

World Missionary Press, Inc.

Combining Financial Statements
September 30, 2009



McGladrey & Pullen
Certified Public Accountants

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Contents

Independent Auditor's Report	1
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Financial Statements	
Combining balance sheets	2
Combining statements of activities	3
Combining statements of cash flows	4
Notes to financial statements	5-12

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
World Missionary Press, Inc.
New Paris, Indiana

We have audited the accompanying combining balance sheets of **World Missionary Press, Inc.** as of September 30, 2009 and 2008, and the related combining statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combining financial statements referred to above present fairly, in all material respects, the financial position of **World Missionary Press, Inc.** as of September 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Elkhart, Indiana
November 2, 2009

World Missionary Press, Inc.
Combining Balance Sheets
September 30, 2009 and 2008

ASSETS	2009				2008			
	General	Stewardship	Annuity	Total All Funds	General	Stewardship	Annuity	Total All Funds
Current Assets								
Cash and cash equivalents	\$ 120,281	\$ 40,861	\$ 5,085	\$ 166,227	\$ 118,027	\$ 41,572	\$ 4,628	\$ 164,227
Short-term investments	-	-	-	-	285,000	-	-	285,000
Accounts receivable	4,193	-	508	4,701	6,555	-	180	6,735
Contributions receivable	525,393	-	-	525,393	-	-	-	-
Inventories	80,734	-	-	80,734	88,558	-	-	88,558
Prepaid expenses	129,583	1,589	-	131,172	116,601	1,671	-	118,272
Total current assets	860,184	42,450	5,593	908,227	614,741	43,243	4,808	662,792
Property and Equipment								
Land and land improvements	6,262	32,175	-	38,437	6,262	32,175	-	38,437
Buildings	748,056	592,369	-	1,340,425	739,183	587,583	-	1,326,766
Machinery and equipment	932,136	874	-	933,010	927,496	874	-	928,370
Furniture, fixtures and office equipment	212,431	11,883	-	224,314	210,704	11,883	-	222,587
	1,898,885	637,301	-	2,536,186	1,883,645	632,515	-	2,516,160
Less accumulated depreciation	(1,105,578)	(373,425)	-	(1,479,003)	(1,033,399)	(352,226)	-	(1,385,625)
Net property and equipment	793,307	263,876	-	1,057,183	850,246	280,289	-	1,130,535
Other Assets								
Long-term investments	27,030	-	-	27,030	27,030	-	-	27,030
Investment in annuities	-	-	149,852	149,852	-	-	156,061	156,061
Total other assets	27,030	-	149,852	176,882	27,030	-	156,061	183,091
Total assets	\$ 1,680,521	\$ 306,326	\$ 155,445	\$ 2,142,292	\$ 1,492,017	\$ 323,532	\$ 160,869	\$ 1,976,418
LIABILITIES AND NET ASSETS								
Current Liabilities								
Accounts payable	\$ 90,750	\$ 6,666	\$ -	\$ 97,416	\$ 90,900	\$ 11,959	\$ -	\$ 102,859
Accrued expenses	38,045	17,730	-	55,775	33,047	25,029	-	58,076
Notes payable	-	56,167	-	56,167	-	66,167	-	66,167
Current portion of annuity obligations	-	-	5,784	5,784	-	-	5,308	5,308
Total current liabilities	128,795	80,563	5,784	215,142	123,947	103,155	5,308	232,410
Long-Term Liabilities								
Annuity obligations	-	-	141,199	141,199	-	-	147,580	147,580
Total liabilities	128,795	80,563	146,983	356,341	123,947	103,155	152,888	379,990
Net Assets								
Unrestricted	1,499,106	225,763	8,462	1,733,331	1,316,474	220,377	7,981	1,544,832
Temporarily restricted	52,620	-	-	52,620	51,596	-	-	51,596
Total net assets	1,551,726	225,763	8,462	1,785,951	1,368,070	220,377	7,981	1,596,428
Total liabilities and net assets	\$ 1,680,521	\$ 306,326	\$ 155,445	\$ 2,142,292	\$ 1,492,017	\$ 323,532	\$ 160,869	\$ 1,976,418

See Notes to Financial Statements.

