

**WYCLIFFE BIBLE TRANSLATORS
OF CANADA INC.**

FINANCIAL STATEMENTS

SEPTEMBER 20, 2004

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

FINANCIAL STATEMENTS

SEPTEMBER 20, 2004

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CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To the Directors of
Wycliffe Bible Translators of Canada Inc.

We have audited the statement of financial position of Wycliffe Bible Translators of Canada Inc. as at September 20, 2004 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance 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.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at September 20, 2004 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta
November 3, 2004

Werner Haag
Chartered Accountants



WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

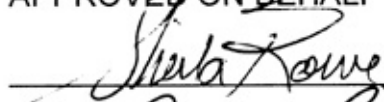
STATEMENT OF FINANCIAL POSITION

SEPTEMBER 20, 2004


	<u>2004</u>	<u>2003</u>
ASSETS		
Current		
Cash	\$ 615,817	\$ 659,461
Short term investments (market value \$1,080,617, 2003 - \$697,045)	1,066,310	697,430
Accounts receivable	87,835	14,240
Receivable from affiliated organization (Note 4)	5,494	4,375
Inventories	74,906	83,344
Prepaid expenses	<u>47,161</u>	<u>43,189</u>
	1,897,523	1,502,039
Long-term receivable	-	59,732
Investments (market value \$216,720 2003 - \$200,917)	224,920	222,516
Charitable remainder trusts	83,556	79,013
Capital (Note 3)	<u>781,144</u>	<u>784,348</u>
	<u>\$ 2,987,143</u>	<u>\$ 2,647,648</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 550,250	\$ 648,098
Payable to affiliated organization (Note 4) 10,846	10,197	
Current portion of long-term debt	<u>33,443</u>	<u>36,034</u>
	594,539	694,329
Investment trust agreements	246,088	242,634
Long-term debt (Note 5)	<u>30,277</u>	<u>43,443</u>
	<u>870,904</u>	<u>980,406</u>
FUND BALANCES		
Invested in capital assets	647,141	611,185
Externally restricted	1,127,745	604,656
Internally restricted	142,078	258,033
Unrestricted	<u>199,275</u>	<u>193,368</u>
	<u>2,116,239</u>	<u>1,667,242</u>
	<u>\$ 2,987,143</u>	<u>\$ 2,647,648</u>

Contingent Liability (Note 8)

APPROVED ON BEHALF OF THE BOARD:



