



**BIBLES FOR THE WORLD  
AND  
PARTNERSHIP MISSION SOCIETY  
CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009**

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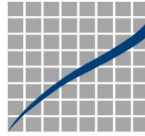


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**BiggsKofford**  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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Board of Directors

**Bibles for the World and Partnership Mission Society**

Colorado Springs, Colorado

We have audited the accompanying consolidated statements of financial position of Bibles For The World, Inc. and Partnership Mission Society as of June 30, 2010 and 2009, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the organizations' management. Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We did not audit the financial statements of Partnership Mission Society, which reflect total assets constituting approximately 50% and 49% of the consolidated assets at June 30, 2010 and 2009 and revenues constituting approximately 9% and 14% of the consolidated revenues for each of the years then ended, respectively, as stated in Note 1. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Partnership Mission Society, is based solely on the report of other auditors.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bibles For The World, Inc. and Partnership Mission Society as of June 30, 2010 and 2009, and the consolidated results of their activities and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Colorado Springs, Colorado

May 27, 2011

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**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30,**

<b><u>ASSETS</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>
Cash and equivalents	\$ 1,216,683	\$ 960,810
Certificates of deposit	848,429	813,068
Investments	222,743	201,456
Inventory	81,921	79,805
Prepaid expenses and other assets	2,472	1,155
Note receivable	36,797	14,432
Property and equipment, net	2,930,805	3,112,685
Intangible assets, net	-	1,153
Assets held in trust	41,870	74,288
<b>Total assets</b>	<b><u>\$ 5,381,720</u></b>	<b><u>\$ 5,258,852</u></b>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 13,537	\$ 15,327
Notes payable	6,664	5,330
Gift annuity obligations	46,259	53,622
Revocable trust liabilities	41,870	74,288
<b>Total liabilities</b>	<b><u>108,330</u></b>	<b><u>148,567</u></b>
Net assets:		
Unrestricted:		
Equity in property and equipment	2,930,805	3,112,685
Operating	799,834	689,150
	3,730,639	3,801,835
Temporarily restricted for bible distribution and other projects	1,007,579	887,104
<b>Total net assets</b>	<b><u>4,738,218</u></b>	<b><u>4,688,939</u></b>
Foreign currency translation adjustment	535,172	421,346
<b>Total liabilities and net assets</b>	<b><u>\$ 5,381,720</u></b>	<b><u>\$ 5,258,852</u></b>

The accompanying notes and independent auditor's report  
should be read with these financial statements.

**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30,**

	<b>2010</b>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Contributions	\$ 891,553	\$ 2,343,083	\$ 3,234,636
Investment income	81,141	-	81,141
Tuition and fees	407,448	-	407,448
Other income	40,118	-	40,118
Gain on sale of assets	1,347	-	1,347
Change in value of annuities	1,806	-	1,806
Total support and revenue	<u>1,423,413</u>	<u>2,343,083</u>	<u>3,766,496</u>
<b><u>RECLASSIFICATIONS</u></b>			
Net assets released from restrictions	<u>2,222,608</u>	<u>(2,222,608)</u>	<u>-</u>
<b><u>EXPENSES</u></b>			
Program services:			
Bible distribution	419,528	-	419,528
Partnership ministries	2,607,500	-	2,607,500
India Children's Choir	1,018	-	1,018
Volunteer services	80,668	-	80,668
Total program services	<u>3,108,714</u>	<u>-</u>	<u>3,108,714</u>
Supporting activities:			
General and administrative	338,742	-	338,742
Fund raising	269,761	-	269,761
Total supporting activities	<u>608,503</u>	<u>-</u>	<u>608,503</u>
Total expenses	<u>3,717,217</u>	<u>-</u>	<u>3,717,217</u>
Change in net assets	(71,196)	120,475	49,279
Net assets, beginning of year	<u>3,801,835</u>	<u>887,104</u>	<u>4,688,939</u>
Net assets, end of year	<u>\$ 3,730,639</u>	<u>\$ 1,007,579</u>	<u>\$ 4,738,218</u>

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**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30,**