World Missionary Press, Inc.

Combining Statements of Activities
Years Ended September 30, 2009 and 2008

CHANGES IN UNRESTRICTED NET ASSETS	2009				2008			
	General	Stewardship	Annuity	Total All Funds	General	Stewardship	Annuity	Total All Funds
Revenues:								
Unrestricted contributions	\$ 2,999,114	\$ 10,000	\$ -	\$ 3,009,114	\$ 3,058,272	\$ 3,295	\$ -	\$ 3,061,567
Rental income	-	45,479	-	45,479	-	38,260	-	38,260
Gain (loss) on sale of assets	(203)	-	-	(203)	400	-	-	400
Interests and dividends	5,740	172	3	5,915	16,161	3,909	19	20,089
Miscellaneous income	20,500	-	781	21,281	42,784	-	845	43,629
Total unrestricted revenues	3,025,151	55,651	784	3,081,586	3,117,617	45,464	864	3,163,945
Net assets released from restrictions:								
Satisfaction of operating restrictions	604,149	-	-	604,149	501,915	-	-	501,915
Satisfaction of capital acquisition restrictions	22,966	-	-	22,966	92,104	-	-	92,104
Total net assets released from restrictions	627,115	-	-	627,115	594,019	-	-	594,019
Total unrestricted revenues and other support	3,652,266	55,651	784	3,708,701	3,711,636	45,464	864	3,757,964
Expenses:								
Program services:								
Production	2,157,196	-	-	2,157,196	2,188,060	-	-	2,188,060
Shipping	779,854	-	-	779,854	844,822	-	-	844,822
Total program services	2,937,050	-	-	2,937,050	3,032,882	-	-	3,032,882
Supporting activities:								
Development	154,652	-	-	154,652	148,951	-	-	148,951
General	378,732	49,465	303	428,500	375,045	60,150	375	435,570
Total supporting activities	533,384	49,465	303	583,152	523,996	60,150	375	584,521
Total expenses	3,470,434	49,465	303	3,520,202	3,556,878	60,150	375	3,617,403
Increase (decrease) in unrestricted net assets	181,832	6,186	481	188,499	154,758	(14,686)	489	140,561
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS								
Restricted contributions	628,139	-	-	628,139	557,994	-	-	557,994
Net assets released from restrictions	(627,115)	-	-	(627,115)	(594,019)	-	-	(594,019)
Increase (decrease) in temporarily restricted net assets	1,024	-	-	1,024	(36,025)	-	-	(36,025)
Change in net assets	182,856	6,186	481	189,523	118,733	(14,686)	489	104,536
Net assets, beginning	1,368,070	220,377	7,981	1,596,428	1,253,737	225,663	12,492	1,491,892
Interfund transfers	800	(800)	-	-	(4,400)	9,400	(5,000)	-
Net assets, ending	\$ 1,551,726	\$ 225,763	\$ 8,462	\$ 1,785,951	\$ 1,368,070	\$ 220,377	\$ 7,981	\$ 1,596,428

See Notes to Financial Statements.

World Missionary Press, Inc.

