positions that qualify for recognition or disclosure in the combined financial statements.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

3. INVESTMENTS:

Wycliffe USA's investments consist of the following (in thousands):

	September 30,	
	2014	2013
Investments at fair value:		
Cash and cash equivalents	\$ 400	\$ 286
Money market mutual funds	429	646
Common stock	6,615	5,994
Mutual funds	5,818	4,962
Donated rental property	-	453
	<u>13,262</u>	<u>12,341</u>
Investments at lower of cost or estimated market value:		
Deposits with RIACII	45,349	44,741
Accrued interest	4	2
Investment in limited partnership *	-	-
Land and buildings	2,290	2,108
	<u>60,905</u>	<u>59,192</u>
Less: assets held for endowment	<u>(2,643)</u>	<u>(2,444)</u>
	<u>\$ 58,262</u>	<u>\$ 56,748</u>

* As of September 30, 2014 and 2013, the limited partnership that MPH invested in had a negative overall equity position. Due to MPH's status as a limited partner, the investment in limited partnership was written down to zero to properly reflect the estimated market value of its limited partnership interest.

Investment income consists of the following (in thousands):

	Year Ended September 30,	
	2014	2013
Interest and dividend income	\$ 1,536	\$ 1,779
Net realized/unrealized gain on investments	541	1,244
	<u>\$ 2,077</u>	<u>\$ 3,023</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

4. INVESTMENTS RELATED TO FIDUCIARY AGREEMENTS:

Investments related to fiduciary agreements consist of the following (in thousands):

	September 30,	
	2014	2013
Investments at fair value:		
Cash and cash equivalents	\$ 379	\$ 586
Money market mutual funds	495	489
Common stock	5,407	4,800
Mutual funds	8,408	7,938
Corporate bonds	1,469	1,749
U.S. Government agency bonds	2,057	2,116
	<u>18,215</u>	<u>17,678</u>
Investments at cost:		
Accrued interest	6	24
Deposits with RIACII	1,548	1,709
	<u>1,554</u>	<u>1,733</u>
	<u>\$ 19,769</u>	<u>\$ 19,411</u>

Change in value of fiduciary agreements consists of the following (in thousands):

	Year Ended September 30,	
	2014	2013
Interest and dividend income	\$ 191	\$ 120
Net realized/unrealized gain on investments	321	276
Maturities	319	685
Actuarial change	397	703
Payments and distributions	(1,600)	(1,809)
	<u>(372)</u>	<u>(25)</u>
	<u>\$ (372)</u>	<u>\$ (25)</u>

5. NOTE RECEIVABLE:

Wycliffe USA has a note receivable secured by deed of trust which bears interest at 7%. Principal and interest payments totaling approximately \$10,000 are due monthly through August 1, 2024, at which time the remaining balance of principal and interest shall become due. The balance of the note was approximately \$873,000 and \$932,000 as of September 30, 2014 and 2013, respectively.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

6. PROPERTY AND EQUIPMENT :

Property and equipment consist of the following (in thousands):

	September 30,	
	2014	2013
Land and land improvements	\$ 4,707	\$ 4,683
Buildings	47,576	46,415
Equipment	7,717	6,074
Furniture and fixtures	4,464	4,452
	<u>64,464</u>	<u>61,624</u>
Less accumulated depreciation	<u>(26,416)</u>	<u>(24,603)</u>
	38,048	37,021
Construction in progress	22	1,873
	<u>\$ 38,070</u>	<u>\$ 38,894</u>

7. OPERATING LEASES:

TSC has entered into operating lease agreements through 2019 for office space and various equipment, which require monthly payments totaling approximately \$37,000. Wycliffe USA has two leases, which require monthly payments totaling approximately \$2,000. Rental expense for TSC and Wycliffe USA was approximately \$461,000 and \$422,000 for the years ended September 30, 2014 and 2013, respectively. Minimum future rentals as of September 30, 2014, are as follows (in thousands):

<u>Year ending September 30,</u>	
2015	\$ 413
2016	117
2017	47
2018	2
	<u>\$ 579</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

8. TRANSACTIONS WITH RELATED ENTITIES:

Wycliffe USA had assets held with related entities as follows (in thousands):

