World Missionary Press, Inc.

Combining Financial Statements
September 30, 2010

Contents

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, 2010 and 2009, 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, 2010 and 2009, 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, 2010

World Missionary Press, Inc.

Combining Balance Sheets
September 30, 2010 and 2009

	2010				2009			
ASSETS	**General**	**Stewardship**	**Annuity**	**Total All Funds**	General	Stewardship	Annuity	Total All Funds
Current Assets								
Cash and cash equivalents	**$ 42,335**	**$ 45,695**	**$ 5,261**	**$ 93,291**	$ 120,281	$ 40,861	$ 5,085	$ 166,227
Accounts receivable	**8,103**	**-**	**-**	**8,103**	4,193	-	508	4,701
Contributions receivable	**1,000**	**-**	**-**	**1,000**	525,393	-	-	525,393
Inventories	**82,504**	**-**	**-**	**82,504**	80,734	-	-	80,734
Prepaid expenses	**102,175**	**1,418**	**-**	**103,593**	129,583	1,589	-	131,172
Total current assets	**236,117**	**47,113**	**5,261**	**288,491**	860,184	42,450	5,593	908,227
Property and Equipment								
Land and land improvements	**6,262**	**32,175**	**-**	**38,437**	6,262	32,175	-	38,437
Buildings	**751,293**	**599,477**	**-**	**1,350,770**	748,056	592,369	-	1,340,425
Machinery and equipment	**1,061,931**	**874**	**-**	**1,062,805**	932,136	874	-	933,010
Furniture, fixtures and office equipment	**211,846**	**11,883**	**-**	**223,729**	212,431	11,883	-	224,314
	2,031,332	**644,409**	**-**	**2,675,741**	1,898,885	637,301	-	2,536,186
Less accumulated depreciation	**(1,177,054)**	**(394,639)**	**-**	**(1,571,693)**	(1,105,578)	(373,425)	-	(1,479,003)
Net property and equipment	**854,278**	**249,770**	**-**	**1,104,048**	793,307	263,876	-	1,057,183
Other Assets								
Long-term investments	**30**	**-**	**-**	**30**	27,030	-	-	27,030
Investment in annuities	**-**	**-**	**139,792**	**139,792**	-	-	149,852	149,852
Total other assets	**30**	**-**	**139,792**	**139,822**	27,030	-	149,852	176,882
Total assets	**$ 1,090,425**	**$ 296,883**	**$ 145,053**	**$ 1,532,361**	$ 1,680,521	$ 306,326	$ 155,445	$ 2,142,292
LIABILITIES AND NET ASSETS								
Current Liabilities								
Accounts payable	**$ 95,540**	**$ 7,300**	**$ -**	**$ 102,840**	$ 90,750	$ 6,666	$ -	$ 97,416
Accrued expenses	**18,533**	**18,978**	**-**	**37,511**	38,045	17,730	-	55,775
Notes payable	**-**	**56,167**	**-**	**56,167**	-	56,167	-	56,167
Current portion of annuity obligations	**-**	**-**	**5,370**	**5,370**	-	-	5,784	5,784
Total current liabilities	**114,073**	**82,445**	**5,370**	**201,888**	128,795	80,563	5,784	215,142
Long-Term Liabilities								
Annuity obligations	**-**	**-**	**131,736**	**131,736**	-	-	141,199	141,199
Total liabilities	**114,073**	**82,445**	**137,106**	**333,624**	128,795	80,563	146,983	356,341
Net Assets								
Unrestricted	**964,060**	**214,438**	**7,947**	**1,186,445**	1,499,106	225,763	8,462	1,733,331
Temporarily restricted	**12,292**	**-**	**-**	**12,292**	52,620	-	-	52,620
Total net assets	**976,352**	**214,438**	**7,947**	**1,198,737**	1,551,726	225,763	8,462	1,785,951
Total liabilities and net assets	**$ 1,090,425**	**$ 296,883**	**$ 145,053**	**$ 1,532,361**	$ 1,680,521	$ 306,326	$ 155,445	$ 2,142,292

See Notes to Financial Statements.