Combining Statements of Cash Flows
Years Ended September 30, 2009 and 2008

	2009				2008			
	General	Stewardship	Annuity	Total	General	Stewardship	Annuity	Total
Cash flows from operating activities:								
Change in net assets	\$ 182,856	\$ 6,186	\$ 481	\$ 189,523	\$ 118,733	\$ (14,686)	\$ 489	\$ 104,536
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:								
Depreciation	75,279	21,199	-	96,478	75,183	17,478	-	92,661
(Gain) loss on disposal of assets	203	-	-	203	(400)	-	-	(400)
Life loans donated	-	(10,000)	-	(10,000)	-	(2,878)	-	(2,878)
Annuity (gain) adjustment	-	-	(477)	(477)	-	-	(434)	(434)
Contribution revenue restricted for long-term purposes	(28,725)	-	-	(28,725)	(84,083)	-	-	(84,083)
(Increase) decrease in:								
Accounts receivable	2,362	-	(328)	2,034	(4,942)	20	(180)	(5,102)
Contributions receivable	(525,393)	-	-	(525,393)	-	-	-	-
Inventories	7,824	-	-	7,824	8,836	-	-	8,836
Prepaid expenses	(12,982)	82	-	(12,900)	(32,084)	(15)	-	(32,099)
Increase (decrease) in:								
Accounts payable	(150)	(5,293)	-	(5,443)	1,783	11,476	-	13,259
Accrued expenses	4,998	(7,299)	-	(2,301)	6,991	6,360	-	13,351
Net cash provided by (used in) operating activities	(293,728)	4,875	(324)	(289,177)	90,017	17,755	(125)	107,647
Cash flows from investing activities:								
Acquisitions of property and equipment	(18,340)	(4,786)	-	(23,126)	(67,419)	(99,308)	-	(166,727)
Proceeds from sale of property and equipment	-	-	-	-	400	-	-	400
Purchase of investments	-	-	-	-	(285,000)	-	-	(285,000)
Proceeds from sale of investments	284,797	-	-	284,797	185,000	75,000	-	260,000
Net cash provided by (used in) investing activities	266,457	(4,786)	-	261,671	(167,019)	(24,308)	-	(191,327)
Cash flows from financing activities:								
Reinsured annuity payments received	-	-	24,420	24,420	-	-	47,238	47,238
Annuity payments	-	-	(23,639)	(23,639)	-	-	(46,430)	(46,430)
Collections of contributions restricted for long-term purposes	28,725	-	-	28,725	84,083	-	-	84,083
Proceeds from life loans	-	-	-	-	-	5,000	-	5,000
Interfund transfers	800	(800)	-	-	(4,400)	9,400	(5,000)	-
Net cash provided by (used in) financing activities	29,525	(800)	781	29,506	79,683	14,400	(4,192)	89,891
Increase (decrease) in cash and cash equivalents	2,254	(711)	457	2,000	2,681	7,847	(4,317)	6,211
Cash and cash equivalents, beginning	118,027	41,572	4,628	164,227	115,346	33,725	8,945	158,016
Cash and cash equivalents, ending	\$ 120,281	\$ 40,861	\$ 5,085	\$ 166,227	\$ 118,027	\$ 41,572	\$ 4,628	\$ 164,227
Supplemental disclosures of cash flows information:								
Cash payments for interest	\$ -	\$ 1,261	\$ -	\$ 1,261	\$ -	\$ 1,514	\$ -	\$ 1,514

See Notes to Financial Statements.

Note 1. Nature of the Organization and Significant Accounting Policies

Nature of the Organization:

World Missionary Press, Inc. (the "Organization") was established in 1961 to publish and distribute Scripture booklets, Bible studies, and other gospel literature worldwide at no cost to the recipient, relying on contributions to support operations. The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state statutes, and has been determined by the Internal Revenue Service not to be a private foundation. Contributions to the Organization are deductible to the donor.

Significant accounting policies:

Basis of accounting:

The Organization's accounts are maintained in accordance with the principles of fund accounting. Resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; accordingly, all financial transactions have been recorded and reported by fund.

The assets, liabilities, and net assets of the Organization are reported on the accrual basis in three self-balancing funds, as follows:

The General Fund includes restricted and unrestricted resources and presents the portion of expendable funds that is available for support of program services (production and shipping) and supporting activities (development and general).

The Stewardship Fund includes rental properties and revocable life loans, the proceeds from which are invested primarily in rental properties for Organization workers.