	September 30,	
	2014	2013
Cash:		
SIL	\$ 4,945	\$ 7,067
Investments:		
SIL	394	318
RIACII	46,897	46,450
	<u>47,291</u>	<u>46,768</u>
Amounts due from related entities:		
Receivables from members	722	688
SIL and its affiliates	30	79
Other U.S. affiliates	-	47
	<u>752</u>	<u>814</u>
	<u>\$ 52,988</u>	<u>\$ 54,649</u>

Wycliffe USA had amounts due to related entities as follows (in thousands):

	September 30,	
	2014	2013
Payables to members	\$ 491	\$ 549
SIL and its affiliates	298	240
	<u>\$ 789</u>	<u>\$ 789</u>

Wycliffe USA received support from various related entities. Such amounts are included in revenue and were received as follows (in thousands):

	Year Ended September 30,	
	2014	2013
SIL and its affiliates	\$ 88	\$ 64
Other U.S. affiliates	2,386	2,689
	<u>\$ 2,474</u>	<u>\$ 2,753</u>

Of the total amounts received from affiliates, approximately \$766,000 and \$667,000 for the years ended 2014 and 2013, respectively, are contributed services related to members assigned to Wycliffe USA and TSC from affiliated entities.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

8. TRANSACTIONS WITH RELATED ENTITIES, continued:

Wycliffe USA provided support to various related entities. Such amounts are included in program services and were provided as follows (in thousands):

	Year Ended September 30,	
	2014	2013
SIL and its affiliates	\$ 81,554	\$ 84,374
Other U.S. affiliates	7,527	8,158
	<u>\$ 89,081</u>	<u>\$ 92,532</u>

Of the total amounts provided to affiliates, approximately \$60,730,000 and \$60,985,000, for the years ended 2014 and 2013, respectively, are non-cash donations related to members assigned to affiliated entities.

Wycliffe USA and WA entered into a 99-year lease with a 90-day rescindment clause. Under this lease, WA rents office and warehouse space from Wycliffe USA at a monthly cost of \$1 per square foot. As a result of this agreement, Wycliffe USA has recorded the fair rental value of approximately \$611,000 and \$570,000 in non-cash rental income and program services for donated rent contributed to WA for the years ended September 30, 2014 and 2013, respectively.

9. NET ASSETS:

Temporarily restricted net assets consist of the following (in thousands):

	September 30,	
	2014	2013
TSC:		
Purpose restricted:		
Language projects and translations	\$ 18,326	\$ 16,135
Wycliffe USA:		
Purpose restricted:		
Projects	7,039	6,403
Time restricted:		
Contributions receivable	-	120
Irrevocable trust agreements	1,760	1,766
Missionary support agreements	6,797	6,491
Bequests receivable	973	223
	<u>16,569</u>	<u>15,003</u>
	<u>\$ 34,895</u>	<u>\$ 31,138</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

9. NET ASSETS, continued:

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

	September 30,	
	2014	2013
Supplemental income funds	\$ 473	\$ 473
Supplemental retirement funds	590	589
Scholarship funds	1,007	849
	<u>\$ 2,070</u>	<u>\$ 1,911</u>

10. HEALTH INSURANCE:

Wycliffe USA provides a self-funded health insurance plan to its members. The plan year runs from October 1st to September 30th. Wycliffe USA'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.

11. EMPLOYEE RETIREMENT PLAN:

Wycliffe USA 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 Wycliffe USA matches those contributions dollar for dollar up to 2.5% of compensation. For the years ended September 30, 2014 and 2013, contributions by Wycliffe USA were approximately \$132,000 and \$123,000, respectively.

TSC has established a 403(b) retirement plan. TSC 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 years ended September 30, 2014 and 2013, TSC contributed approximately \$231,000 and \$207,000, respectively, to this plan.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

12. DISCLOSURE OF FAIR VALUE OF FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS:

The following disclosure of estimated fair value of financial instruments is made in accordance with the *Financial Instruments* topic of the FASB ASC. The estimated fair value amounts have been determined by Wycliffe USA using available market information and appropriate valuation methodologies.