World Missionary Press, Inc.

Combining Statements of Activities
Years Ended September 30, 2010 and 2009

	2010				2009			
CHANGES IN UNRESTRICTED NET ASSETS	**General**	**Stewardship**	**Annuity**	**Total All Funds**	General	Stewardship	Annuity	Total All Funds
Revenues:								
Unrestricted contributions	**$ 2,418,137**	**$ 700**	**$ -**	**$ 2,418,837**	$ 2,999,114	$ 10,000	$ -	$ 3,009,114
Rental income	**-**	**47,431**	**-**	**47,431**	-	45,479	-	45,479
Loss on sale of assets	**(221)**	**-**	**-**	**(221)**	(203)	-	-	(203)
Interests and dividends	**5,295**	**196**	**8**	**5,499**	5,740	172	3	5,915
Miscellaneous income	**36,256**	**17**	**659**	**36,932**	20,500	-	781	21,281
Total unrestricted revenues	**2,459,467**	**48,344**	**667**	**2,508,478**	3,025,151	55,651	784	3,081,586
Net assets released from restrictions:								
Satisfaction of operating restrictions	**603,168**	**-**	**-**	**603,168**	604,149	-	-	604,149
Satisfaction of capital acquisition restrictions	**48,401**	**-**	**-**	**48,401**	22,966	-	-	22,966
Total net assets released from restrictions	**651,569**	**-**	**-**	**651,569**	627,115	-	-	627,115
Total unrestricted revenues and other support	**3,111,036**	**48,344**	**667**	**3,160,047**	3,652,266	55,651	784	3,708,701
Expenses:								
Program services:								
Production	**2,242,296**	**-**	**-**	**2,242,296**	2,157,196	-	-	2,157,196
Shipping	**864,929**	**-**	**-**	**864,929**	779,854	-	-	779,854
Total program services	**3,107,225**	**-**	**-**	**3,107,225**	2,937,050	-	-	2,937,050
Supporting activities:								
Development	**160,475**	**-**	**-**	**160,475**	154,652	-	-	154,652
General	**379,382**	**59,669**	**182**	**439,233**	378,732	49,465	303	428,500
Total supporting activities	**539,857**	**59,669**	**182**	**599,708**	533,384	49,465	303	583,152
Total expenses	**3,647,082**	**59,669**	**182**	**3,706,933**	3,470,434	49,465	303	3,520,202
Increase (decrease) in unrestricted net assets	**(536,046)**	**(11,325)**	**485**	**(546,886)**	181,832	6,186	481	188,499
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS								
Restricted contributions	**611,241**	**-**	**-**	**611,241**	628,139	-	-	628,139
Net assets released from restrictions	**(651,569)**	**-**	**-**	**(651,569)**	(627,115)	-	-	(627,115)
Increase (decrease) in temporarily restricted net assets	**(40,328)**	**-**	**-**	**(40,328)**	1,024	-	-	1,024
Change in net assets	**(576,374)**	**(11,325)**	**485**	**(587,214)**	182,856	6,186	481	189,523
Net assets, beginning	**1,551,726**	**225,763**	**8,462**	**1,785,951**	1,368,070	220,377	7,981	1,596,428
Interfund transfers	**1,000**	**-**	**(1,000)**	**-**	800	(800)		-
Net assets, ending	**$ 976,352**	**$ 214,438**	**$ 7,947**	**$ 1,198,737**	$ 1,551,726	$ 225,763	$ 8,462	$ 1,785,951

See Notes to Financial Statements.

World Missionary Press, Inc.

