

**WYCLIFFE BIBLE TRANSLATORS
OF CANADA INC.**

FINANCIAL STATEMENTS

SEPTEMBER 20, 2005

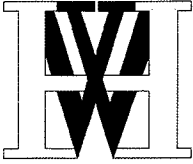
WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

FINANCIAL STATEMENTS

SEPTEMBER 20, 2005

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Werner Haag^{*}
CHARTERED ACCOUNTANTS

200, 2115 SIROCCO DRIVE S.W.
CALGARY, ALBERTA
CANADA T3H 5P1

TELEPHONE: (403) 229-0947
FACSIMILE: (403) 228-2476
EMAIL: WHAAG@SPRINT.CA

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, 2005 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, 2005 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, 2005

Werner Haag
Chartered Accountants



WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 20, 2005

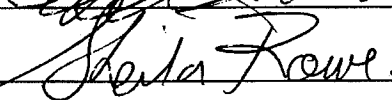
	<u>2005</u>	<u>2004</u>
ASSETS		
Current		
Cash	\$ 328,473	\$ 615,817
Short term investments (market value \$1,374,288, 2004 - \$1,080,617)	1,309,024	1,066,310
Accounts receivable	44,187	87,835
Receivable from affiliated organizations (Note 4)	-	5,494
Inventories	64,728	74,906
Prepaid expenses	<u>35,196</u>	<u>47,161</u>
	1,781,608	1,897,523
Investments (market value \$171,546 2004 - \$216,720)	157,785	224,920
Charitable remainder trusts	88,361	83,556
Capital (Note 3)	<u>720,937</u>	<u>781,144</u>
	<u>\$ 2,748,691</u>	<u>\$ 2,987,143</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 607,495	\$ 550,250
Payable to affiliated organizations (Note 4)	13,475	10,846
Current portion of long-term debt	<u>35,194</u>	<u>33,443</u>
	656,164	594,539
Investment trust agreements	175,906	246,088
Long-term debt (Note 5)	<u>16,828</u>	<u>30,277</u>
	<u>848,898</u>	<u>870,904</u>
FUND BALANCES		
Invested in capital assets	622,637	647,141
Externally restricted	885,312	1,127,745
Internally restricted	230,794	142,078
Unrestricted	<u>161,050</u>	<u>199,275</u>
	<u>1,899,793</u>	<u>2,116,239</u>
	<u>\$ 2,748,691</u>	<u>\$ 2,987,143</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, 2005