	<b>2009</b>		
	Unrestricted	Temporarily Restricted	Total
<b><u>SUPPORT AND REVENUE</u></b>			
Contributions	\$ 1,017,225	\$ 2,797,426	\$ 3,814,651
Investment loss	(14,799)	-	(14,799)
Tuition and fees	340,801	-	340,801
Other income	47,938	-	47,938
Gain on sale of assets	-	-	-
Change in value of annuities	(38,948)	-	(38,948)
Total support and revenue	<u>1,352,217</u>	<u>2,797,426</u>	<u>4,149,643</u>
<b><u>RECLASSIFICATIONS</u></b>			
Net assets released from restrictions	<u>2,711,698</u>	<u>(2,711,698)</u>	<u>-</u>
<b><u>EXPENSES</u></b>			
Program services:			
Bible distribution	474,653	-	474,653
Partnership ministries	2,251,545	-	2,251,545
India Children's Choir	382,222	-	382,222
Volunteer services	17,933	-	17,933
Total program services	<u>3,126,353</u>	<u>-</u>	<u>3,126,353</u>
Supporting activities:			
General and administrative	289,484	-	289,484
Fund raising	284,736	-	284,736
Total supporting activities	<u>574,220</u>	<u>-</u>	<u>574,220</u>
Total expenses	<u>3,700,573</u>	<u>-</u>	<u>3,700,573</u>
Change in net assets	363,342	85,728	449,070
Net assets, beginning of year	<u>3,438,493</u>	<u>801,376</u>	<u>4,239,869</u>
Net assets, end of year	<u>\$ 3,801,835</u>	<u>\$ 887,104</u>	<u>\$ 4,688,939</u>

The accompanying notes and independent auditor's report  
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**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30,**

	<u>2010</u>	<u>2009</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 49,279	\$ 449,070
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation and amortization expense	101,325	113,133
Net realized and unrealized gains on investments	(23,106)	(51,901)
Gain on sale of assets	(1,347)	-
Actuarial change in gift annuities	1,819	(3,297)
Payments on gift annuities	7,282	8,481
Changes in operating assets and liabilities	(5,223)	(77,820)
Net increase in cash from operating activities	<u>130,029</u>	<u>437,666</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchases of certificates of deposit	(35,361)	(506,641)
Purchases of property and equipment	(156,747)	(488,182)
Proceeds from sale of land (PM Society)	353,628	-
Net (increase) decrease in note receivable	(22,365)	5,389
Net increase (decrease) in cash from investing activities	<u>139,155</u>	<u>(989,434)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Payments on notes payable	(6,029)	(137,056)
Payments on gift annuities	(7,282)	(8,481)
Net decrease in cash from financing activities	<u>(13,311)</u>	<u>(145,537)</u>
Net increase (decrease) in cash and cash equivalents	255,873	(697,305)
Cash and equivalents, beginning of year	960,810	1,658,115
Cash and equivalents, end of year	<u>\$ 1,216,683</u>	<u>\$ 960,810</u>
<b><u>SUPPLEMENTAL DISCLOSURES OF CASH AND NON-CASH INFORMATION</u></b>		
Cash paid for interest (none capitalized)	<u>\$ 16,251</u>	<u>\$ 14,887</u>

The accompanying notes and independent auditor's report should be read with these financial statements.

**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Bibles For The World, Inc. ("BFTW") was incorporated in the State of Illinois in 1958 under the name of Indo-Burma Pioneer Mission, Inc. The name of the Corporation was changed to Partnership Mission, Inc. in 1968, and then changed again to the current name in 1973. BFTW is tax exempt for both federal and state income tax purposes pursuant to Section 501(c)(3) of the Internal Revenue Code ("Code") and is not a private foundation under Section 509(a)(2) of the Code. The funds used to support BFTW's programs are provided primarily by gifts from individuals, churches, and other organizations.

The two primary benevolent activities of BFTW are:

1. To propagate the Word of Jesus Christ through the printing and distribution of Bibles throughout the world.
2. To support and train church and missionary workers, provide medical care, and provide an education for young people throughout India.

Partnership Mission Society ("PM Society"), is a non-profit organization located in India. PM Society is the Indian counterpart of BFTW and is a registered society under the Society of India Act. PM Society is primarily responsible for carrying out the second objective listed above and is a controlled affiliate of BFTW through three factors:

1. BFTW provides the majority of PM Society's support and revenue each year.
2. The president of BFTW is also the president of PM Society.
3. BFTW maintains minority membership on the board of directors of PM Society.

Principles of consolidation

The consolidated financial statements include the consolidated financial resources and activities of BFTW and PM Society. All intercompany balances and transactions have been eliminated in the consolidation.

Throughout the remainder of the notes to the consolidated financial statements, the organizations are collectively referred to as BFTW.

Fiscal period

The accompanying combined financial statements reflect the financial position and operating activity of BFTW as of and for the years ended June 30, 2010 and 2009. The same information for PM Society is reflected as of and for the years ended March 31, 2010 and 2009.