Director



Director

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

YEAR ENDED SEPTEMBER 20, 2004

	GENERAL		RESTRICTED FUNDS				TOTAL	
	OPERATING FUNDS		DESIGNATED		CAPITAL			
	2004	2003	2004	2003	2004	2003	2004	2003
REVENUE								
Donations								
Public	\$ 336,238	\$ 667,834	\$ 7,984,441	\$ 7,508,487	\$ -	\$ -	\$ 8,320,679	\$ 8,176,321
Other charities	78,511	83,825	2,962,063	2,782,866	-	-	3,040,574	2,866,691
Foreign contributions	23,414	-	3,077,204	2,943,534	-	-	3,100,618	2,943,534
Government grants	1,386	-	179,163	351,706	-	-	180,549	351,706
Investment and other income	149,083	170,949	16,199	17,204	-	-	165,282	188,153
	<u>588,632</u>	<u>922,608</u>	<u>14,219,070</u>	<u>13,603,797</u>	<u>-</u>	<u>-</u>	<u>14,807,702</u>	<u>14,526,405</u>
EXPENSES								
Administrative	481,334	463,127	791,369	883,892	-	-	1,272,703	1,347,019
Amortization	-	-	-	-	79,829	86,602	79,829	86,602
Communication	257,718	344,985	397,130	504,381	-	-	654,848	849,366
Field programs – missionary								
Support	-	-	9,585,135	8,932,874	-	-	9,585,135	8,932,874
Field programs – Project EXP	54,629	87,507	512,175	926,504	-	-	566,804	1,014,011
Fundraising	167,647	187,365	286,120	290,999	-	-	453,767	478,364
Public relations	101,221	111,031	540,700	474,522	-	-	641,921	585,553
Theatre	262,058	510,487	-	-	-	-	262,058	510,487
Training	24,535	24,748	814,021	807,046	-	-	838,556	831,794
	<u>1,349,142</u>	<u>1,729,250</u>	<u>12,926,650</u>	<u>12,820,218</u>	<u>79,829</u>	<u>86,602</u>	<u>14,355,621</u>	<u>14,636,070</u>
Excess (Deficiency) of Revenue Over Expenses before undernoted	(760,510)	(806,642)	1,292,420	783,579	(79,829)	(86,602)	452,081	(109,665)
Gain (loss) on disposal of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,084)</u>	<u>1,224</u>	<u>(3,084)</u>	<u>1,224</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES								
	(760,510)	(806,642)	1,292,420	783,579	(82,913)	(85,378)	448,997	(108,441)
Fund Balances At Beginning Of Year	193,368	243,037	862,689	772,250	611,185	760,396	1,667,242	1,775,683
Interfund transfers (Note 6)	<u>766,417</u>	<u>756,973</u>	<u>(885,286)</u>	<u>(693,140)</u>	<u>118,869</u>	<u>(63,833)</u>	<u>-</u>	<u>-</u>
FUND BALANCES AT END OF YEAR								
	<u>\$ 199,275</u>	<u>\$ 193,368</u>	<u>\$ 1,269,823</u>	<u>\$ 862,689</u>	<u>\$ 647,141</u>	<u>\$ 611,185</u>	<u>\$ 2,116,239</u>	<u>\$ 1,667,242</u>
COMPRISED OF FUNDS								
Invested in capital assets	\$ -	\$ -	\$ -	\$ -	\$ 647,141	\$ 611,185	\$ 647,141	\$ 611,185
Externally restricted	-	-	1,127,745	604,656	-	-	1,127,745	604,656
Internally restricted	-	-	142,078	258,033	-	-	142,078	258,033
Unrestricted	<u>199,275</u>	<u>193,368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,275</u>	<u>193,368</u>
FUND BALANCES AT END OF YEAR								
	<u>\$ 199,275</u>	<u>\$ 193,368</u>	<u>\$ 1,269,823</u>	<u>\$ 862,689</u>	<u>\$ 647,141</u>	<u>\$ 611,185</u>	<u>\$ 2,116,239</u>	<u>\$ 1,667,242</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 20, 2004

	<u>2004</u>	<u>2003</u>
OPERATING ACTIVITIES		
Cash receipts	\$ 14,734,107	\$ 14,549,015
Cash disbursements	<u>(14,369,174)</u>	<u>(14,429,935)</u>
	<u>364,933</u>	<u>119,080</u>
INVESTING ACTIVITIES		
Investments	(3,493)	15,661
Long-term receivable	59,732	-
Proceeds from sale of capital assets	-	207,124
Additions to capital assets	(79,709)	(109,798)
Reduction of loans payable	(15,757)	(90,712)
Advances from (to) affiliated entities	<u>(470)</u>	<u>67,524</u>
	<u>(39,697)</u>	<u>89,799</u>
INCREASE IN CASH	325,236	208,879
CASH AT BEGINNING OF YEAR	<u>1,356,891</u>	<u>1,148,012</u>
CASH AT END OF YEAR	<u>\$ 1,682,127</u>	<u>\$ 1,356,891</u>
 Cash is comprised of:		
Cash	\$ 615,817	\$ 659,461
Short term investments	<u>1,066,310</u>	<u>697,430</u>
	<u>\$ 1,682,127</u>	<u>\$ 1,356,891</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 20, 2004

1. PURPOSE OF THE ORGANIZATION

Wycliffe Bible Translators of Canada Inc. ("Wycliffe") is a national organization operating to challenge, train and assist men and women to serve indigenous peoples through Bible translation and literacy-based development. Wycliffe is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with generally accepted Canadian accounting principles. Certain of the prior year figures have been reclassified to conform with the current year's presentation. Significant accounting policies are described below:

FUND ACCOUNTING

Wycliffe follows the restricted fund method of accounting for contributions.

