

**WYCLIFFE BIBLE TRANSLATORS
OF CANADA INC.**

FINANCIAL STATEMENTS

SEPTEMBER 20, 2011

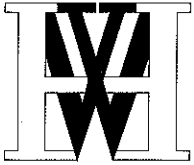
WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

FINANCIAL STATEMENTS

SEPTEMBER 20, 2011

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*Werner Haag**
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To the Directors of
Wycliffe Bible Translators of Canada Inc.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Wycliffe Bible Translators of Canada Inc. which comprise the statement of financial position as at September 20, 2011 and the statements of operations and changes in fund balances, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, these financial statements present fairly, in all material respects, the financial position of Wycliffe Bible Translators of Canada Inc. as at September 20, 2011 and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta
November 7, 2011

Werner Haag
Chartered Accountants

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 20, 2011

	<u>Note</u>	<u>2011</u>	<u>2010</u>
ASSETS			
Current			
Cash		\$ 493,541	\$ 557,981
Short term investments	3	2,594,377	2,550,440
Accounts receivable	6	68,225	47,780
Inventories		42,407	63,572
Prepaid expenses		<u>68,626</u>	<u>61,190</u>
		3,267,176	3,280,963
Investments	3	212,469	230,080
Property and equipment	4	<u>404,284</u>	<u>490,226</u>
		<u>\$ 3,883,929</u>	<u>\$ 4,001,269</u>
LIABILITIES			
Current			
Accounts payable and accrued liabilities	6	\$ 632,540	\$ 548,624
Investment trust agreements		<u>201,651</u>	<u>212,233</u>
		<u>834,191</u>	<u>760,857</u>
FUND BALANCES			
Invested in capital assets		404,284	490,226
Externally restricted		1,032,043	962,875
Internally restricted		800,701	1,268,576
Unrestricted		<u>812,710</u>	<u>518,735</u>
		<u>3,049,738</u>	<u>3,240,412</u>
		<u>\$ 3,883,929</u>	<u>\$ 4,001,269</u>
Commitments	8		
APPROVED ON BEHALF OF THE BOARD:			
_____		Director	
_____		Director	

(See accompanying notes to financial statements)

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

YEAR ENDED SEPTEMBER 20, 2011

	GENERAL		RESTRICTED FUNDS				TOTAL	
	OPERATING FUNDS		DESIGNATED		CAPITAL			
	2011	2010	2011	2010	2011	2010	2011	2010
REVENUE								
Donations								
Missionary support - Field	\$ -	\$ -	\$ 8,683,393	\$ 9,059,369	\$ -	\$ -	\$ 8,683,393	\$ 9,059,369
Missionary support - Other	-	-	4,441,478	4,164,279	-	-	4,441,478	4,164,279
Field programs	-	-	472,207	578,367	-	-	472,207	578,367
General donations	472,655	429,299	280,662	358,006	-	-	753,317	787,305
Government grants	-	1,960	129,137	66,261	-	-	129,137	68,221
Investment and other income	181,601	212,729	102,410	974,532	-	-	284,011	1,187,261
	<u>654,256</u>	<u>643,988</u>	<u>14,109,287</u>	<u>15,200,814</u>	<u>-</u>	<u>-</u>	<u>14,763,543</u>	<u>15,844,802</u>
EXPENSES								
Administrative	812,689	548,508	1,237,894	1,053,132	-	-	2,050,583	1,601,640
Amortization	-	-	-	-	95,389	96,192	95,389	96,192
Communication	292,430	322,990	420,901	363,574	-	-	713,331	686,564
Field programs - Missionary Support	-	-	8,961,094	9,339,223	-	-	8,961,094	9,339,223
Field programs - Project	19,286	18,928	477,697	532,679	-	-	496,983	551,607
Fundraising	88,465	136,729	450,739	422,288	-	-	539,204	559,017
Public relations	293,785	275,280	646,171	556,933	-	-	939,956	832,213
Training	102,904	76,782	1,054,773	1,064,426	-	-	1,157,677	1,141,208
	<u>1,609,559</u>	<u>1,379,217</u>	<u>13,249,269</u>	<u>13,332,255</u>	<u>95,389</u>	<u>96,192</u>	<u>14,954,217</u>	<u>14,807,664</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(955,303)	(735,229)	860,018	1,868,559	(95,389)	(96,192)	(190,674)	1,037,138
Fund Balances At Beginning Of Year	518,735	443,682	2,231,451	1,188,539	490,226	571,053	3,240,412	2,203,274
Interfund transfers (Note 8)	<u>1,249,278</u>	<u>810,282</u>	<u>(1,258,725)</u>	<u>(825,647)</u>	<u>9,447</u>	<u>15,365</u>	<u>-</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	\$ 812,710	\$ 518,735	\$ 1,832,744	\$ 2,231,451	\$ 404,284	\$ 490,226	\$ 3,049,738	\$ 3,240,412
COMPOSITION OF FUNDS								
Invested in capital assets	\$ -	\$ -	\$ -	\$ -	\$ 404,284	\$ 490,226	\$ 404,284	\$ 490,226
Externally restricted	-	-	1,032,043	962,875	-	-	1,032,043	962,875
Internally restricted	-	-	800,701	1,268,576	-	-	800,701	1,268,576
Unrestricted	<u>812,710</u>	<u>518,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>812,710</u>	<u>518,735</u>
FUND BALANCES AT END OF YEAR	\$ 812,710	\$ 518,735	\$ 1,832,744	\$ 2,231,451	\$ 404,284	\$ 490,226	\$ 3,049,738	\$ 3,240,412