	GENERAL		RESTRICTED FUNDS				TOTAL	
	OPERATING FUNDS		DESIGNATED		CAPITAL			
	2005	2004	2005	2004	2005	2004	2005	2004
REVENUE								
Donations								
Missionary support - Field	\$ -	\$ -	\$ 10,158,301	\$ 9,982,848	\$ -	\$ -	\$ 10,158,301	\$ 9,982,848
Missionary support - Other	-	-	2,865,162	2,815,675	-	-	2,865,162	2,815,675
Field programs	-	-	642,884	1,004,355	-	-	642,884	1,004,355
Theatre	107,914	272,724	-	-	-	-	107,914	272,724
General donations	374,434	165,439	418,851	220,830	-	-	793,285	386,269
Government grants	1,386	1,386	119,484	179,163	-	-	120,870	180,549
Investment and other income	160,672	149,083	9,640	16,199	-	-	170,312	165,282
	<u>644,406</u>	<u>588,632</u>	<u>14,214,322</u>	<u>14,219,070</u>	<u>-</u>	<u>-</u>	<u>14,858,728</u>	<u>14,807,702</u>
EXPENSES								
Administrative	504,139	481,334	834,632	791,369	-	-	1,338,771	1,272,703
Amortization	-	-	-	-	81,730	79,829	81,730	79,829
Communication	273,728	257,802	424,294	397,130	-	-	698,022	654,848
Field programs - missionary								
Support	-	-	9,755,946	9,259,239	-	-	9,755,946	9,585,135
Field programs - Project exp	54,766	54,629	1,056,510	838,071	-	-	1,111,276	566,804
Fundraising	207,798	167,647	216,756	286,120	-	-	424,554	453,767
Public relations	119,782	101,137	565,726	540,700	-	-	685,508	641,921
Theatre	161,093	262,058	-	-	-	-	161,093	262,058
Training	14,436	24,535	803,838	814,021	-	-	818,274	838,556
	<u>1,335,742</u>	<u>1,349,142</u>	<u>13,657,702</u>	<u>12,926,650</u>	<u>81,730</u>	<u>79,829</u>	<u>15,075,174</u>	<u>14,355,621</u>
Excess (Deficiency) of Revenue Over Expenses before undernoted	(691,336)	(760,510)	556,620	1,292,420	(81,730)	(79,829)	(216,446)	452,081
Loss on disposal of capital assets	-	-	-	-	-	(3,084)	-	(3,084)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(691,336)	(760,510)	556,620	1,292,420	(81,730)	(82,913)	(216,446)	448,997
Fund Balances At Beginning Of Year	199,275	193,368	1,269,823	862,689	647,141	611,185	2,116,239	1,667,242
Interfund transfers (Note 6)	653,111	766,417	(710,337)	(885,286)	57,226	118,869	-	-
FUND BALANCES AT END OF YEAR	\$ 161,050	\$ 199,275	\$ 1,116,106	\$ 1,269,823	\$ 622,637	\$ 647,141	\$ 1,899,793	\$ 2,116,239
COMPRISED OF FUNDS								
Invested in capital assets	\$ -	\$ -	\$ -	\$ -	\$ 622,637	\$ 647,141	\$ 622,637	\$ 647,141
Externally restricted	-	-	885,312	1,127,745	-	-	885,312	1,127,745
Internally restricted	-	-	230,794	142,078	-	-	230,794	142,078
Unrestricted	161,050	199,275	-	-	-	-	161,050	199,275
FUND BALANCES AT END OF YEAR	\$ 161,050	\$ 199,275	\$ 1,116,106	\$ 1,269,823	\$ 622,637	\$ 647,141	\$ 1,899,793	\$ 2,116,239

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 20, 2005

	<u>2005</u>	<u>2004</u>
OPERATING ACTIVITIES		
Cash receipts	\$ 14,902,376	\$ 14,734,107
Cash disbursements	<u>(14,914,056)</u>	<u>(14,369,174)</u>
	<u>(11,680)</u>	<u>364,933</u>
INVESTING ACTIVITIES		
Investments	(7,852)	(3,493)
Long-term receivable	-	59,732
Additions to capital assets	(21,523)	(79,709)
Reduction of loans payable	(11,698)	(15,757)
Advances from (to) affiliated entities	<u>8,123</u>	<u>(470)</u>
	<u>(32,950)</u>	<u>(39,697)</u>
INCREASE IN CASH	(44,630)	325,236
CASH AT BEGINNING OF YEAR	<u>1,682,127</u>	<u>1,356,891</u>
CASH AT END OF YEAR	<u>\$ 1,637,497</u>	<u>\$ 1,682,127</u>
Cash is comprised of:		
Cash	\$ 328,473	\$ 615,817
Short term investments	<u>1,309,024</u>	<u>1,066,310</u>
	<u>\$ 1,637,497</u>	<u>\$ 1,682,127</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 20, 2005

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, 2005

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, 2005

3. CAPITAL ASSETS

	2005		2004	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 55,000	\$ -	\$ 55,000	\$ 55,000
Buildings	812,527	441,843	370,684	398,528
Office furniture and equipment	283,206	223,216	59,990	47,085
Computer equipment	77,813	72,847	4,966	7,448
Media equipment	156,946	122,979	33,967	43,870
Printing arts equipment	257,879	91,919	165,960	180,957
Vehicles	89,426	59,056	30,370	48,256
	<u>\$ 1,732,797</u>	<u>\$ 1,011,860</u>	<u>\$ 720,937</u>	<u>\$ 781,144</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, 2005