The Annuity Fund includes gift annuity agreements whereby the Organization accepted a principal sum from an individual and, in return, pays the individual a fixed sum for life, or for two lives in the case of joint gift annuities, at rates consistent with Revenue Rule 72-438 of the Internal Revenue Service. The liability for annuities payable is the present value of all future annuity payments based upon the life expectancy of the annuitant and the anticipated rate of return of funds invested. The difference between the total payments and the reduction in the computed liability each year is netted to unrestricted income for the Annuity Fund.

Basis of reporting:

The Organization prepares its financial statements on the accrual basis of accounting wherein revenue and expenses are recognized in the period earned or incurred.

Classification and reporting of net assets:

The Organization's financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Statement of Financial Accounting Standards (SFAS) No. 117, "*Financial Statements of Not-for-Profit Organizations*" (SFAS No.117). Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. A description of the unrestricted, temporarily and permanently restricted net asset classes follows:

- Unrestricted net assets represent the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for the support of the Organization.
- Temporarily restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.
- Permanently restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise met by the Organization.

Revenue and support:

Contributions received by the Organization are recorded as either unrestricted or temporarily restricted, depending on the existence and/or nature of any donor restrictions. Contributions are included in income in the period the gifts are pledged or received.

All donor-restricted support is reported as an increase in temporarily restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

Cash and cash equivalents:

For the purposes of this report, all funds in bank accounts and money market accounts are considered to be cash and cash equivalents. All certificates of deposits are considered to be held for investments.

Contributions receivable:

Unconditional promises expected to be collected within one year are reported at net realizable value. Those expected in more than one year, if material to the financial statements, are reported at the present value of their estimated future cash flows using a risk-free interest rate at the date of the pledge to determine the discounts. Amortization of the discounts, if any, is included in contribution revenue. In October 2009, \$523,393 of the contributions receivable was collected. The remaining promise to give is expected to be collected within one year.

Inventories:

Inventories of raw materials and printing supplies are stated at the lower of cost (first-in, first-out) or market. The cost of materials used is charged to expense when the materials enter production since the finished product is distributed at no charge to the recipient.

Notes to Financial Statements

Property and equipment:

Property and equipment are stated at cost, or for donated property and equipment, at fair value as of the date of donation and include expenditures for new additions and repairs that substantially increase the useful lives of existing property and equipment. Normal repairs and maintenance are recorded as operating expenditures. When properties are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is credited to or charged against operations for the period.

Donations of property and equipment are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Depreciation is computed on the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Buildings	10-40
Machinery and equipment	5-20
Furniture, fixtures and office equipment	3-10

Investments:

Investments in bonds with readily determinable fair values are stated at fair value based on quoted market prices. Donated securities are recorded at fair value on the date of donation. Donated securities are immediately liquidated upon receipt from donor. Investment income dividends and interest are reported under revenue in the statement of activities. Certificates of deposit are recorded at cost. Reinsured charitable gift annuities are valued at their present value based on actuarial assumptions.

Charitable gift annuities:

The Organization has in the past received assets from various individuals under agreements which require World Missionary Press, Inc. to pay the donors varying amounts during their lifetimes. These assets were recognized at their fair market value at the time of their receipt. An actuarial present value of the assets based on the donor's present age is used to determine the obligation. The value of the gifts received was based on the value of the assets less the obligation at the time the gifts were received.

Donated materials and services:

Donated materials are recorded as contributions in the accompanying statements at fair value at date of receipt. No amounts have been reflected in the financial statements for donated services. The Organization pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs and supporting activities.

Functional allocation of expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited, which include development (fundraising) and general.

Concentration of credit risk:

The Organization maintains deposits in federally insured financial institutions. At various times throughout the year these deposits may exceed federally insured limits; however, management monitors the soundness of these financial institutions and feels the Organization's risk is negligible.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events:

The Organization has evaluated subsequent events for potential recognition and/or disclosure through November 2, 2009, the date the financial statements were available to be issued.

