

**WYCLIFFE BIBLE TRANSLATORS  
OF CANADA INC.**

FINANCIAL STATEMENTS

SEPTEMBER 20, 2007

**WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.**

**FINANCIAL STATEMENTS**

SEPTEMBER 20, 2007

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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, 2007 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, 2007 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 1, 2007

Chartered Accountants




**WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.**


STATEMENT OF FINANCIAL POSITION

SEPTEMBER 20, 2007

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Current		
Cash	\$ 1,042,253	\$ 609,865
Short term investments (market value \$1,364,225, 2006 - \$1,356,323)	1,324,384	1,356,323
Accounts receivable	82,068	105,549
Inventories	54,772	52,380
Prepaid expenses	<u>61,437</u>	<u>57,152</u>
	2,564,914	2,181,269
Investments (market value \$196,028 2006 - \$162,873)	172,951	162,873
Charitable remainder trusts	98,814	93,441
Property, plant and equipment (Note 3)	<u>744,439</u>	<u>856,020</u>
	<u>\$ 3,581,118</u>	<u>\$ 3,293,603</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 552,288	\$ 794,343
Current portion of long-term debt	<u>5,596</u>	<u>75,260</u>
	557,884	869,603
Investment trust agreements	191,985	171,440
Long-term debt (Note 5)	<u>6,079</u>	<u>11,919</u>
	<u>755,948</u>	<u>1,052,962</u>
<b>FUND BALANCES</b>		
Invested in capital assets	732,764	720,306
Externally restricted	1,680,442	1,263,517
Internally restricted	78,393	125,062
Unrestricted	<u>333,571</u>	<u>131,756</u>
	<u>2,825,170</u>	<u>2,240,641</u>
	<u>\$ 3,581,118</u>	<u>\$ 3,293,603</u>
Contingent Liability (Note 7)		

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, 2007

	GENERAL		RESTRICTED FUNDS				TOTAL	
	OPERATING FUNDS		DESIGNATED		CAPITAL			
	2007	2006	2007	2006	2007	2006	2007	2006
<b>REVENUE</b>								
Donations								
Missionary support - Field	\$ -	\$ -	\$ 9,725,578	\$ 10,844,117	\$ -	\$ -	\$ 9,725,578	\$ 10,844,117
Missionary support – Other	-	-	4,396,393	2,717,644	-	-	4,396,393	2,717,644
Field programs	-	-	1,867,958	1,447,753	-	-	1,867,958	1,447,753
Theatre	57,517	80,115	-	-	-	-	57,517	80,115
General donations	423,083	372,062	109,400	143,715	-	-	532,483	515,777
Government grants	1,264	1,694	113,147	120,685	-	-	114,411	122,379
Investment and other income	170,119	164,163	51,870	24,336	-	-	221,989	188,499
	<u>651,983</u>	<u>618,034</u>	<u>16,264,346</u>	<u>15,298,250</u>	<u>-</u>	<u>-</u>	<u>16,916,329</u>	<u>15,916,284</u>
<b>EXPENSES</b>								
Administrative	559,916	561,046	903,757	712,685	-	-	1,463,673	1,273,731
Amortization	-	-	-	-	102,971	83,295	102,971	83,295
Communication	215,945	238,971	437,488	318,163	-	-	653,433	557,134
Field programs – missionary								
Support	-	-	10,013,605	10,143,035	-	-	10,013,605	10,143,035
Field programs – Project	45,530	46,993	1,326,474	1,121,302	-	-	1,372,004	1,168,295
Fundraising	381,179	412,812	255,473	209,149	-	-	636,652	621,961
Public relations	146,876	68,093	774,710	725,688	-	-	921,586	793,781
Theatre	88,137	202,187	1,573	-	-	-	89,710	202,187
Training	13,573	22,591	1,054,840	712,623	-	-	1,068,413	735,214
	<u>1,451,156</u>	<u>1,552,693</u>	<u>14,767,920</u>	<u>13,942,645</u>	<u>102,971</u>	<u>83,295</u>	<u>16,322,047</u>	<u>15,578,633</u>
Excess (Deficiency) of Revenue Over Expenses before undernoted	( 799,173)	( 934,659)	1,496,426	1,355,605	(102,971)	( 83,295)	594,282	337,651
Gain (loss) on disposal of capital assets	-	-	-	-	( 9,753)	3,199	( 9,753)	3,199
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>( 799,173)</b>	<b>( 934,659)</b>	<b>1,496,426</b>	<b>1,355,605</b>	<b>(112,724)</b>	<b>( 80,096)</b>	<b>584,529</b>	<b>340,850</b>
Fund Balances At Beginning Of Year	131,756	161,050	1,388,579	1,116,104	720,306	622,637	2,240,641	1,899,791
Interfund transfers (Note 6)	1,000,988	905,365	(1,126,170)	(1,083,130)	125,182	177,765	-	-
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 333,571</b>	<b>\$ 131,756</b>	<b>\$ 1,758,835</b>	<b>\$ 1,388,579</b>	<b>\$ 732,764</b>	<b>\$ 720,306</b>	<b>\$ 2,825,170</b>	<b>\$ 2,240,641</b>
<b>COMPOSITION OF FUNDS</b>								
Invested in capital assets	\$ -	\$ -	\$ -	\$ -	\$ 732,764	\$ 720,306	\$ 732,764	\$ 720,306
Externally restricted	-	-	1,680,442	1,263,517	-	-	1,680,442	1,263,517
Internally restricted	-	-	78,393	125,062	-	-	78,393	125,062
Unrestricted	<u>333,571</u>	<u>131,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>333,571</u>	<u>131,756</u>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 333,571</b>	<b>\$ 131,756</b>	<b>\$ 1,758,835</b>	<b>\$ 1,388,579</b>	<b>\$ 732,764</b>	<b>\$ 720,306</b>	<b>\$ 2,825,170</b>	<b>\$ 2,240,641</b>

**WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.**

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 20, 2007

	<u>2007</u>	<u>2006</u>
<b>OPERATING ACTIVITIES</b>		
Cash receipts	\$ 16,939,813	\$ 15,854,922
Cash disbursements	<u>(16,467,812)</u>	<u>(15,331,573)</u>
	<u>472,001</u>	<u>523,349</u>
<b>INVESTING ACTIVITIES</b>		
Investments	5,090	( 14,634)
Proceeds from sale of capital assets	36,460	13,267
Additions to capital assets	( 37,603)	( 228,448)
Increase (reduction) of loans payable	<u>( 75,504)</u>	<u>35,157</u>
	<u>( 71,557)</u>	<u>( 194,658)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	400,444	328,691
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>1,966,193</u>	<u>1,637,497</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 2,366,637</u>	<u>\$ 1,966,188</u>
 Cash and cash equivalents are comprised of:		
Cash	\$ 1,042,253	\$ 609,865
Short term investments	<u>1,324,384</u>	<u>1,356,323</u>
	<u>\$ 2,366,637</u>	<u>\$ 1,966,188</u>

# **WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.**

## **NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 20, 2007

### **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. 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.

#### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash and short term investments. Short term investments consist of investments that are readily convertible into cash and that are not subject to significant fluctuations in value.

#### **INVENTORIES**

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

## WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2007

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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.

#### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment 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.

# WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

## NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2007

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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.

#### USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from the estimates.

#### FINANCIAL INSTRUMENTS

Financial instruments include cash and cash equivalents, accounts receivable, inventories, prepaid expenses, accounts payable, long term debt and investment trust agreements. The fair value of the financial assets and liabilities approximate their carrying value. It is management's opinion that Wycliffe is not exposed to significant interest or credit risk arising from these financial instruments.

### 3. PROPERTY, PLANT AND EQUIPMENT

	2007		2006	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 55,408	\$ -	\$ 55,408	\$ 55,000
Buildings	817,919	497,711	320,208	342,840
Office furniture and equipment	117,778	77,217	40,561	47,230
Computer equipment	288,268	111,608	176,660	204,484
Media equipment	52,710	42,527	10,183	25,944
Printing arts equipment	239,386	103,419	135,967	150,963
Vehicles	<u>26,566</u>	<u>21,114</u>	<u>5,452</u>	<u>29,559</u>
	<u>\$ 1,598,035</u>	<u>\$ 853,596</u>	<u>\$ 744,439</u>	<u>\$ 856,020</u>

## WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

### NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2007

#### 4. AFFILIATED ORGANIZATIONS

Wycliffe works closely with Canada Institute of Linguistics Inc. The purpose of Canada Institute of Linguistics Inc. is, through linguistics training, to assist Wycliffe in reaching its goals and objectives. Canada Institute of Linguistics Inc. is incorporated under the Canada Corporations Act and is a separate charity under the Income Tax Act.

Donations made to Canada Institute of Linguistics Inc. during the year were \$68,066 (\$32,024 in 2006). Included in accounts payable, at September 20, 2007 was an amount payable to Canada Institute of Linguistics Inc. of \$7,427 (\$1,090 in 2006).

#### 5. LONG-TERM DEBT

	<u>2007</u>	<u>2006</u>
Bank loan, repaid during year	\$ -	70,000
Capital lease, payable in quarterly instalments of \$1,600 including interest at 8.3%, secured by equipment	<u>11,675</u>	<u>17,179</u>
	11,675	87,179
Current portion of long-term debt	<u>5,596</u>	<u>75,260</u>
	<u>\$ 6,079</u>	<u>\$ 11,919</u>

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

2008	\$ 5,596
2009	<u>6,079</u>
	<u>\$ 11,675</u>

## WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

### NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2007

#### 6. INTER-FUND TRANSFERS

The following inter fund transfers were made during the year:

	General		Restricted Funds			
	Operating Funds		Designated		Capital	
	2007	2006	2007	2006	2007	2006
Designated to General to cover portion of operating expenses	\$ 1,117,827	\$1,001,130	\$ (1,117,827)	\$ (1,001,130)	\$ -	\$ -
Capital to General from asset dispositions	36,460	13,271	-	-	( 36,460)	( 13,271)
General to Designated for future capital replacement	( 60,000)	(30,000)	60,000	30,000	-	-
General and Designated to Capital for purchase of capital assets	<u>( 93,299)</u>	<u>( 79,036)</u>	<u>( 68,343)</u>	<u>( 112,000)</u>	<u>161,642</u>	<u>191,036</u>
	<u>\$ 1,000,988</u>	<u>\$ 905,365</u>	<u>\$ (1,126,170)</u>	<u>\$ (1,083,130)</u>	<u>\$ 125,182</u>	<u>\$ 177,765</u>

#### 7. CONTINGENT LIABILITY

Wycliffe has guaranteed the loan of an organization operating in Africa. The amount of the guarantee is \$18,712 (\$23,000 in 2006).