**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

Basis of accounting

The consolidated financial statements of BFTW have been prepared on the accrual basis of accounting.

Use of estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

The significant accounting estimates used in the preparation of BFTW's financial statements relate to the estimated useful lives of property and equipment and functional allocation of expenses to program and support services are adequate to meet their related obligations.

Cash and equivalents

For purposes of the consolidated statements of cash flows, BFTW considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

BFTW maintains its cash and cash equivalents in bank deposit accounts in which the deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC"). The operating accounts of BFTW are held at an institution that is provided unlimited coverage by the FDIC for non-interest bearing transaction accounts as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act. As of the date of this report, this program is effective through December 31, 2012. Topic 825 of the FASB Accounting Standards Codification ("FASB ASC"), *Financial Instruments* identifies these accounts as a concentration of credit risk requiring disclosure regardless of the degree of risk. This risk is managed by maintaining deposits with high quality financial institutions and monitoring cash such that balances are rarely, if ever, in excess of the FDIC insurance limits. In addition, management does not believe that BFTW is exposed to any significant risk related to financial institutions holding BFTW's cash and equivalents.

**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

Investments

Investments are recorded at fair value. Investment income is reported in the consolidated statement of activities as an unrestricted activity. Investments with no readily determinable market value are carried at cost or amortized cost. Donated investments are recorded at market value at the date of donation and carried in accordance with the above provisions thereafter.

Inventory

Inventory is recorded at the lower of cost or market, using the weighted-average cost method and consists primarily of Bibles awaiting shipment.

Property and equipment

Capitalized items such as land, buildings and equipment are recorded at cost. Donated items are recorded at fair market value on the date of the gift. Corporate policy is that items costing greater than \$500 are capitalized. Depreciation is computed on the straight-line basis over estimated useful lives of the related assets, ranging from 3 to 30 years, and is allocated among program services and supporting activities in the consolidated statements of activities.

Depreciation expense for the year ended June 30, 2010 was \$101,325, which includes \$43,401 for BFTW and \$57,924 for PM Society. Depreciation expense for the year ended June 30, 2009 was \$112,973, which includes \$64,578, for BFTW and \$48,395, for PM Society.

Intangible assets

Intangible assets consists of loan fees paid and are amortized over 20 years, which is the life of loan. Amortization expense for the years ended June 30, 2009 totaled \$160, respectively.

Revocable trust agreements

Revocable trusts represent amounts that have been established which provide for a beneficial interest to BFTW at the grantor's death. The trusts are revocable at the discretion of the grantor. Accordingly, the value of the principal amounts provided are recorded as assets held in trust and trust liabilities of BFTW. At the grantor's death, the remaining trust assets will be recorded as contribution income.

**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

Gift annuity obligations

BFTW has established a gift annuity plan whereby donors may contribute assets in exchange for the right to receive a fixed dollar annual return during their lifetimes. 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 liability for future payments, determined on an actuarial basis, is recognized as contribution income at the date of the gift. Income earned on annuity investments and distributions paid are credited and charged respectively against the annuity obligation. The annuity liability is revalued annually based on actuarially computed present values. Resulting actuarial gain or loss is recorded as change in value in the combined statement of activities.

Support and revenue

Contributions are recorded as received, which may be when an unconditional promise to give is made or cash is received. BFTW reports gifts of cash or other assets as restricted revenue if they are received with donor stipulations that limit the use of the donated assets. 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 consolidated statement of activities as net assets released from purpose restrictions. BFTW reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. If explicit donor stipulations regarding how those long-lived assets must be maintained are absent, BFTW reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Allocation of expenses

The cost of providing the various program and supporting activities has been presented on a functional basis in the consolidated statement of activities. Expenses are generally charged to functional departments as incurred for the related activities based upon ratios determined by management.

**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

Foreign operations

Foreign financial statements are converted to United States dollars in accordance with US GAAP. The exchange rate at the consolidated statement of financial position date is used to translate assets, current year property and equipment additions, and liabilities. Property and equipment is shown at historical cost and translated during the year of purchase using the exchange rate at the consolidated statement of financial position date. The average rate for the year is used to translate the consolidated statement of activities. The cumulative difference resulting from the foreign currency translation is shown on the consolidated statement of financial position.

As of June 30, 2010 and 2009, current assets in other countries, including cash and cash equivalents, inventories, prepaid expenses and other assets, totaled \$890,974 and \$600,035, respectively. Total overseas support and revenue received from foreign sources amounted to \$656,409 and \$563,548 during the years ended June 30, 2010 and 2009, respectively.