The estimated fair values of Wycliffe USA's financial instruments are as follows (in thousands):

	September 30, 2014		September 30, 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:				
Cash	\$ 11,060	\$ 11,060	\$ 8,826	\$ 8,826
Investments	58,262	58,262	56,748	56,748
Notes receivable	873	873	932	932
Investments related to fiduciary agreements	19,769	19,769	19,411	19,411
Assets held for endowment	2,643	2,643	2,444	2,444
Liabilities:				
Accounts payable and accrued expenses	\$ 2,365	\$ 2,365	\$ 1,369	\$ 1,369
Fiduciary agreements	12,741	12,741	12,477	12,477

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

12. DISCLOSURE OF FAIR VALUE OF FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS, continued:

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

Cash, notes receivable, accounts payable and accrued expenses: The carrying amounts approximate fair value due to the short-term maturity of these instruments.

Common stock, money markets, mutual funds and U.S. Government agency bonds: The fair value of these financial instruments is based on quoted market prices or dealer quotes, when available. The fair value of restricted corporate stock is based on Wycliffe USA's estimated fair market value at an estimated selling cost.

Donated rental property: The fair value is based on appraised value on date of gift.

Corporate bonds: The fair value of these financial instruments is based on yields currently available on comparable securities of issuers with similar credit ratings.

Fiduciary agreements: The carrying amounts approximate fair value and are based on the present value of future cash flows to annuitants, income beneficiaries and other remaindermen, respectively, using published mortality rate tables adopted by the IRS at an assumed rate of return of 1 - 6%.

Wycliffe USA uses appropriate valuation techniques to determine fair value based on inputs available. When available, Wycliffe USA 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 were not available. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of significant unobservable inputs and have the lowest priority.

Changes in methods and assumptions: None.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

12. DISCLOSURE OF FAIR VALUE OF FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS, continued:

Fair values of assets measured on a recurring basis are as follows (in thousands):

	September 30, 2014			Total
	Level 1	Level 2	Level 3	
Investments:				
Money market mutual funds	\$ 429	\$ -	\$ -	\$ 429
Common stock:				
Technology	1,615	-	-	1,615
Industrials and materials	694	-	4	698
Healthcare	952	-	-	952
Financial services	683	-	-	683
Consumer	2,071	-	-	2,071
Energy and utilities	176	-	-	176
Basic materials	419	-	-	419
Other	1	-	-	1
	<u>6,611</u>	<u>-</u>	<u>4</u>	<u>6,615</u>
Mutual funds:				
Bond funds	1,743	-	-	1,743
Large cap funds	3,158	-	-	3,158
Mid cap funds	611	-	-	611
Foreign funds	306	-	-	306
	<u>5,818</u>	<u>-</u>	<u>-</u>	<u>5,818</u>
	<u>\$ 12,858</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 12,862</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

12. DISCLOSURE OF FAIR VALUE OF FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS, continued:

	September 30, 2014			Total
	Level 1	Level 2	Level 3	
Investments related to fiduciary agreements:				
Money market mutual funds	\$ 495	\$ -	\$ -	\$ 495
Corporate bonds	-	1,469	-	1,469
U.S. Government agency bonds	2,057	-	-	2,057
	<u>2,552</u>	<u>1,469</u>	<u>-</u>	<u>4,021</u>
Common stock:				
Technology	1,156	-	-	1,156
Industrials and materials	525	-	-	525
Healthcare	635	-	-	635
Financial services	651	-	-	651
Consumer	931	-	-	931
Energy and utilities	332	-	-	332
Foreign	1,177	-	-	1,177
	<u>5,407</u>	<u>-</u>	<u>-</u>	<u>5,407</u>
Mutual funds:				
Bond funds	1,279	-	-	1,279
Real estate funds	382	-	-	382
Large cap funds	4,391	-	-	4,391
Mid cap funds	1,379	-	-	1,379
Small cap funds	709	-	-	709
Foreign funds	268	-	-	268
	<u>8,408</u>	<u>-</u>	<u>-</u>	<u>8,408</u>
	<u>\$ 16,367</u>	<u>\$ 1,469</u>	<u>\$ -</u>	<u>\$ 17,836</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