Combining Statements of Cash Flows
Years Ended September 30, 2010 and 2009

	2010				2009			
	General	**Stewardship**	**Annuity**	**Total**	General	Stewardship	Annuity	Total
Cash Flows From Operating Activities:								
Change in net assets	$ (576,374)	$ (11,325)	$ 485	$ (587,214)	$ 182,856	$ 6,186	$ 481	$ 189,523
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:								
Depreciation	75,433	21,214	-	96,647	75,279	21,199	-	96,478
Loss on disposal of assets	221	-	-	221	203	-	-	203
Life loans donated	-	-	-	-	-	(10,000)	-	(10,000)
Annuity (gain) adjustment	-	-	(478)	(478)	-	-	(477)	(477)
Contribution revenue restricted for long-term purposes	(43,333)	-	-	(43,333)	(28,725)	-	-	(28,725)
(Increase) decrease in:								
Accounts receivable	(3,910)	-	508	(3,402)	2,362	-	(328)	2,034
Contributions receivable	524,393	-	-	524,393	(525,393)	-	-	(525,393)
Inventories	(1,770)	-	-	(1,770)	7,824	-	-	7,824
Prepaid expenses	27,408	171	-	27,579	(12,982)	82	-	(12,900)
Increase (decrease) in:								
Accounts payable	4,790	634	-	5,424	(150)	(5,293)	-	(5,443)
Accrued expenses	(19,512)	1,248	-	(18,264)	4,998	(7,299)	-	(2,301)
Net cash provided by (used in) operating activities	(12,654)	11,942	515	(197)	(293,728)	4,875	(324)	(289,177)
Cash Flows From Investing Activities:								
Acquisitions of property and equipment	(137,305)	(7,108)	-	(144,413)	(18,340)	(4,786)	-	(23,126)
Proceeds from sale of property and equipment	200	-	-	200	-	-	-	-
Proceeds from sale of investments	27,480	-	-	27,480	284,797	-	-	284,797
Net cash provided by (used in) investing activities	(109,625)	(7,108)	-	(116,733)	266,457	(4,786)	-	261,671
Cash Flows From Financing Activities:								
Reinsured annuity payments received	-	-	23,100	23,100	-	-	24,420	24,420
Annuity payments	-	-	(22,439)	(22,439)	-	-	(23,639)	(23,639)
Collections of contributions restricted for long-term purposes	43,333	-	-	43,333	28,725	-	-	28,725
Interfund transfers	1,000	-	(1,000)	-	800	(800)	-	-
Net cash provided by (used in) financing activities	44,333	-	(339)	43,994	29,525	(800)	781	29,506
Increase (decrease) in cash and cash equivalents	(77,946)	4,834	176	(72,936)	2,254	(711)	457	2,000
Cash and cash equivalents, beginning	120,281	40,861	5,085	166,227	118,027	41,572	4,628	164,227
Cash and cash equivalents, ending	$ 42,335	$ 45,695	$ 5,261	$ 93,291	$ 120,281	$ 40,861	$ 5,085	$ 166,227
Supplemental disclosures of cash flows information:								
Cash payments for interest	$ -	$ 1,129	$ -	$ 1,129	$ -	$ 1,261	$ -	$ 1,261

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:

Accounting standards codification:

The Organization follows accounting standards established by the Financial Accounting Standards Board (the FASB) to ensure consistent reporting of financial condition, results of operation, and cash flows. References to Generally Accepted Accounting Principles (GAAP) in these footnotes are to the *FASB Accounting Standards Codification*™, sometimes referred to as the Codification or ASC. The Codification is effective and has been adopted by the Organization as of September 30, 2010.

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. 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. At September 30, 2010 and 2009, the Organization had no permanently restricted net assets.

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 deposit are considered to be held as 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. Promises to give at September 30, 2010 are 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.

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:

	Years
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 privately insured financial institutions. At various times throughout the year these deposits may exceed for a short time privately insured limits, which at October 31, 2010 were $250,000 per account held; 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, 2010, the date the financial statements were available to be issued.

Income taxes:

The Organization is incorporated as a not-for-profit under the laws of the State of Indiana and is exempt from federal and state income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code, except for taxes pertaining to unrelated business income, if any, and is not considered a private foundation. Contributions by the public are deductible for income tax purposes.

On October 1, 2009, the Organization adopted the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses derecognition, classification, interest and penalties on income taxes, and accounting in interim periods. At October 1, 2009 and September 30, 2010, there were no unrecognized tax benefits identified or recorded as liabilities.

The Organization files Form 990 in the U.S. federal jurisdiction and the state of Indiana. With few exceptions, the Organization is no longer subject to examination by the Internal Revenue Service for years before 2006.