Net assets

The net assets of BFTW have been reported in the following two classes, unrestricted and temporarily restricted net assets. Unrestricted net assets include resources that are used to support BFTW's general operating activities and investing in property and equipment. Temporarily restricted net assets include resources for Bible distribution projects and Partnership Mission Society. As of June 30, 2010 and 2009, BFTW had no permanently restricted net assets.

Income taxes

BFTW was incorporated in the state of Colorado in 2004 and received exempt status from the IRS in June of 2004. BFTW is a non-profit organization under Section 501(c)(3) of the Code. BFTW is not considered to be a private foundation under Section 509(a)(2) of the Code.

**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

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**2. DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES**

US GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Therefore, the term "price" refers to the exit price as opposed to the entry price, which is the price paid to acquire the asset or received to assume the liability. US GAAP also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

**Level 1** - Quoted prices in active markets for identical assets or liabilities.

**Level 2** - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Investments

BFTW invests in various mutual funds, money market funds and corporate stock. Because quoted market prices are available for identical securities in an active market, these securities are classified within Level 1 of the valuation hierarchy.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 97,015	\$ -	\$ -
Money market funds	17,212	-	-
Corporate stocks	<u>108,516</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 222,743</u>	<u>\$ -</u>	<u>\$ -</u>

**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**2. DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)**

Investments (continued)

Investments consist of the following at June 30,:

	<b>2010</b>		
	<u>Operating</u>	<u>Annuity</u>	<u>Total</u>
Mutual funds	\$ -	\$ 97,015	\$ 97,015
Money market funds	6,199	11,013	17,212
Corporate stocks	-	108,516	108,516
Total	<u>\$ 6,199</u>	<u>\$ 216,544</u>	<u>\$ 222,743</u>

Investments consist of the following at June 30,:

	<b>2009</b>		
	<u>Operating</u>	<u>Annuity</u>	<u>Total</u>
Mutual funds	\$ -	\$ 99,078	\$ 99,078
Money market funds	8,071	2,069	10,140
Corporate stocks	-	92,238	92,238
Total	<u>\$ 8,071</u>	<u>\$ 193,385</u>	<u>\$ 201,456</u>

Investment income consists of the following for the years ended June 30,:

	<u>2010</u>	<u>2009</u>
Interest and dividends	\$ 57,323	\$ 38,896
Net realized and unrealized gains (losses)	20,024	(53,695)
	<u>\$ 77,347</u>	<u>\$ (14,799)</u>

**3. PROPERTY AND EQUIPMENT**

Management has reviewed the assets of PM Society, located in India. While such items are recognized as assets of BFTW, it should be noted that the economic and political situation outside the United States of America is subject to rapid change. Therefore, the reader should be aware that while BFTW believes the assets are properly stated at the date of this report, subsequent changes could occur that would adversely affect the realizable value of the assets in India. In addition, it should be understood the carrying value of the assets in India may not be representative of the amount that could be realized should the assets be sold.

**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

**3. PROPERTY AND EQUIPMENT (CONTINUED)**

Property and equipment consists of the following at June 30,:

	<b>2010</b>		
	<u>BFTW</u>	<u>PM Society</u>	<u>Total</u>
Land	\$ 400,000	\$ 488,792	\$ 888,792
Buildings and improvements	896,092	2,078,644	2,974,736
Furniture and equipment	278,142	504,807	782,949
Vehicles	<u>145,146</u>	<u>-</u>	<u>145,146</u>
	1,719,380	3,072,243	4,791,623
Accumulated depreciation	<u>(590,727)</u>	<u>(1,270,091)</u>	<u>(1,860,818)</u>
	<u><u>\$ 1,128,653</u></u>	<u><u>\$ 1,802,152</u></u>	<u><u>\$ 2,930,805</u></u>
	<b>2009</b>		
	<u>BFTW</u>	<u>PM Society</u>	<u>Total</u>
Land	\$ 400,000	\$ 812,273	\$ 1,212,273
Buildings and improvements	868,842	1,926,476	2,795,318
Furniture and equipment	274,823	453,382	728,205
Vehicles	<u>163,296</u>	<u>-</u>	<u>163,296</u>
	1,706,961	3,192,131	4,899,092
Accumulated depreciation	<u>(565,855)</u>	<u>(1,220,552)</u>	<u>(1,786,407)</u>
	<u><u>\$ 1,141,106</u></u>	<u><u>\$ 1,971,579</u></u>	<u><u>\$ 3,112,685</u></u>

**4. NOTES PAYABLE**

Notes payable consists of the following at June 30,:

	<u>2010</u>	<u>2009</u>
<u>PM Society:</u>		
Miscellaneous demand notes	<u><u>\$ 6,664</u></u>	<u><u>\$ 5,330</u></u>

**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

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**4. NOTES PAYABLE (CONTINUED)**

Notes payable maturities are as follows:

<u>Years Ending June 30,</u> 2010	<u>\$ 6,664</u>
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**5. LINE OF CREDIT**

BFTW has a commitment from a financial institution for a line of credit in the amount of \$250,000 which matured on April 22, 2012. The line carries a stated interest rate of 6.50% per annum and is secured by improved real estate. There is no balance due at June 30, 2010 or 2009.

**6. REVOCABLE TRUSTS**

Assets held in trust at June 30, 2010 and 2009 consists of corporate stock in the amount of \$41,870 and \$74,288, respectively.

**7. ANNUITIES**

Change in value of annuities consists of the following for the years ended June 30,:

	<b>2010</b>	<b>2009</b>
Interest and dividends	\$ 1,166	\$ 2,485
Actuarial change in gift annuities	1,819	(3,297)
Payments on gift annuities	(9,274)	(10,369)
Net realized and unrealized gain (loss)	8,095	(27,767)
	\$ 1,806	\$ (38,948)

**8. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets for Bible distribution and for Partnership Mission Society projects consists of the following at June 30,:

	<b>2010</b>	<b>2009</b>
Bible printing and distribution	\$ 131,531	\$ 54,882
Partnership Mission Society projects	876,048	832,222
	\$ 1,007,579	\$ 887,104

**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2010 AND 2009**

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**9. OPERATING LEASES**

The Company leases various office equipment from unrelated parties under operating leases. As of June 30, 2010, the minimum lease payments total approximately \$980 per month. Total rental expense under these operating leases was \$21,803 and \$22,233 for the years ended June 30, 2010 and 2009, respectively. Minimum lease payments under these lease arrangements are as follows:

<u>Years Ending June 30,</u>	
2011	\$ 10,116
2012	10,116
2013	<u>2,529</u>
	<u><u>\$ 22,761</u></u>

**10. RISKS AND UNCERTANTIES**

The current economic environment presents not-for-profit organizations with unprecedented circumstances and challenges, which in some cases have resulted in large declines in assets, and constraints on liquidity. The financial statements have been prepared using values and information currently available to BFTW.

**11. SUBSEQUENT EVENTS**

Date of management evaluation

Management has evaluated subsequent events through the date of the attached auditor's report, the date on which the financial statements were available to be issued.

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## **SUPPLEMENTAL INFORMATION**

**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30,**

	<b>2010</b>		
	<u>BFTW</u>	<u>PM Society</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
Cash and equivalents	\$ 382,880	\$ 833,803	\$ 1,216,683
Certificates of deposit	848,429	-	848,429
Investments	222,743	-	222,743
Inventory	62,858	19,063	81,921
Prepaid expenses and other assets	1,161	1,311	2,472
Note receivable	-	36,797	36,797
Property and equipment	1,719,380	3,072,243	4,791,623
Accumulated depreciation	(590,727)	(1,270,091)	(1,860,818)
Intangible assets-net	-	-	-
Assets held in trust	41,870	-	41,870
<b>Total Assets</b>	<b><u>\$ 2,688,594</u></b>	<b><u>\$ 2,693,126</u></b>	<b><u>\$ 5,381,720</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
Liabilities:			
Accounts payable and accrued expenses	\$ 13,537	\$ -	\$ 13,537
Notes payable	-	6,664	6,664
Gift annuity obligations	46,259	-	46,259
Revocable trust liabilities	41,870	-	41,870
<b>Total liabilities</b>	<b><u>101,666</u></b>	<b><u>6,664</u></b>	<b><u>108,330</u></b>
Net Assets:			
Unrestricted:			
Equity in property and equipment	1,128,653	1,802,152	2,930,805
Operating	450,696	349,138	799,834
	1,579,349	2,151,290	3,730,639
Temporarily restricted for projects	1,007,579	-	1,007,579
<b>Total net assets</b>	<b><u>2,586,928</u></b>	<b><u>2,151,290</u></b>	<b><u>4,738,218</u></b>
Foreign currency translation adjustment	-	535,172	535,172
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 2,688,594</u></b>	<b><u>\$ 2,693,126</u></b>	<b><u>\$ 5,381,720</u></b>