12. DISCLOSURE OF FAIR VALUE OF FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS, continued:

	September 30, 2013			Total
	Level 1	Level 2	Level 3	
Investments:				
Money market mutual funds	\$ 646	\$ -	\$ -	\$ 646
Common stock:				
Technology	874	-	-	874
Industrials	800	-	58	858
Healthcare	758	-	-	758
Financial services	664	-	-	664
Consumer defensive	2,190	-	-	2,190
Energy and utilities	377	-	-	377
Basic materials	272	-	-	272
Other	1	-	-	1
	<u>5,936</u>	<u>-</u>	<u>58</u>	<u>5,994</u>
Mutual funds:				
Bond funds	1,475	-	-	1,475
Large cap funds	2,506	-	-	2,506
Mid cap funds	480	-	-	480
Small cap funds	100	-	-	100
Foreign funds	401	-	-	401
	<u>4,962</u>	<u>-</u>	<u>-</u>	<u>4,962</u>
Donated rental property	-	453	-	453
	<u>\$ 11,544</u>	<u>\$ 453</u>	<u>\$ 58</u>	<u>\$ 12,055</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

12. DISCLOSURE OF FAIR VALUE OF FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS, continued:

	September 30, 2013			Total
	Level 1	Level 2	Level 3	
Investments related to fiduciary agreements:				
Money market mutual funds	\$ 489	\$ -	\$ -	\$ 489
Corporate bonds	-	1,749	-	1,749
U.S. Government agency bonds	2,116	-	-	2,116
	<u>2,605</u>	<u>1,749</u>	<u>-</u>	<u>4,354</u>
Common stock:				
Technology	974	-	-	974
Industrials and materials	673	-	-	673
Healthcare	533	-	-	533
Financial services	461	-	-	461
Consumer	738	-	-	738
Energy and utilities	423	-	-	423
Foreign	998	-	-	998
	<u>4,800</u>	<u>-</u>	<u>-</u>	<u>4,800</u>
Mutual funds:				
Bond funds	1,147	-	-	1,147
Real estate funds	299	-	-	299
Large cap funds	3,617	-	-	3,617
Mid cap funds	1,547	-	-	1,547
Small cap funds	938	-	-	938
Foreign funds	390	-	-	390
	<u>7,938</u>	<u>-</u>	<u>-</u>	<u>7,938</u>
	<u>\$ 15,343</u>	<u>\$ 1,749</u>	<u>\$ -</u>	<u>\$ 17,092</u>

The following table provides further details of the Level 3 fair value measurements (in thousands):

	September 30,	
	2014	2013
Balance, beginning of year	\$ 58	\$ 66
Total unrealized loss included in changes in net assets	(54)	(8)
Balance, end of year	<u>\$ 4</u>	<u>\$ 58</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

13. COMMITMENTS:

Project funding commitments:

In the normal course of business, TSC makes commitments to sponsor Bible translation projects carried on by related and foreign organizations. 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, 2014, TSC had approximately \$1,912,000 remaining to be disbursed under these sponsorship agreements.

Purchase commitment:

In recognition of the value and efficiencies technology brings in advancing its global missional objectives, Wycliffe USA has entered into a contractual agreement to invest in its technological infrastructure and leverage the benefits of an integrated software platform. As such, Wycliffe USA has entered into a three-year purchase agreement for approximately \$1,400,000. The agreement requires annual payments of approximately \$479,000 commencing July 2014. The total commitment outstanding is approximately \$1,300,000 as of September 30, 2014

14. ENDOWMENT FUNDS:

Wycliffe USA, through services provided by Wycliffe Foundation, administers thirteen individual donor-restricted endowment funds established for a variety of purposes. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Wycliffe USA has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Wycliffe USA classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

14. ENDOWMENT FUNDS, continued:

In accordance with UPMIFA, Wycliffe USA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

Changes in endowment net assets for the year ended September 30, 2014 (in thousands):

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, October 1, 2013	\$ -	\$ 533	\$ 1,911	\$ 2,444
Investment return:				
Interest and dividend income	-	98	-	98
Realized and unrealized gains	-	152	-	152
Investment fees	-	(15)	-	(15)
Total investment return	-	235	-	235
Contributions	-	-	159	159
Appropriation of endowment assets for expenditure	-	(195)	-	(195)
Endowment net assets, September 30, 2014	<u>\$ -</u>	<u>\$ 573</u>	<u>\$ 2,070</u>	<u>\$ 2,643</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

