

**WYCLIFFE BIBLE TRANSLATORS
OF CANADA INC.**

FINANCIAL STATEMENTS

SEPTEMBER 20, 2006

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

FINANCIAL STATEMENTS

SEPTEMBER 20, 2006

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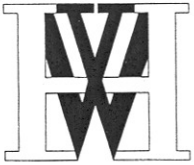
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Werner Haag^{*}
CHARTERED ACCOUNTANTS

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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, 2006 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, 2006 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 17, 2006

Werner Haag
Chartered Accountants

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

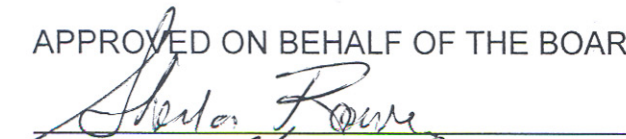
STATEMENT OF FINANCIAL POSITION

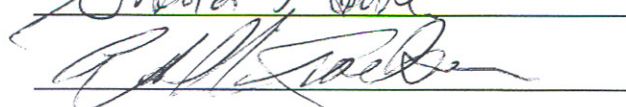
SEPTEMBER 20, 2006

	<u>2006</u>	<u>2005</u>
ASSETS		
Current		
Cash	\$ 609,865	\$ 328,473
Short term investments (market value \$1,356,323, 2005 - \$1,376,312)	1,356,323	1,309,024
Accounts receivable	105,549	44,187
Inventories	52,380	64,728
Prepaid expenses	<u>57,152</u>	<u>35,196</u>
	2,181,269	1,781,608
Investments (market value \$162,873 2005 - \$172,626)	162,873	157,785
Charitable remainder trusts	93,441	88,361
Capital (Note 3)	<u>856,020</u>	<u>720,937</u>
	<u>\$ 3,293,603</u>	<u>\$ 2,748,691</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 782,864	\$ 607,495
Payable to affiliated organizations (Note 4)	11,479	13,475
Current portion of long-term debt	<u>75,260</u>	<u>35,194</u>
	869,603	656,164
Investment trust agreements	171,440	175,906
Long-term debt (Note 5)	<u>11,919</u>	<u>16,828</u>
	<u>1,052,962</u>	<u>848,898</u>
FUND BALANCES		
Invested in capital assets	720,306	622,637
Externally restricted	1,263,517	885,312
Internally restricted	125,062	230,794
Unrestricted	<u>131,756</u>	<u>161,050</u>
	<u>2,240,641</u>	<u>1,899,793</u>
	<u>\$ 3,293,603</u>	<u>\$ 2,748,691</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, 2006

	GENERAL		RESTRICTED FUNDS				TOTAL	
	OPERATING FUNDS		DESIGNATED		CAPITAL			
	2006	2005	2006	2005	2006	2005	2006	2005
REVENUE								
Donations								
Missionary support - Field	\$ -	\$ -	\$ 10,844,117	\$ 10,158,301	\$ -	\$ -	\$ 10,844,117	\$ 10,158,301
Missionary support – Other	-	-	2,717,644	2,865,162	-	-	2,717,644	2,865,162
Field programs	-	-	1,447,753	642,884	-	-	1,447,753	642,884
Theatre	80,115	107,914	-	-	-	-	80,115	107,914
General donations	372,062	374,434	143,715	418,851	-	-	515,777	793,285
Government grants	1,694	1,386	120,685	119,484	-	-	122,379	120,870
Investment and other income	164,163	160,672	24,336	9,640	-	-	188,499	170,312
	<u>618,034</u>	<u>644,406</u>	<u>15,298,250</u>	<u>14,214,322</u>	<u>-</u>	<u>-</u>	<u>15,916,284</u>	<u>14,858,728</u>
EXPENSES								
Administrative	561,046	504,139	712,685	834,632	-	-	1,273,731	1,338,771
Amortization	-	-	-	-	83,295	81,730	83,295	81,730
Communication	238,971	273,728	318,163	424,294	-	-	557,134	698,022
Field programs – missionary								
Support	-	-	10,143,035	9,755,946	-	-	10,143,035	9,755,946
Field programs – Project	46,993	54,766	1,121,302	1,056,510	-	-	1,168,295	1,111,276
Fundraising	412,812	207,798	209,149	216,756	-	-	621,961	424,554
Public relations	68,093	119,782	725,688	565,726	-	-	793,781	685,508
Theatre	202,187	161,093	-	-	-	-	202,187	161,093
Training	22,591	14,436	712,623	803,838	-	-	735,214	818,274
	<u>1,552,693</u>	<u>1,335,742</u>	<u>13,942,645</u>	<u>13,657,702</u>	<u>83,295</u>	<u>81,730</u>	<u>15,578,633</u>	<u>15,075,174</u>
Excess (Deficiency) of Revenue Over Expenses before undernoted	(934,659)	(691,336)	1,355,605	556,620	(83,295)	(81,730)	337,651	(216,446)
Gain on disposal of capital assets	-	-	-	-	3,199	-	3,199	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(934,659)	(691,336)	1,355,605	556,620	(80,096)	(81,730)	340,850	(216,446)
Fund Balances At Beginning Of Year	161,050	199,275	1,116,104	1,269,823	622,637	647,141	1,899,791	2,116,239
Interfund transfers (Note 6)	905,365	653,111	(1,083,130)	(710,337)	177,765	57,226	-	-
FUND BALANCES AT END OF YEAR	\$ 131,756	\$ 161,050	\$ 1,388,579	\$ 1,116,106	\$ 720,306	\$ 622,637	\$ 2,240,641	\$ 1,899,793
COMPOSITION OF FUNDS								
Invested in capital assets	\$ -	\$ -	\$ -	\$ -	\$ 720,306	\$ 622,637	\$ 720,306	\$ 622,637
Externally restricted	-	-	1,263,517	885,312	-	-	1,263,517	885,312
Internally restricted	-	-	125,062	230,794	-	-	125,062	230,794
Unrestricted	131,756	161,050	-	-	-	-	131,756	161,050
FUND BALANCES AT END OF YEAR	\$ 131,756	\$ 161,050	\$ 1,388,579	\$ 1,116,106	\$ 720,306	\$ 622,637	\$ 2,240,641	\$ 1,899,793