The General Operating Fund reports unrestricted general operational and administrative activities.

The Designated Fund reports restricted resources that are to be used for special projects or have restrictions on when funds may be expended.

The Capital Asset Fund reports assets, liabilities, revenues and expenses related to capital assets.

INVENTORIES

Inventories are recorded at the lower of cost or market value.

INVESTMENTS

Investments are recorded at cost. Should the market value of investments become lower than cost and this decline be considered to be other than temporary, the investments are written down to market.

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2004

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is recorded on the straight line basis at the following annual rates:

Buildings	3.3%
Office furniture and equipment	10.0%
Computer equipment	20.0%
Media equipment	10.0%
Printing arts equipment	6.7%
Vehicles	20.0%

INVESTMENT TRUST AGREEMENTS

Investment trust agreements require the passage of a stated period of time or the occurrence of a particular event before all or part of the funds may be expended. The principal is not recognized as income until the agreements vest with Wycliffe.

CHARITABLE REMAINDER TRUSTS

Charitable remainder trusts are recorded at the present value of the total funds that will be due Wycliffe upon conditions of the trust being met.

DONATED SERVICES

The ministries of Wycliffe are dependent on the services of many volunteers. The value of donated services is not recognized in these financial statements.

INCOME TAXES

Wycliffe is a not-for-profit organization under the Income Tax Act and is, therefore, not subject to either federal or provincial income taxes.

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2004

3. CAPITAL ASSETS

	2004		2003	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 55,000	\$ -	\$ 55,000	\$ 55,000
Buildings	812,527	413,999	398,528	366,661
Office furniture and equipment	261,683	214,598	47,085	36,787
Computer equipment	77,813	70,365	7,448	9,931
Media equipment	156,946	113,076	43,870	53,874
Printing arts equipment	257,879	76,922	180,957	195,954
Vehicles	<u>89,426</u>	<u>41,170</u>	<u>48,256</u>	<u>66,141</u>
	<u>\$ 1,711,274</u>	<u>\$ 930,130</u>	<u>\$ 781,144</u>	<u>\$ 784,348</u>

4. AFFILIATED ORGANIZATIONS

Wycliffe works closely with Wycliffe Associates of Canada Inc. and Canada Institute of Linguistics Inc. At present Wycliffe Associates of Canada Inc. is inactive. The purpose of Canada Institute of Linguistics is, through linguistics training, to assist Wycliffe in reaching its goals and objectives. Both Wycliffe Associates of Canada Inc. and Canada Institute of Linguistics are incorporated under the Canada Corporations Act and are separate charities under the Income Tax Act.

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2004

4. AFFILIATED ORGANIZATIONS (Continued)

Bible translation in foreign countries is carried out through association with international Bible Translation Organizations.

Amounts receivable from (payable to) affiliated organizations at September 20 are as follows:

	<u>2004</u>	<u>2003</u>
Canada Institute of Linguistics Inc.	\$ (10,846)	\$ (10,197)
Wycliffe Associates of Canada Inc.	<u>5,494</u>	<u>4,375</u>
	<u>\$ (5,352)</u>	<u>\$ (5,822)</u>

Donations received from (made to) affiliated organizations for the year ended September 20 are as follows:

	<u>2004</u>	<u>2003</u>
Canada Institute of Linguistics Inc.	\$ (68,857)	\$ (23,400)
Wycliffe Associates of Canada Inc.	<u>-</u>	<u>12,637</u>
	<u>\$ (68,857)</u>	<u>\$ (10,763)</u>

During the year ended September 20, 2003 assets (known as Spread the Word Theatre Ministry assets) were purchased from Wycliffe Associates of Canada Inc. for \$76,700.