Note 2. Inventories

Inventories at September 30, 2010 and 2009 are composed of the following:

	2010	2009
Paper, ink, and printing supplies	**$ 82,504**	$ 80,734

Note 3. Investments

Investments as of September 30, 2010 and 2009 consisted of the following:

	2010	2009
Certificates of deposits with maturity dates of greater than one year from date of purchase	**$ -**	$ 27,000
Bonds held at fair value	**30**	30
Reinsured charitable gift annuities	**139,792**	149,852
	$ 139,822	$ 176,882

Note 4. Fair Value Measurement

World Missionary Press follows the FASB guidance for its financial assets and liabilities that are being measured and reported at fair value for each reporting period. This guidance defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosure about fair value measurements. Under GAAP, 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, GAAP establishes a fair value hierarchy that prioritizes the information used to develop those assumptions and fair value measurements are separately disclosed by level within the fair value hierarchy.

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

Level 1: 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 2: 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 3: 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.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities that are subject to the statement.

The following table summarizes the valuation of the Organization's financial instruments which are carried at fair value by the above fair value hierarchy levels as of September 30, 2010 and 2009:

	2010			
	Assets Measured at Fair Value on a Recurring Basis			
	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	**Total September 30, 2010**
Bonds	$ -	$ 30	$ -	**$ 30**
Annuities	-	-	139,792	**139,792**
	$ -	$ 30	$ 139,792	**$ 139,822**

	2009			
	Assets Measured at Fair Value on a Recurring Basis			
	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total September 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 3 inputs to determine fair value are as follows:

	Annuities
Balance September 30, 2009	$ 149,852
Change in actuarial present value	(10,060)
Balance September 30, 2010	**$ 139,792**

	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.

Note 5. Property and Equipment

Property and equipment assets for the years ended September 30, 2010 and 2009 are as follows:

2010

	Balance September 30, 2009	Additions and (Disposals)	Balance September 30, 2010	Accumulated Depreciation	Net Book Value
General Fund:					
Land and land improvements	$ 6,262	$ -	$ 6,262	$ -	$ 6,262
Buildings	748,056	3,237	751,293	368,438	382,855
Machinery and equipment	932,136	129,795	1,061,931	607,968	453,963
Furniture, fixtures, and office equipment	212,431	(585)	211,846	200,648	11,198
	$ 1,898,885	$ 132,447	$ 2,031,332	$ 1,177,054	$ 854,278
Stewardship Fund:					
Land and land improvements	$ 32,175	$ -	$ 32,175	$ -	$ 32,175
Buildings	592,369	7,108	599,477	381,882	217,595
Machinery and equipment	874	-	874	874	-
Furniture and fixtures	11,883	-	11,883	11,883	-
	$ 637,301	$ 7,108	$ 644,409	$ 394,639	$ 249,770

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
	$ 1,883,645	$ 15,240	$ 1,898,885	$ 1,105,578	$ 793,307
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	-
	$ 632,515	$ 4,786	$ 637,301	$ 373,425	$ 263,876

Note 6. Notes Payable

At September 30, 2010 and 2009, the Organization has unsecured notes payable to various individuals as follows:

	2010	2009
Stewardship Fund:		
*Payable within 30 days of demand, non-interest	**$ 15,500**	$ 15,500
*Payable within 30 days of demand, 0.35% to 6.0%	**40,667**	40,667
	$ 56,167	$ 56,167

* 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, 2010 and 2009 were $48,667 in the Stewardship Fund.

Interest expense for the years ended September 30, 2010 and 2009, was $1,224 and $1,247 respectively in the Stewardship Fund.

Note 7. Restrictions on Net Assets

Temporarily restricted net assets are available for the following purposes at September 30, 2010 and 2009:

	2010	2009
Specified booklets	**$ 11,600**	$ 11,600
Fiscal year 2010 travel expenses	**-**	8,260
Plant equipment	**692**	5,760
Estate gift (time restricted until 2010)	**-**	27,000
	$ 12,292	$ 52,620

Note 8. 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 5.