Recently issued accounting pronouncements:

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 (FIN 48), *"Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement 109"*. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, *"Accounting for Income Taxes"*. FIN 48 prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return including positions that the organization is exempt from income taxes or not subject to income taxes on unrelated business income. If there are changes in net assets as a result of application of FIN 48 these will be accounted for as an adjustment to the opening balance of net assets. Additional disclosures about the amounts of such liabilities will be required also. The Organization presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable, respectively, that a liability has been incurred for unrecognized income tax benefits by applying FASB Statement No. 5, *"Accounting for Contingencies"*.

The Organization has elected to defer the application of Interpretation 48 in accordance with FASB Staff Position (FSP) FIN 48-3. This FSP defers the effective date of Interpretation 48 for nonpublic enterprises, such as World Missionary Press, included within its scope to the annual financial statements for fiscal years beginning after December 15, 2008. The Organization will be required to adopt FIN 48 in its 2010 annual financial statements. Management has not assessed the impact of FIN 48 on its financial position and results of operations and has not determined if the adoption of FIN 48 will have a material effect on its financial statements.

Notes to Financial Statements

The Organization adopted SFAS No. 157, "*Fair Value Measurements*" (SFAS 157) effective October 1, 2008. SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosure of fair value measurements. The adoption of SFAS No. 157 did not have a material impact on the financial statements or results of operations of the Organization. In accordance with Financial Accounting Standards Board Staff Position (FSP) No. 157-2, "*Effective Date of FASB Statement No. 157*", the Organization will delay application of SFAS 157 for certain nonfinancial assets and nonfinancial liabilities that are measured and reported on a fair value basis. The Organization is currently assessing the potential effect of the adoption of the remaining provisions of SFAS No. 157 on its financial position, results of operations and cash flows.

Note 2. Inventories

Inventories at September 30, 2009 and 2008 are composed of the following:

	2009	2008
Paper, ink, and printing supplies	<u>\$ 80,734</u>	<u>\$ 88,558</u>

Note 3. Investments

Investments as of September 30, 2009 and 2008 consisted of the following:

	2009	2008
Certificates of deposits with maturity dates of one year or less from date of purchase	\$ -	\$ 285,000
Certificates of deposits with maturity dates greater than one year from date of purchase	27,000	27,000
Bonds held at fair value	30	30
Reinsured charitable gift annuities	149,852	156,061
	<u>\$ 176,882</u>	<u>\$ 468,091</u>

The Organization adopted SFAS No. 157, "*Fair Value Measurements*", issued by the Financial Accounting Standards Board (FASB). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. Under SFAS No. 157, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts. It clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. In support of this principle, SFAS No. 157 establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. Under SFAS No. 157, fair value measurements are separately disclosed by level within the fair value hierarchy.

Notes to Financial Statements

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I: Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level 1 includes listed equities and listed derivatives.

Level II: Pricing inputs are other than quoted prices in active markets of comparable instruments, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.

Level III: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments that are included in this category generally include equity and debt positions in private companies.

The following table summarizes the valuation of the Organization's financial instruments which are carried at fair value by the above SFAS No. 157 fair value hierarchy levels as of September 30, 2009:

	Assets Measured at Fair Value on a Recurring Basis			
	Quoted	Observable	Unobservable	Total
	Prices	Inputs	Inputs	September
	Level I	Level II	Level III	30, 2009
Bonds	\$ -	\$ 30	\$ -	\$ 30
Annuities	-	-	149,852	149,852
	\$ -	\$ 30	\$ 149,852	\$ 149,882

The changes in financial instruments measured at fair value for which the Organization has used Level III inputs to determine fair value are as follows:

	Annuities
Balance September 30, 2008	\$ 156,061
Change in actuarial present value	(6,209)
Balance September 30, 2009	\$ 149,852

The change in actuarial present value of the investment in annuities is netted against the change in annuity obligation with the net change shown in general expenses on the combining statement of activities.

