

**WYCLIFFE BIBLE TRANSLATORS
OF CANADA INC.**

FINANCIAL STATEMENTS

SEPTEMBER 20, 2008

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

FINANCIAL STATEMENTS

SEPTEMBER 20, 2008

TABLE OF CONTENTS

Auditors' Report..... 1

Statement of Financial Position..... 2

Statement of Operations and Changes in Fund Balances..... 3

Statement of Cash Flows 4

Notes to Financial Statements 5-10



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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, 2008 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, 2008 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 6, 2008

Werner Haag
Chartered Accountants

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

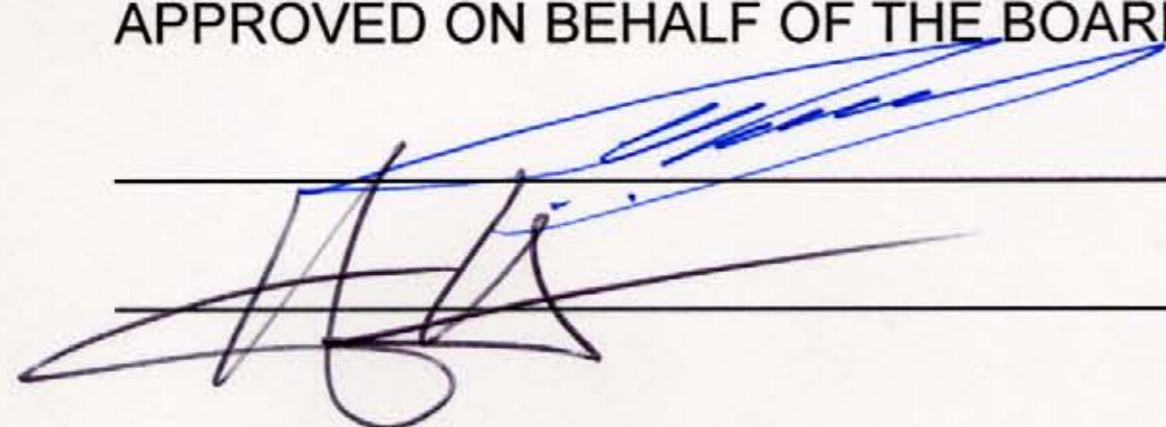
STATEMENT OF FINANCIAL POSITION

SEPTEMBER 20, 2008

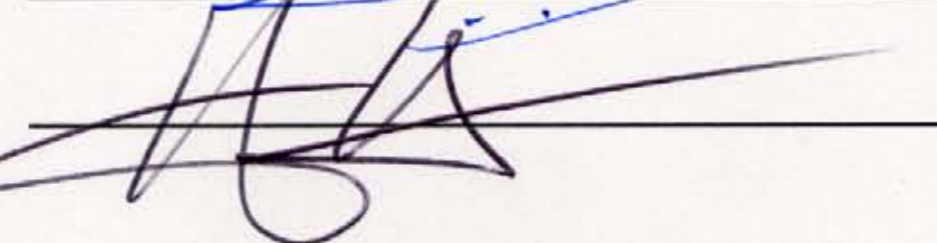
	<u>2008</u>	<u>2007</u>
ASSETS		
Current		
Cash	\$ 900,538	\$ 1,042,253
Short term investments (Note 2)	1,690,808	1,324,384
Accounts receivable (Note 5)	189,742	82,068
Inventories	113,316	54,772
Prepaid expenses	<u>86,163</u>	<u>61,437</u>
	2,980,567	2,564,914
Investments (Note 2)	190,407	172,951
Charitable remainder trusts	104,496	98,814
Property, plant and equipment (Note 4)	<u>648,605</u>	<u>744,439</u>
	<u>\$ 3,924,075</u>	<u>\$ 3,581,118</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 534,885	\$ 552,288
Current portion of long-term debt	<u>-</u>	<u>5,596</u>
	534,885	557,884
Investment trust agreements	169,668	191,985
Long-term debt	<u>-</u>	<u>6,079</u>
	<u>704,553</u>	<u>755,948</u>
FUND BALANCES		
Invested in capital assets	648,605	732,764
Externally restricted	1,853,874	1,680,442
Internally restricted	137,432	78,393
Unrestricted	<u>579,611</u>	<u>333,571</u>
	<u>3,219,522</u>	<u>2,825,170</u>
	<u>\$ 3,924,075</u>	<u>\$ 3,581,118</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, 2008