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>2005</u>	<u>2004</u>
Canada Institute of Linguistics Inc.	\$ (3,362)	\$ (10,846)
Wycliffe Associates of Canada Inc.	<u>(10,113)</u>	<u>5,494</u>
	<u>\$ (13,475)</u>	<u>\$ (5,352)</u>

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

	<u>2005</u>	<u>2004</u>
Canada Institute of Linguistics Inc.	\$ 21,459	\$ (68,857)
Wycliffe Associates of Canada Inc.	<u>14,346</u>	<u>-</u>
	<u>\$ 35,805</u>	<u>\$ (68,857)</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2005

5. LONG-TERM DEBT

	<u>2005</u>	<u>2004</u>
Bank loan, payable in bi-monthly principal instalments of \$5,000 plus interest at bank prime plus .75%, secured by equipment	\$ 30,000	\$ 40,000
Capital lease, payable in quarterly instalments of \$1,600 beginning October 2005, including interest at 8.3%, secured by equipment	22,022	20,277
Capital lease, repaid during year	<u>-</u>	<u>3,443</u>
	52,022	63,720
Current portion of long-term debt	<u>35,194</u>	<u>33,443</u>
	<u>\$ 16,828</u>	<u>\$ 30,277</u>

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

2006	\$ 35,194
2007	5,153
2008	5,596
2009	<u>6,079</u>
	<u>\$ 52,022</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2005

6. INTER FUND TRANSFERS

The following inter fund transfers were made during the year:

	General		Restricted Funds			
	Operating Funds		Designated		Capital	
	2005	2004	2005	2004	2005	2004
Designated to General to cover portion of operating expenses	\$ 760,337	\$ 885,286	\$ (760,337)	\$ (885,286)	\$ -	\$ -
General to Designated for future capital replacement	(80,000)	(30,000)	80,000	30,000	-	-
General and Designated to Capital for purchase of capital assets	<u>(27,226)</u>	<u>(88,869)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>57,226</u>	<u>118,869</u>
	<u>\$ 653,111</u>	<u>\$ 766,417</u>	<u>\$ (710,337)</u>	<u>\$ (885,286)</u>	<u>\$ 57,226</u>	<u>\$ 118,869</u>

7. INTER FUND LOANS

At September 20, 2005 the Capital Fund owes the Designated Fund \$45,978 (2004 - \$70,283) 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 \$25,000 (\$29,000 in 2004).

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2005

9. COMPARATIVE NUMBERS

Certain comparative numbers have been reclassified to conform with the financial statement presentation adopted for 2005.

10. FUND SUMMARIES

Fund Assets and Liabilities

Fund	September 20, 2005				
	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities	Fund Balance
General Operating	\$ 782,020	\$ -	\$ 620,970	\$ -	\$ 161,050
Designated	1,045,866	246,146	-	175,906	1,116,106
Capital	(46,278)	720,937	35,194	16,828	622,637
	<u>\$ 1,781,608</u>	<u>\$ 967,083</u>	<u>\$ 656,164</u>	<u>\$ 192,734</u>	<u>\$ 1,899,793</u>

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	(70,283)	781,144	33,443	30,277	647,141
	<u>\$ 1,897,523</u>	<u>\$ 1,089,620</u>	<u>\$ 594,539</u>	<u>\$ 276,365</u>	<u>\$ 2,116,239</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2005

10. FUND SUMMARIES (Continued)

Fund Cash Flows

Fund	Year Ended September 20, 2005				
	Operating Activities	Investing Activities	Fund Transfers	Due From (To)	Increase (Decrease) In Cash
General Operating	\$ (599,142)	\$ 8,123	\$ 653,111	\$ (106,722)	\$ (44,630)
Designated	587,462	(7,852)	(710,337)	130,727	-
Capital	-	(33,221)	57,226	(24,005)	-
	<u>\$ (11,680)</u>	<u>\$ (32,950)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,630)</u>

Fund	Year Ended September 20, 2004				
	Operating Activities	Investing Activities	Fund Transfers	Due From (To)	Increase (Decrease) 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>