See independent auditor's report

**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30,**

	<b>2009</b>		
	<u>BFTW</u>	<u>PM Society</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
Cash and equivalents	\$ 382,948	\$ 577,862	\$ 960,810
Certificates of deposit	813,068	-	813,068
Investments	201,456	-	201,456
Inventory	73,219	6,586	79,805
Prepaid expenses and other assets	-	1,155	1,155
Note receivable	-	14,432	14,432
Property and equipment	1,706,961	3,192,131	4,899,092
Accumulated depreciation	(565,855)	(1,220,552)	(1,786,407)
Intangible assets-net	1,153	-	1,153
Assets held in trust	74,288	-	74,288
<b>Total Assets</b>	<b><u>\$ 2,687,238</u></b>	<b><u>\$ 2,571,614</u></b>	<b><u>\$ 5,258,852</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
Liabilities:			
Accounts payable and accrued expenses	\$ 15,231	\$ 96	\$ 15,327
Notes payable	-	5,330	5,330
Gift annuity obligations	53,622	-	53,622
Revocable trust liabilities	74,288	-	74,288
<b>Total liabilities</b>	<b><u>143,141</u></b>	<b><u>5,426</u></b>	<b><u>148,567</u></b>
Net Assets:			
Unrestricted:			
Equity in property and equipment	1,141,106	1,971,579	3,112,685
Operating	515,887	173,263	689,150
	1,656,993	2,144,842	3,801,835
Temporarily restricted for projects	887,104	-	887,104
<b>Total net assets</b>	<b><u>2,544,097</u></b>	<b><u>2,144,842</u></b>	<b><u>4,688,939</u></b>
Foreign currency translation adjustment	-	421,346	421,346
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 2,687,238</u></b>	<b><u>\$ 2,571,614</u></b>	<b><u>\$ 5,258,852</u></b>

See independent auditor's report

**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**CONSOLIDATING STATEMENTS OF ACTIVITIES**  
**JUNE 30,**

	<b>2010</b>			
	<u>BFTW</u>	<u>PM Society</u>	<u>Eliminations</u>	<u>Totals</u>
<b><u>CHANGE IN UNRESTRICTED NET ASSETS:</u></b>				
<b><u>SUPPORT AND REVENUE</u></b>				
Contributions	\$ 682,910	\$ 1,526,133	\$ (1,317,490)	\$ 891,553
Investment income	55,545	25,596	-	81,141
Tuition and fees	-	407,448	-	407,448
Other income	25,396	14,722	-	40,118
Gain on the sale of assets	1,347	-	-	1,347
Change in value of annuities	1,806	-	-	1,806
Total support and revenue	<u>767,004</u>	<u>1,973,899</u>	<u>(1,317,490)</u>	<u>1,423,413</u>
<b><u>RECLASSIFICATIONS</u></b>				
Net assets released from restrictions	<u>2,222,608</u>	<u>-</u>	<u>-</u>	<u>2,222,608</u>
<b><u>EXPENSES</u></b>				
Program services:				
Bible distribution	419,528	-	-	419,528
Partnership Ministries	1,957,539	1,967,451	(1,317,490)	2,607,500
India Children's Choir	1,018	-	-	1,018
Volunteer services	80,668	-	-	80,668
Total program services	<u>2,458,753</u>	<u>1,967,451</u>	<u>(1,317,490)</u>	<u>3,108,714</u>
Supporting activities:				
General and administrative	338,742	-	-	338,742
Fund raising	269,761	-	-	269,761
Total supporting activities	<u>608,503</u>	<u>-</u>	<u>-</u>	<u>608,503</u>
Total expenses	<u>3,067,256</u>	<u>1,967,451</u>	<u>(1,317,490)</u>	<u>3,717,217</u>
Total change in unrestricted net assets	<u>(77,644)</u>	<u>6,448</u>	<u>-</u>	<u>(71,196)</u>
<b><u>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS:</u></b>				
Support and revenue:				
Contributions	2,343,083	-	-	2,343,083
Net assets released from restrictions	<u>(2,222,608)</u>	<u>-</u>	<u>-</u>	<u>(2,222,608)</u>
Change in temporarily restricted net assets	<u>120,475</u>	<u>-</u>	<u>-</u>	<u>120,475</u>
Change in net assets	<u>42,831</u>	<u>6,448</u>	<u>-</u>	<u>49,279</u>
Net assets, beginning of year	<u>2,544,097</u>	<u>2,144,842</u>	<u>-</u>	<u>4,688,939</u>
Net assets, end of year	<u>\$ 2,586,928</u>	<u>\$ 2,151,290</u>	<u>\$ -</u>	<u>\$ 4,738,218</u>