	GENERAL		RESTRICTED FUNDS				TOTAL	
	OPERATING FUNDS		DESIGNATED		CAPITAL			
	2008	2007	2008	2007	2008	2007	2008	2007
REVENUE								
Donations								
Missionary support - Field	\$ -	\$ -	\$ 9,784,830	\$ 9,725,578	\$ -	\$ -	\$ 9,784,830	\$ 9,725,578
Missionary support – Other	-	-	4,042,082	4,396,393	-	-	4,042,082	4,396,393
Field programs	-	-	2,023,622	1,867,958	-	-	2,023,622	1,867,958
Theatre	-	57,517	-	-	-	-	-	57,517
General donations	461,132	423,083	238,050	109,400	-	-	699,182	532,483
Government grants	-	1,264	175,952	113,147	-	-	175,952	114,411
Investment and other income	226,676	170,119	55,841	51,870	-	-	282,517	221,989
	<u>687,808</u>	<u>651,983</u>	<u>16,320,377</u>	<u>16,264,346</u>	<u>-</u>	<u>-</u>	<u>17,008,185</u>	<u>16,916,329</u>
EXPENSES								
Administrative	534,991	559,916	840,851	903,757	-	-	1,375,842	1,463,673
Amortization	-	-	-	-	95,668	102,971	95,668	102,971
Communication	316,486	215,945	395,316	437,488	-	-	711,802	653,433
Field programs – Missionary Support	-	-	9,856,876	10,013,605	-	-	9,856,876	10,013,605
Field programs – Project	19,171	45,530	1,792,260	1,326,474	-	-	1,811,431	1,372,004
Fundraising	355,757	381,179	390,709	255,473	-	-	746,466	636,652
Public relations	204,152	146,876	625,954	774,710	-	-	830,106	921,586
Theatre	-	88,137	-	1,573	-	-	-	89,710
Training	15,959	13,573	1,167,959	1,054,840	-	-	1,183,918	1,068,413
	<u>1,446,516</u>	<u>1,451,156</u>	<u>15,069,925</u>	<u>14,767,920</u>	<u>95,668</u>	<u>102,971</u>	<u>16,612,109</u>	<u>16,322,047</u>
Excess (Deficiency) of Revenue Over Expenses before undernoted	(758,708)	(799,173)	1,250,452	1,496,426	(95,668)	(102,971)	396,076	594,282
Loss on disposal of capital assets	-	-	-	-	(1,724)	(9,753)	(1,724)	(9,753)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(758,708)	(799,173)	1,250,452	1,496,426	(97,392)	(112,724)	394,352	584,529
Fund Balances At Beginning Of Year	333,571	131,756	1,758,835	1,388,579	732,764	720,306	2,825,170	2,240,641
Interfund transfers (Note 6)	<u>1,004,748</u>	<u>1,000,988</u>	<u>(1,017,981)</u>	<u>(1,126,170)</u>	<u>13,233</u>	<u>125,182</u>	<u>-</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 579,611</u>	<u>\$ 333,571</u>	<u>\$ 1,991,306</u>	<u>\$ 1,758,835</u>	<u>\$ 648,605</u>	<u>\$ 732,764</u>	<u>\$ 3,219,522</u>	<u>\$ 2,825,170</u>
COMPOSITION OF FUNDS								
Invested in capital assets	\$ -	\$ -	\$ -	\$ -	\$ 648,605	\$ 732,764	\$ 648,605	\$ 732,764
Externally restricted	-	-	1,853,874	1,680,442	-	-	1,853,874	1,680,442
Internally restricted	-	-	137,432	78,393	-	-	137,432	78,393
Unrestricted	<u>579,611</u>	<u>333,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>579,611</u>	<u>333,571</u>
FUND BALANCES AT END OF YEAR	<u>\$ 579,611</u>	<u>\$ 333,571</u>	<u>\$ 1,991,306</u>	<u>\$ 1,758,835</u>	<u>\$ 648,605</u>	<u>\$ 732,764</u>	<u>\$ 3,219,522</u>	<u>\$ 2,825,170</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 20, 2008