Notes to Financial Statements

Note 4. Property and Equipment

Property and equipment assets for the years ended September 30, 2009 and 2008 are as follows:

	2009				
	Balance September 30, 2008	Additions and (Disposals)	Balance September 30, 2009	Accumulated Depreciation	Net Book Value
General Fund:					
Land and land improvements	\$ 6,262	\$ -	\$ 6,262	\$ -	\$ 6,262
Buildings	739,183	8,873	748,056	348,553	399,503
Machinery and equipment	927,496	4,640	932,136	562,255	369,881
Furniture, fixtures, and office equipment	210,704	1,727	212,431	194,770	17,661
	<u>\$ 1,883,645</u>	<u>\$ 15,240</u>	<u>\$ 1,898,885</u>	<u>\$ 1,105,578</u>	<u>\$ 793,307</u>
Stewardship Fund:					
Land and land improvements	\$ 32,175	\$ -	\$ 32,175	\$ -	\$ 32,175
Buildings	587,583	4,786	592,369	360,668	231,701
Machinery and equipment	874	-	874	874	-
Furniture and fixtures	11,883	-	11,883	11,883	-
	<u>\$ 632,515</u>	<u>\$ 4,786</u>	<u>\$ 637,301</u>	<u>\$ 373,425</u>	<u>\$ 263,876</u>
	2008				
	Balance September 30, 2007	Additions and (Disposals)	Balance September 30, 2008	Accumulated Depreciation	Net Book Value
General Fund:					
Land and land improvements	\$ 5,124	\$ 1,138	\$ 6,262	\$ -	\$ 6,262
Buildings	731,207	7,976	739,183	327,607	411,576
Machinery and equipment	885,703	41,793	927,496	517,639	409,857
Furniture, fixtures, and office equipment	206,617	4,087	210,704	188,153	22,551
	<u>\$ 1,828,651</u>	<u>\$ 54,994</u>	<u>\$ 1,883,645</u>	<u>\$ 1,033,399</u>	<u>\$ 850,246</u>
Stewardship Fund:					
Land and land improvements	\$ 32,175	\$ -	\$ 32,175	\$ -	\$ 32,175
Buildings	488,275	99,308	587,583	339,469	248,114
Machinery and equipment	874	-	874	874	-
Furniture and fixtures	11,883	-	11,883	11,883	-
	<u>\$ 533,207</u>	<u>\$ 99,308</u>	<u>\$ 632,515</u>	<u>\$ 352,226</u>	<u>\$ 280,289</u>

World Missionary Press, Inc.

Notes to Financial Statements

Note 5. Notes Payable

At September 30, 2009 and 2008, the Organization has unsecured notes payable to various individuals as follows:

	<u>2009</u>	<u>2008</u>
Stewardship Fund:		
*Payable within 30 days of demand, non-interest bearing	\$ 15,500	\$ 25,500
*Payable within 30 days of demand, 1.0% to 6.0%	40,667	40,667
	<u>\$ 56,167</u>	<u>\$ 66,167</u>

* Includes revocable life loans, 0% to 6.0%, unsecured; the notes are canceled if not called by the lender during his lifetime. Revocable life loans at September 30, 2009 and 2008 were \$48,667 and \$58,667 respectively in the Stewardship Fund.

Interest expense for the years ended September 30, 2009 and 2008, was \$1,247 and \$1,337 respectively in the Stewardship Fund.

Note 6. Restrictions on Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>2009</u>	<u>2008</u>
Specified booklets	\$ 11,600	\$ 24,596
Fiscal year 2010 travel expenses	8,260	-
Plant equipment	5,760	-
Estate gift (time restricted until 2010)	27,000	27,000
	<u>\$ 52,620</u>	<u>\$ 51,596</u>

Note 7. Description of Leasing Arrangements

The Organization owns several properties it leases as low rental housing to its workers or others in Christian ministry on a month-to-month basis. The Organization is responsible for all property taxes and maintenance on these units. A schedule of the properties held for lease is shown as property and equipment in the Stewardship Fund in Note 4.