14. ENDOWMENT FUNDS, continued:

Changes in endowment net assets for the year ended September 30, 2013 (in thousands):

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, October 1, 2012	\$ -	\$ 400	\$ 1,906	\$ 2,306
Investment return:				
Interest and dividend income	-	67	-	67
Realized and unrealized gains	-	147	-	147
Investment fees	-	(11)	-	(11)
Total investment return	-	203	-	203
Contributions	-	-	5	5
Appropriation of endowment assets for expenditure	-	(70)	-	(70)
Endowment net assets, September 30, 2013	<u>\$ -</u>	<u>\$ 533</u>	<u>\$ 1,911</u>	<u>\$ 2,444</u>

Description of amounts classified as permanently restricted net assets and temporarily restricted net assets (endowment only) (in thousands):

	<u>September 30,</u>	
	<u>2014</u>	<u>2013</u>
Permanently restricted net assets:		
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulations or by UPMIFA	<u>\$ 2,070</u>	<u>\$ 1,911</u>
Temporarily restricted net assets:		
Term endowment funds	\$ 547	\$ 488
The portion of perpetual endowment funds subject to a purpose restriction either by explicit donor stipulations or by UPMIFA	<u>26</u>	<u>45</u>
	<u>\$ 573</u>	<u>\$ 533</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Notes to Combined Financial Statements

September 30, 2014 and 2013

14. ENDOWMENT FUNDS, continued:

Funds with deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires Wycliffe USA to retain as a fund of perpetual duration. There were no deficiencies at September 30, 2014 and 2013.

Return objectives and risk parameters: Wycliffe USA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy the endowment assets are invested in a manner that focuses on long-term capital appreciation while achieving relatively predictable and modest current income requirements.

Strategies employed for achieving objectives: To satisfy its long-term rate-of-return objectives, Wycliffe USA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Wycliffe USA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policies and how the investment objectives relate to spending policy: Wycliffe USA has a policy of appropriating for distribution each year the earnings stipulated in each individual endowment agreement. In establishing this policy, Wycliffe USA considered the long-term expected return on its endowment. Accordingly, over the long term, Wycliffe USA expects the current spending policy to allow its endowment to grow. This is consistent with Wycliffe USA's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

15. SUBSEQUENT EVENTS:

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

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION**

Board of Directors
Wycliffe Bible Translators, Inc. and Affiliates
Orlando, Florida

We have audited the combined financial statements of Wycliffe Bible Translators, Inc. and Affiliates as of and for the years ended September 30, 2014 and 2013, and our report thereon dated February 6, 2015, which expressed an unmodified opinion on those combined financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statements of financial position and the combining statements of activities are presented for purposes of additional analysis of the combined financial statements, rather than to present financial position, results of operations, and cash flows of the individual organizations, and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The combining information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Capin Crouse LLP

Atlanta, Georgia
February 6, 2015

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Combining Statement of Financial Position

(in thousands of dollars)

September 30, 2014

	Wycliffe Bible Translators	Wycliffe Foundation	The Seed Company	Moss Park Holdings	Reclassifications/ Eliminations	Total
ASSETS:						
Cash	\$ 3,887	\$ 6	\$ 7,164	\$ 3	\$ -	\$ 11,060
Investments	31,146	1,054	19,885	-	6,177	58,262
Bequests receivable	973	-	-	-	-	973
Note receivable	873	-	-	-	-	873
Amounts due from related entities	588	81	245	-	(162)	752
Other assets	2,009	2	364	-	-	2,375
Investments related to fiduciary agreements	-	-	-	-	19,769	19,769
Property and equipment—net of accumulated depreciation	37,567	9	494	-	-	38,070
Beneficial interest in agreements managed by WF	15,364	-	520	-	(15,884)	-
Assets held for others	-	28,625	-	-	(28,625)	-
Assets held for endowment	-	-	-	-	2,643	2,643
Total Assets	\$ 92,407	\$ 29,777	\$ 28,672	\$ 3	\$ (16,082)	\$ 134,777
LIABILITIES AND NET ASSETS:						
Liabilities:						
Accounts payable and accrued expenses	\$ 1,568	\$ -	\$ 797	\$ -	\$ -	\$ 2,365
Deferred matching contribution revenue	-	-	693	-	-	693
Medical claims payable	1,500	-	-	-	-	1,500
Amounts due to related entities	604	81	299	-	(195)	789
Accrued compensation	7,846	-	-	-	-	7,846
Funds held for others	-	28,625	-	-	(28,625)	-
Fiduciary agreements	-	-	-	-	12,741	12,741
Total liabilities	11,518	28,706	1,789	-	(16,079)	25,934
Net Assets:						
Unrestricted:						
Undesignated	13,661	1,062	2,064	3	(3)	16,787
Equity in property and equipment—net	37,567	9	494	-	-	38,070
Board designated	11,022	-	5,479	-	520	17,021
Total unrestricted	62,250	1,071	8,037	3	517	71,878
Temporarily restricted	16,569	-	18,846	-	(520)	34,895
Permanently restricted	2,070	-	-	-	-	2,070
Total net assets	80,889	1,071	26,883	3	(3)	108,843
Total Liabilities and Net Assets	\$ 92,407	\$ 29,777	\$ 28,672	\$ 3	\$ (16,082)	\$ 134,777