	<u>2008</u>	<u>2007</u>
OPERATING ACTIVITIES		
Cash receipts	\$ 16,900,512	\$ 16,939,813
Cash disbursements	<u>(16,617,114)</u>	<u>(16,467,812)</u>
	<u>283,398</u>	<u>472,001</u>
INVESTING ACTIVITIES		
Investments	(45,456)	5,090
Proceeds from sale of capital assets	12,275	36,460
Additions to capital assets	(13,833)	(37,603)
Reduction of loans payable	<u>(11,675)</u>	<u>(75,504)</u>
	<u>(58,689)</u>	<u>(71,557)</u>
INCREASE IN CASH	224,709	400,444
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,366,637</u>	<u>1,966,193</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,591,346</u>	<u>\$ 2,366,637</u>
 Cash and cash equivalents are comprised of:		
Cash	\$ 900,538	\$ 1,042,253
Short term investments	<u>1,690,808</u>	<u>1,324,384</u>
	<u>\$ 2,591,346</u>	<u>\$ 2,366,637</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 20, 2008

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. CHANGE IN ACCOUNTING POLICY – FINANCIAL INSTRUMENTS

Wycliffe adopted the new requirements of the CICA Handbook relating to the recognition, measurement, disclosure and presentation of financial instruments. These new standards must be adopted for fiscal years beginning on or after October 1, 2007. The new accounting standards establish four classifications into which all financial instruments are classified:

- (i) amounts held for trading;
- (ii) amounts held to maturity;
- (iii) loans and receivables;
- (iv) amounts available for sale.

The new standards indicate when and at what amount a financial instrument initially has to be recorded in the statement of financial position, whether a financial instrument must be subsequently adjusted to fair value in the statement of financial position, and the disclosure of any resultant unrealized gains or losses in the financial statements. Under the new standards, financial assets available for sale, financial assets or liabilities held for trading and derivatives, designated or not as a hedge, have to be valued at their fair value at the statement of financial position date. The adoption of these policies has not resulted in any material changes to the carrying value or disclosure of financial instruments.

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2008

3. 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.

INVESTMENTS

Investments are treated as held for trading and are recorded at market value (see Note 2).

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

4. PROPERTY, PLANT AND EQUIPMENT

	2008		2007	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 55,408	\$ -	\$ 55,408	\$ 55,408
Buildings	825,058	525,972	299,086	320,208
Office furniture and equipment	104,474	76,556	27,918	40,561
Computer equipment	288,268	155,773	132,495	176,660
Media equipment	52,710	44,071	8,639	10,183
Printing arts equipment	239,386	118,416	120,970	135,967
Vehicles	<u>19,316</u>	<u>15,227</u>	<u>4,089</u>	<u>5,452</u>
	<u>\$ 1,584,620</u>	<u>\$ 936,015</u>	<u>\$ 648,605</u>	<u>\$ 744,439</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2008

5. 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 \$29,987 (\$68,066 in 2007). There is no amount receivable from or payable to Canada Institute of Linguistics Inc. at September 20, 2008 (receivable of \$Nil and payable of \$7,427 in 2007).

Global PartnerLink Inc., a former division of Wycliffe, has been incorporated under the Canada Corporations Act and is currently applying for its charitable status. Global PartnerLink Inc. is expected to begin its operation on January 1, 2009.

At September 20, 2008, amounts receivable from and payable to Global PartnerLink Inc. are \$116,807 and \$Nil respectively (receivable and payable of \$Nil in 2007).

6. INTER-FUND TRANSFERS

The following inter fund transfers were made during the year:

	General		Restricted Funds			
	Operating Funds		Designated		Capital	
	2008	2007	2008	2007	2008	2007
Designated to General to cover portion of operating expenses	\$ 1,077,981	\$1,117,827	\$ (1,077,981)	\$ (1,117,827)	\$ -	\$ -
Capital to General from asset dispositions	600	36,460	-	-	(600)	(36,460)
General to Designated for future capital replacement	(60,000)	(60,000)	60,000	60,000	-	-
General and Designated to Capital for purchase of capital assets	(13,833)	(93,299)	-	(68,343)	13,833	161,642
	<u>\$ 1,004,748</u>	<u>\$1,000,988</u>	<u>\$ (1,017,981)</u>	<u>\$ (1,126,170)</u>	<u>\$ 13,233</u>	<u>\$ 125,182</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2008

7. CONTINGENT LIABILITY

Wycliffe has guaranteed the loan of an organization operating in Africa. The amount of the guarantee, is \$16,965 U.S. (\$18,712 U.S. in 2007).