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2004

5. LONG-TERM DEBT

	<u>2004</u>	<u>2003</u>
Bank loan, payable in bi-monthly principal instalments of \$5,000 plus interest at bank prime plus .75%, secured by equipment	\$ 40,000	\$ 70,000
Capital lease, payable in monthly instalments of \$534, including interest at 5.5%, secured by equipment.	3,443	9,477
Capital lease, payable in quarterly instalments of \$1,600 beginning October 2005, including interest at 8.3%, secured by equipment	<u>20,277</u>	<u>-</u>
	63,720	79,477
Current portion of long-term debt	<u>33,443</u>	<u>36,034</u>
	<u>\$ 30,277</u>	<u>\$ 43,443</u>

Principal amounts due in the next five years are as follows:

2005	\$ 33,443
2006	13,449
2007	5,153
2008	5,596
2009	<u>6,079</u>
	<u>\$ 63,720</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2004

6. INTER FUND TRANSFERS

The following inter fund transfers were made during the year:

	General		Restricted Funds			
	Operating Funds		Designated		Capital	
	2004	2003	2004	2003	2004	2003
Designated to General to cover portion of operating expenses	\$ 885,286	\$ 743,140	\$ (885,286)	\$ (743,140)	\$ -	\$ -
Capital to General and Designated from disposition of capital assets	-	124,676	-	50,000	-	(174,676)
General to Designated for future capital replacement	(30,000)	(30,000)	30,000	30,000	-	-
General and Designated to Capital for purchase of capital assets	<u>(88,869)</u>	<u>(80,843)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>118,869</u>	<u>110,843</u>
	<u>\$ 766,417</u>	<u>\$ 756,973</u>	<u>\$ (885,286)</u>	<u>\$ (693,140)</u>	<u>\$ 118,869</u>	<u>\$ (63,833)</u>

7. INTER FUND LOANS

At September 20, 2004 the Capital Fund owes the Designated Fund \$70,283 (2003 - \$93,686) for funds borrowed to acquire capital assets. The loans are to be repaid from future allocations to the capital fund.

8. CONTINGENT LIABILITY

Wycliffe has guaranteed the loan of an organization operating in Africa. The amount of the guarantee is \$29,000 (\$33,000 in 2003).

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2004

9. COMPARATIVE NUMBERS

Certain comparative numbers have been reclassified to conform with the financial statement presentation adopted for 2004.

10. FUND SUMMARIES

Fund Assets and Liabilities

Fund	September 20, 2004				
	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities	Fund Balance
General Operating	\$ 759,091	\$ -	\$ 559,816	\$ -	\$ 199,275
Designated	1,208,715	308,476	1,280	246,088	1,269,823
Capital	<u>(70,283)</u>	<u>781,144</u>	<u>33,443</u>	<u>30,277</u>	<u>647,141</u>
	<u>\$ 1,897,523</u>	<u>\$ 1,089,620</u>	<u>\$ 594,539</u>	<u>\$ 276,365</u>	<u>\$ 2,116,239</u>

Fund	September 20, 2003				
	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities	Fund Balance
General Operating	\$ 849,843	\$ -	\$ 656,475	\$ -	\$ 193,368
Designated	745,882	361,261	1,820	242,634	862,689
Capital	<u>(93,686)</u>	<u>784,348</u>	<u>36,034</u>	<u>43,443</u>	<u>611,185</u>
	<u>\$ 1,502,039</u>	<u>\$ 1,145,609</u>	<u>\$ 694,329</u>	<u>\$ 286,077</u>	<u>\$ 1,667,242</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2004

10. FUND SUMMARIES (Continued)

Fund Cash Flows

Fund	Year Ended September 20, 2004				
	Operating Activities	Investing Activities	Fund Transfers	Due From (To)	Increase In Cash
General Operating	\$ (862,142)	\$ (470)	\$ 766,417	\$ 421,431	\$ 325,236
Designated	1,227,075	56,239	(885,286)	(398,028)	-
Capital	-	(95,466)	118,869	(23,403)	-
	<u>\$ 364,933</u>	<u>\$ (39,697)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,236</u>

Fund	Year Ended September 20, 2003				
	Operating Activities	Investing Activities	Fund Transfers	Due From (To)	Increase In Cash
General Operating	\$ (667,551)	\$ 8,146	\$ 756,973	\$ 111,311	\$ 208,879
Designated	781,631	80,039	(693,139)	(168,531)	-
Capital	-	6,614	(63,834)	57,220	-
	<u>\$ 114,080</u>	<u>\$ 94,799</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,879</u>