See independent auditor's report

**BIBLES FOR THE WORLD AND PARTNERSHIP MISSION SOCIETY**  
**CONSOLIDATING STATEMENTS OF ACTIVITIES**  
**JUNE 30,**

	<b>2009</b>			
	<u>BFTW</u>	<u>PM Society</u>	<u>Eliminations</u>	<u>Totals</u>
<b><u>CHANGE IN UNRESTRICTED NET ASSETS:</u></b>				
<b><u>SUPPORT AND REVENUE</u></b>				
Contributions	\$ 828,778	\$ 1,605,956	\$ (1,417,509)	\$ 1,017,225
Investment income (loss)	(40,168)	25,369	-	(14,799)
Tuition and fees	-	340,801	-	340,801
Other income	39,007	8,931	-	47,938
Gain on the sale of assets	-	-	-	-
Change in value of annuities	(38,948)	-	-	(38,948)
Total support and revenue	<u>788,669</u>	<u>1,981,057</u>	<u>(1,417,509)</u>	<u>1,352,217</u>
<b><u>RECLASSIFICATIONS</u></b>				
Net assets released from restrictions	<u>2,711,698</u>	<u>-</u>	<u>-</u>	<u>2,711,698</u>
<b><u>EXPENSES</u></b>				
Program services:				
Bible distribution	474,653	-	-	474,653
Partnership Ministries	2,025,458	1,643,596	(1,417,509)	2,251,545
India Children's Choir	382,222	-	-	382,222
Volunteer services	17,933	-	-	17,933
Total program services	<u>2,900,266</u>	<u>1,643,596</u>	<u>(1,417,509)</u>	<u>3,126,353</u>
Supporting activities:				
General and administrative	289,484	-	-	289,484
Fund raising	284,736	-	-	284,736
Total supporting activities	<u>574,220</u>	<u>-</u>	<u>-</u>	<u>574,220</u>
Total expenses	<u>3,474,486</u>	<u>1,643,596</u>	<u>(1,417,509)</u>	<u>3,700,573</u>
Total change in unrestricted net assets	<u>25,881</u>	<u>337,461</u>	<u>-</u>	<u>363,342</u>
<b><u>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS:</u></b>				
Support and revenue:				
Contributions	2,797,426	-	-	2,797,426
Net assets released from restrictions	(2,711,698)	-	-	(2,711,698)
Change in temporarily restricted net assets	<u>85,728</u>	<u>-</u>	<u>-</u>	<u>85,728</u>
Change in net assets	<u>111,609</u>	<u>337,461</u>	<u>-</u>	<u>449,070</u>
Net assets, beginning of year	<u>2,432,488</u>	<u>1,807,381</u>	<u>-</u>	<u>4,239,869</u>
Net assets, end of year	<u>\$ 2,544,097</u>	<u>\$ 2,144,842</u>	<u>\$ -</u>	<u>\$ 4,688,939</u>

See independent auditor's report

**BIBLES FOR THE WORLD**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2010**

	<u>Program Services</u>					<u>Support Services</u>			
	Bible Distribution	Partnership Ministries	India Children's Choir	Volunteer Services	Total	General and Administrative	Fund Raising	Total	Total
Salaries and employee benefits	\$ 63,216	\$ 211,117	\$ 510	\$ 59,811	\$ 334,654	\$ 170,323	\$ 72,783	\$ 243,106	\$ 577,760
Outside services	-	17,713	-	-	17,713	440	-	440	18,153
Professional services	12,476	8,097	-	3,452	24,025	21,898	84,342	106,240	130,265
Conference expenses	117	117	-	-	234	5,010	6,386	11,396	11,630
Advertising	-	-	-	-	-	1,421	3,850	5,271	5,271
Depreciation	10,721	10,595	-	4,364	25,680	9,094	8,627	17,721	43,401
Dues and subscriptions	-	-	-	-	-	3,520	1,989	5,509	5,509
Insurance	1,839	2,193	508	352	4,892	7,755	590	8,345	13,237
Property taxes	-	63	-	-	63	111	-	111	174
Interest expense	-	-	-	-	-	16,251	-	16,251	16,251
Office supplies	5,917	6,388	-	2,394	14,699	10,409	5,008	15,417	30,116
Postage and shipping	44,518	11,601	-	4,179	60,298	11,086	38,657	49,743	110,041
Printing	260,602	7,786	-	1,701	270,089	2,915	36,193	39,108	309,197
Rental expense	499	-	-	-	499	-	-	-	499
Repairs and maintenance	4,896	4,704	-	1,259	10,859	7,667	2,362	10,029	20,888
Telephone	3,807	3,992	-	1,610	9,409	10,356	3,275	13,631	23,040
Travel	2,057	39,444	-	94	41,595	1,335	3,839	5,174	46,769
Utilities	8,551	1,905	-	822	11,278	1,895	1,515	3,410	14,688
Distributions to field operations	312	1,588,281	-	-	1,588,593	173	-	173	1,588,766
Ministry trips	-	42,154	-	-	42,154	-	-	-	42,154
Bank charges	-	60	-	-	60	37,940	81	38,021	38,081
Miscellaneous	-	-	-	630	630	17,943	264	18,207	18,837
Contributions	-	1,329	-	-	1,329	1,200	-	1,200	2,529
PM Society expenses - net of eliminations of \$1,317,490	-	649,961	-	-	649,961	-	-	-	649,961
<b>Total</b>	<b>\$ 419,528</b>	<b>\$ 2,607,500</b>	<b>\$ 1,018</b>	<b>\$ 80,668</b>	<b>\$ 3,108,714</b>	<b>\$ 338,742</b>	<b>\$ 269,761</b>	<b>\$ 608,503</b>	<b>\$ 3,717,217</b>
Percentage of total expenses	11.29%	70.15%	0.03%	2.17%	83.63%	9.11%	7.26%	16.37%	100.00%