(See accompanying notes to financial statements)

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 20, 2011

	<u>2011</u>	<u>2010</u>
OPERATING ACTIVITIES		
Cash receipts	\$ 14,743,098	\$ 15,850,520
Cash disbursements	<u>(14,761,183)</u>	<u>(14,667,416)</u>
	<u>(18,085)</u>	<u>1,183,104</u>
INVESTING ACTIVITIES		
Investments	7,029	40,550
Additions to capital assets	<u>(9,447)</u>	<u>(15,365)</u>
	<u>(2,418)</u>	<u>25,185</u>
INCREASE (DECREASE) IN CASH	<u>(20,503)</u>	<u>1,208,289</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,108,421</u>	<u>1,900,132</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,087,918</u>	<u>\$ 3,108,421</u>
 Cash and cash equivalents are comprised of:		
Cash	\$ 493,541	\$ 557,981
Short term investments	<u>2,594,377</u>	<u>2,550,440</u>
	<u>\$ 3,087,918</u>	<u>\$ 3,108,421</u>

(See accompanying notes to financial statements)

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 20, 2011

1. PURPOSE OF THE ORGANIZATION

Wycliffe Bible Translators of Canada Inc. ("Wycliffe") serves minority language groups worldwide by fostering an understanding of God's Word through Bible translation, while nurturing literacy, education and stronger communities. 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, using the assumption that Wycliffe will continue as a going concern. 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 Fund reports assets, liabilities, revenues and expenses related to capital assets.

REVENUE RECOGNITION

Wycliffe follows the restricted fund method of accounting for contributions.

General donations, which are unrestricted contributions, are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted donations are recognized as revenue of the appropriate restricted fund when received or receivable.

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and realizable value as determined by management.

INVESTMENTS

Investments are treated as held for trading and are recorded at market value.

FOREIGN CURRENCIES

Foreign currency transactions are accounted for using the temporal method whereby monetary items are translated at the rates of exchange prevailing at the statement of financial position date and revenues and expenses are translated at prevailing rates of exchange during the year. The resulting gains or losses are credited or charged to operations.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Amortization is recorded as expense in the Capital Fund 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%

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

GIFTS IN KIND

Donated ("in-kind") goods which otherwise would be paid for by Wycliffe are recorded at fair market value, when determinable, with the corresponding "in-kind" expense recorded at an equal amount.

CONTRIBUTED SERVICES

Wycliffe receives the benefit of contributed services from numerous individuals in many service delivery capacities. Because of the difficulty in determining the quantum or the value of such services they have not been recognized in the 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 requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, and disclosures of contingent assets and liabilities. Significant items subject to such estimates and assumptions include amortization of property and equipment and accrual of liabilities. Actual results could differ from estimates.

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS

Wycliffe has classified its financial assets and financial liabilities as follows:

<u>Financial Assets and Financial Liabilities</u>	<u>Classification</u>	<u>Subsequent Measurement and Recognition</u>
Cash and short term investments	Held-for-trading	Measured at fair value with changes in fair value recognized in the Statement Of Operations.
Accounts receivable	Loans and receivables	After initial fair value measurement, measured at amortized cost using the effective interest method.
Accounts payable	Other liabilities	After initial fair value measurement, measured at amortized cost using the effective interest rate method.

Wycliffe does not use hedges or embedded derivatives in non-financial contracts.

3. INVESTMENTS

Investments consist of marketable securities and cash held by brokerage houses. These investments are classified as held for trading and are recorded at market value in the statement of financial position. Gains and losses, both realized and unrealized, are recorded in the statement of operations. Certain investments have been segregated as non-current to provide for investment trust agreements.