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Combining Statement of Financial Position

(in thousands of dollars)

September 30, 2013

	Wycliffe Bible Translators	Wycliffe Foundation	The Seed Company	Moss Park Holdings	Reclassifications/ Eliminations	Total
ASSETS:						
Cash	\$ 3,119	\$ 160	\$ 5,543	\$ 4	\$ -	\$ 8,826
Investments	29,902	1,092	19,799	-	5,955	56,748
Contributions receivable–net	120	-	-	-	-	120
Bequests receivable	223	-	-	-	-	223
Note receivable	932	-	-	-	-	932
Amounts due from related entities	808	10	77	-	(81)	814
Other assets	1,326	1	242	-	-	1,569
Investments related to fiduciary agreements	-	-	-	-	19,411	19,411
Property and equipment–net of accumulated depreciation	38,628	17	249	-	-	38,894
Beneficial interest in agreements managed by WF	14,811	-	526	-	(15,337)	-
Assets held for others	-	27,814	-	-	(27,814)	-
Assets held for endowment	-	-	-	-	2,444	2,444
Total Assets	\$ 89,869	\$ 29,094	\$ 26,436	\$ 4	\$ (15,422)	\$ 129,981
LIABILITIES AND NET ASSETS:						
Liabilities:						
Accounts payable and accrued expenses	\$ 624	\$ -	\$ 745	\$ -	\$ -	\$ 1,369
Deferred matching contribution revenue	-	-	546	-	-	546
Medical claims payable	1,500	-	-	-	-	1,500
Amounts due to related entities	589	71	209	-	(80)	789
Accrued compensation	7,945	-	-	-	-	7,945
Funds held for others	-	27,814	-	-	(27,814)	-
Fiduciary agreements	-	-	-	-	12,477	12,477
Total liabilities	10,658	27,885	1,500	-	(15,417)	24,626
Net assets:						
Unrestricted:						
Undesignated	14,624	1,192	3,696	4	(4)	19,512
Equity in property and equipment–net	38,628	17	249	-	-	38,894
Board designated	9,045	-	4,330	-	525	13,900
Total unrestricted	62,297	1,209	8,275	4	521	72,306
Temporarily restricted	15,003	-	16,661	-	(526)	31,138
Permanently restricted	1,911	-	-	-	-	1,911
Total net assets	79,211	1,209	24,936	4	(5)	105,355
Total Liabilities and Net assets	\$ 89,869	\$ 29,094	\$ 26,436	\$ 4	\$ (15,422)	\$ 129,981

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Combining Statement of Activities

(in thousands of dollars)