See independent auditor's report.

**BIBLES FOR THE WORLD**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2009**

	Program Services					Support Services			
	Bible Distribution	Partnership Ministries	India Children's Choir	Volunteer Services	Total	General and Administrative	Fund Raising	Total	Total
Salaries and employee benefits	\$ 73,030	\$ 194,356	\$ 220,717	\$ 11,312	\$ 499,415	\$ 158,843	\$ 67,315	\$ 226,158	\$ 725,573
Outside services	-	14,353	11,323	-	25,676	695	-	695	26,371
Professional services	5,514	4,804	3,583	1,125	15,026	17,385	81,846	99,231	114,257
Conference expenses	-	-	-	1,019	1,019	8,810	9,432	18,242	19,261
Advertising	-	-	-	-	-	-	4,950	4,950	4,950
Depreciation	12,915	12,915	11,839	1,079	38,748	12,915	12,915	25,830	64,578
Amortization	-	-	-	-	-	160	-	160	160
Dues and subscriptions	-	-	86	-	86	5,223	1,245	6,468	6,554
Insurance	2,204	1,858	2,149	78	6,289	4,870	1,264	6,134	12,423
Property taxes	127	107	123	4	361	280	72	352	713
Interest expense	1,644	1,781	-	-	3,425	9,681	1,781	11,462	14,887
Office supplies	4,067	4,226	2,721	573	11,587	5,013	3,121	8,134	19,721
Postage and shipping	117,996	16,054	13,132	504	147,686	3,630	29,739	33,369	181,055
Printing	223,504	10,554	12,195	-	246,253	1,833	56,511	58,344	304,597
Rental expense	2,987	2,584	1,664	351	7,586	3,066	1,908	4,974	12,560
Repairs and maintenance	4,898	4,419	4,237	181	13,735	8,394	4,128	12,522	26,257
Telephone	4,120	7,774	5,028	264	17,186	5,795	2,918	8,713	25,899
Travel	12,922	95,596	1,162	1,270	110,950	-	4,838	4,838	115,788
Utilities	8,725	1,517	1,327	173	11,742	1,140	753	1,893	13,635
Distributions to field operations	-	1,652,560	-	-	1,652,560	-	-	-	1,652,560
Tour expenses	-	-	90,876	-	90,876	-	-	-	90,876
Bank charges	-	-	-	-	-	28,988	-	28,988	28,988
Miscellaneous	-	-	60	-	60	12,008	-	12,008	12,068
Contributions	-	-	-	-	-	755	-	755	755
PM Society expenses - net of eliminations of \$1,417,509	-	226,087	-	-	226,087	-	-	-	226,087
<b>Total</b>	<b>\$ 474,653</b>	<b>\$ 2,251,545</b>	<b>\$ 382,222</b>	<b>\$ 17,933</b>	<b>\$ 3,126,353</b>	<b>\$ 289,484</b>	<b>\$ 284,736</b>	<b>\$ 574,220</b>	<b>\$ 3,700,573</b>
Percentage of total expenses	12.83%	60.84%	10.33%	0.48%	84.48%	7.82%	7.69%	15.52%	100.00%

See independent auditor's report.