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2011

4. PROPERTY AND EQUIPMENT

	2011		2010	
	<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	849,108	611,842	237,266	265,571
Office furniture and equipment	90,011	72,578	17,433	22,735
Computer equipment	288,268	288,268	-	44,165
Media equipment	52,710	48,701	4,009	5,552
Printing arts equipment	246,099	164,748	81,351	96,795
Vehicles	<u>21,947</u>	<u>13,130</u>	<u>8,817</u>	<u>-</u>
	<u>\$ 1,603,551</u>	<u>\$ 1,199,267</u>	<u>\$ 404,284</u>	<u>\$ 490,226</u>

5. FINANCIAL INSTRUMENTS

Fair Values

The carrying values of cash, short term investments, accounts receivable, and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these items.

Interest Rate Risk

Wycliffe is not exposed to any significant interest rate risk.

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2011

5. FINANCIAL INSTRUMENTS (Continued)

Liquidity Risk

Liquidity risk is the risk that Wycliffe cannot fund its obligations as they come due. Wycliffe prepares annual budgets for the General, Designated and Capital Funds and actively monitors its cash flows from operating, investing and financing activities. Wycliffe is exposed to liquidity risk by being dependent on continued donations for cash inflows.

Risk Management

It is management's opinion that Wycliffe is not significantly exposed to any credit, market, or foreign exchange risk.

6. AFFILIATED ORGANIZATIONS

Wycliffe works closely with Canada Institute of Linguistics Inc. and GlobalPartnerLink Inc. (operating as OneBook). 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 \$6,085 (\$3,820 in 2010). There was \$Nil (\$861 in 2010) receivable from Canada Institute of Linguistics Inc. at September 20, 2011.

The purpose of GlobalPartnerLink Inc. is to raise funds and facilitate capacity building with national partners. GlobalPartnerLink Inc. is incorporated under the Canada Corporations Act and is a separate charity under the Income Tax Act.

Donations made to GlobalPartnerLink Inc. during the year were \$75,027 (\$258,694 in 2010). At September 20, 2011 there was \$Nil (\$172 in 2010) in accounts payable to GlobalPartnerLink Inc.. GlobalPartnerLink Inc. rents office space from Wycliffe for an amount of \$24,000 per annum.

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2011

7. INTER-FUND TRANSFERS

The following inter fund transfers were made during the year:

	General		Restricted Funds			
	Operating Funds		Designated		Capital	
	2011	2010	2011	2010	2011	2010
Designated to General to cover portion of operating expenses	\$ 1,258,725	\$ 885,647	\$ (1,258,725)	\$ (885,647)	\$ -	\$ -
General to Designated for future capital replacement	-	(60,000)	-	60,000	-	-
General to Capital for purchase of capital assets	<u>(9,447)</u>	<u>(15,365)</u>	<u>-</u>	<u>-</u>	<u>9,447</u>	<u>15,365</u>
	<u>\$ 1,249,278</u>	<u>\$ 810,282</u>	<u>\$ (1,258,725)</u>	<u>\$ (825,647)</u>	<u>\$ 9,447</u>	<u>\$ 15,365</u>

8. COMMITMENTS

Wycliffe has contracted for certain computer equipment purchases and technology development services which on completion will require payments of \$64,685. It is anticipated these payments will be made in 2012.

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2011

9. CAPITAL MANAGEMENT

For operating purposes, Wycliffe defines capital as including working capital and fund balances. For capital purposes, Wycliffe defines capital as its investment in capital assets. Wycliffe's objectives for managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide its services. Wycliffe manages its operating expenses within its annual budget and in order to operate within its budget, Wycliffe may adjust its activities or its operating expenses or both. Wycliffe is not subject to externally imposed capital requirements and its overall strategy with respect to capital risk management has not changed.

The majority of Wycliffe's revenue is from designated funds. Wycliffe has internal control processes to ensure that restrictions and designations are met prior to the utilization of these resources and has been in compliance with these restrictions and designations throughout the year.

10. FUTURE CHANGES IN ACCOUNTING

In December 2009, the Canadian Accounting Standards Board ("AcSB") issued International Financial Reporting Standards ("IFRS") and Accounting Standards for Private Enterprises ("ASPE"). The AcSB will require all not-for-profit organizations to either adopt IFRS or ASPE plus the current not-for-profit standards for annual financial statements relating to fiscal years beginning on or after January 1, 2012. Wycliffe has decided to adopt ASPE plus the current not-for-profit standards for the September 20, 2013 financial statements. Management does not expect this change to have a significant impact.