Year Ended September 30, 2014

	Wycliffe Bible Translators	Wycliffe Foundation	The Seed Company	Moss Park Holdings	Reclassifications/ Eliminations	Total
OPERATING SUPPORT AND REVENUE:						
Contributions	\$ 151,291	\$ 5,519	\$ 32,837	\$ -	\$ (11,450)	\$ 178,197
Service income	2,631	15	316	-	-	2,962
Interest and dividend income	991	6	539	-	-	1,536
Net gain on sale of property and equipment	5	-	-	-	-	5
Other	206	-	95	-	-	301
Total operating support and revenue	<u>155,124</u>	<u>5,540</u>	<u>33,787</u>	<u>-</u>	<u>(11,450)</u>	<u>183,001</u>
OPERATING EXPENSES:						
Program services:						
Bible translation and related programs	122,007	4,959	23,431	-	(11,263)	139,134
Supporting services:						
General and administrative	20,805	185	3,251	1	(111)	24,131
Fund-raising	10,775	610	5,109	-	(77)	16,417
Total supporting services	<u>31,580</u>	<u>795</u>	<u>8,360</u>	<u>1</u>	<u>(188)</u>	<u>40,548</u>
Total operating expenses	<u>153,587</u>	<u>5,754</u>	<u>31,791</u>	<u>1</u>	<u>(11,451)</u>	<u>179,682</u>
Change in net assets from operating activities	<u>1,537</u>	<u>(214)</u>	<u>1,996</u>	<u>(1)</u>	<u>1</u>	<u>3,319</u>
NON-OPERATING ACTIVITIES:						
Net realized/unrealized gain (loss) on investments	513	77	(49)	-	-	541
Change in value of fiduciary agreements	(372)	-	-	-	-	(372)
Change in net assets from non-operating activities	<u>141</u>	<u>77</u>	<u>(49)</u>	<u>-</u>	<u>-</u>	<u>169</u>
Change in Net Assets	1,678	(137)	1,947	(1)	1	3,488
Net Assets, Beginning of Year	<u>79,211</u>	<u>1,208</u>	<u>24,936</u>	<u>4</u>	<u>(4)</u>	<u>105,355</u>
Net Assets, End of Year	<u>\$ 80,889</u>	<u>\$ 1,071</u>	<u>\$ 26,883</u>	<u>\$ 3</u>	<u>\$ (3)</u>	<u>\$ 108,843</u>

WYCLIFFE BIBLE TRANSLATORS, INC. AND AFFILIATES

Combining Statement of Activities

(in thousands of dollars)

Year Ended September 30, 2013

	Wycliffe Bible Translators	Wycliffe Foundation	The Seed Company	Moss Park Holdings	Reclassifications/ Eliminations	Total
OPERATING SUPPORT AND REVENUE:						
Contributions	\$ 146,627	\$ 7,098	\$ 25,708	\$ -	\$ (11,824)	\$ 167,609
Service income	2,782	1	-	-	-	2,783
Interest and dividend income	1,104	12	663	-	-	1,779
Net gain on sale of property and equipment	2	-	-	-	-	2
Other	188	-	38	-	(2)	224
Total operating support and revenue	<u>150,703</u>	<u>7,111</u>	<u>26,409</u>	<u>-</u>	<u>(11,826)</u>	<u>172,397</u>
OPERATING EXPENSES:						
Program services:						
Bible translation and related programs	123,300	5,928	19,463	-	(11,619)	137,072
Supporting services:						
General and administrative	20,736	190	1,942	17	(137)	22,748
Fund-raising	11,870	496	4,864	-	(69)	17,161
Total supporting services	<u>32,606</u>	<u>686</u>	<u>6,806</u>	<u>17</u>	<u>(206)</u>	<u>39,909</u>
Total operating expenses	<u>155,906</u>	<u>6,614</u>	<u>26,269</u>	<u>17</u>	<u>(11,825)</u>	<u>176,981</u>
Change in net assets from operating activities	<u>(5,203)</u>	<u>497</u>	<u>140</u>	<u>(17)</u>	<u>(1)</u>	<u>(4,584)</u>
NON-OPERATING ACTIVITIES:						
Net realized/unrealized gain on investments	1,192	35	-	-	17	1,244
Change in value of fiduciary agreements	(25)	-	-	-	-	(25)
Change in net assets from non-operating activities	<u>1,167</u>	<u>35</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>1,219</u>
Change in Net Assets	(4,036)	532	140	(17)	16	(3,365)
Net Assets, Beginning of Year	<u>83,247</u>	<u>677</u>	<u>24,796</u>	<u>21</u>	<u>(21)</u>	<u>108,720</u>
Net Assets, End of Year	<u>\$ 79,211</u>	<u>\$ 1,209</u>	<u>\$ 24,936</u>	<u>\$ 4</u>	<u>\$ (5)</u>	<u>\$ 105,355</u>