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 20, 2006

	<u>2006</u>	<u>2005</u>
OPERATING ACTIVITIES		
Cash receipts	\$ 15,854,922	\$ 14,902,376
Cash disbursements	<u>(15,329,577)</u>	<u>(14,914,056)</u>
	<u>525,345</u>	<u>(11,680)</u>
INVESTING ACTIVITIES		
Investments	(14,634)	(7,852)
Proceeds from sale of capital assets	13,272	-
Additions to capital assets	(228,448)	(21,523)
Increase (reduction) of loans payable	35,157	(11,698)
Advances from (to) affiliated entities	<u>(1,996)</u>	<u>8,123</u>
	<u>(196,649)</u>	<u>(32,950)</u>
INCREASE (DECREASE) IN CASH	328,696	(44,630)
CASH AT BEGINNING OF YEAR	<u>1,637,497</u>	<u>1,682,127</u>
CASH AT END OF YEAR	<u>\$ 1,966,193</u>	<u>\$ 1,637,497</u>
 Cash is comprised of:		
Cash	\$ 609,865	\$ 328,473
Short term investments	<u>1,356,323</u>	<u>1,309,024</u>
	<u>\$ 1,966,188</u>	<u>\$ 1,637,497</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 20, 2006

1. PURPOSE OF THE ORGANIZATION

Wycliffe Bible Translators of Canada Inc. ("Wycliffe") is a national organization operating to empower indigenous peoples worldwide for spiritual, personal and solid growth through Bible translation and other language related ministries. 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, 2006

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, 2006

3. CAPITAL ASSETS

	2006		2005	
	<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	469,687	342,840	370,684
Office furniture and equipment	117,778	70,548	47,230	59,990
Computer equipment	269,444	64,960	204,484	4,966
Media equipment	80,231	54,287	25,944	33,967
Printing arts equipment	239,386	88,423	150,963	165,960
Vehicles	<u>88,199</u>	<u>58,640</u>	<u>29,559</u>	<u>30,370</u>
	<u>\$ 1,662,565</u>	<u>\$ 806,545</u>	<u>\$ 856,020</u>	<u>\$ 720,937</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, 2006

4. AFFILIATED ORGANIZATIONS (Continued)

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

Amounts payable to affiliated organizations at September 20 are as follows:

	<u>2006</u>	<u>2005</u>
Canada Institute of Linguistics Inc.	\$ 1,090	\$ 3,362
Wycliffe Associates of Canada Inc.	<u>10,389</u>	<u>10,113</u>
	<u>\$ 11,479</u>	<u>\$ 13,475</u>

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

	<u>2006</u>	<u>2005</u>
Canada Institute of Linguistics Inc.	\$ (32,024)	\$ (26,725)
Wycliffe Associates of Canada Inc.	<u>(276)</u>	<u>18,149</u>
	<u>\$ (32,300)</u>	<u>\$ (8,576)</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2006

5. LONG-TERM DEBT

	<u>2006</u>	<u>2005</u>
Bank loan, payable in bi-monthly principal instalments of \$5,000 plus interest at bank prime plus .75%, secured by equipment	\$ -	\$ 30,000
Bank loan, interest paid monthly at prime plus .75%. repayment terms yet to be determined.	70,000	-
Capital lease, payable in quarterly instalments of \$1,600 beginning October 2006, including interest at 8.3%, secured by equipment	<u>17,179</u>	<u>22,022</u>
	87,179	52,022
Current portion of long-term debt	<u>75,260</u>	<u>35,194</u>
	<u>\$ 11,919</u>	<u>\$ 16,828</u>

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

2007	\$ 75,260
2008	5,713
2009	<u>6,206</u>
	<u>\$ 87,179</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2006

6. INTER FUND TRANSFERS

The following inter fund transfers were made during the year:

	General		Restricted Funds			
	Operating Funds		Designated		Capital	
	2006	2005	2006	2005	2006	2005
Designated to General to cover portion of operating expenses	\$ 1,001,130	\$ 760,337	\$ (1,001,130)	\$ (760,337)	\$ -	\$ -
Capital to General from asset dispositions	13,271	-	-	-	(13,271)	-
General to Designated for future capital replacement	(30,000)	(80,000)	30,000	80,000	-	-
General and Designated to Capital for purchase of capital assets	<u>(79,036)</u>	<u>(27,226)</u>	<u>(112,000)</u>	<u>(30,000)</u>	<u>191,036</u>	<u>57,226</u>
	<u>\$ 905,365</u>	<u>\$ 653,111</u>	<u>\$ (1,083,130)</u>	<u>\$ (710,337)</u>	<u>\$ 177,765</u>	<u>\$ 57,226</u>

7. INTER FUND LOANS

At September 20, 2006 the Capital Fund owes the Designated Fund \$58,536 (2005 - \$45,978) 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 \$23,000 (\$25,500 in 2005).

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2006

9. COMPARATIVE NUMBERS

Certain comparative numbers have been reclassified to conform with the financial statement presentation adopted for 2006.