

**WYCLIFFE BIBLE TRANSLATORS
OF CANADA INC.**

FINANCIAL STATEMENTS

SEPTEMBER 20, 2014

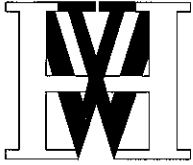
WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

FINANCIAL STATEMENTS

SEPTEMBER 20, 2014

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*Werner Haag**
CHARTERED ACCOUNTANTS

200, 2107 SIROCCO DRIVE S.W.
CALGARY, ALBERTA
CANADA T3H 5P1

TELEPHONE: (403) 229-0947
FACSIMILE: (403) 228-2476
whaag@telus.net

INDEPENDENT AUDITORS' REPORT

To the Members of
Wycliffe Bible Translators of Canada Inc.

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, 2014 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 accounting standards for not-for-profit organizations 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.

AUDITORS' 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 auditors' 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 auditors consider 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, the financial statements present fairly, in all material respects, the financial position of Wycliffe Bible Translators of Canada Inc. as at September 20, 2014 and its results of operations and changes in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta
November 19, 2014

Werner Haag
Chartered Accountants




WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

STATEMENT OF FINANCIAL POSITION

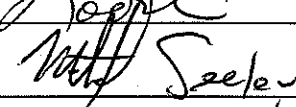
SEPTEMBER 20, 2014

	<u>2014</u>	<u>2013</u>
ASSETS		
Current		
Cash	\$ 766,727	\$ 716,386
Short term investments	2,404,536	2,272,603
Accounts receivable	226,319	116,944
Goods and services tax recoverable	6,952	8,119
Inventories	19,730	54,180
Prepaid expenses	<u>74,341</u>	<u>83,290</u>
	3,498,605	3,251,522
Investments	65,852	85,902
Property and equipment (Note 3)	<u>265,744</u>	<u>326,644</u>
	<u>\$ 3,830,201</u>	<u>\$ 3,664,068</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 508,983	\$ 427,081
Investment trust agreements	<u>72,300</u>	<u>79,500</u>
	<u>581,283</u>	<u>506,581</u>
FUND BALANCES		
Externally restricted	1,539,768	1,703,147
Internally restricted	785,453	337,313
Invested in capital assets	265,744	326,643
Unrestricted	<u>657,953</u>	<u>790,384</u>
	<u>3,248,918</u>	<u>3,157,487</u>
	<u>\$ 3,830,201</u>	<u>\$ 3,664,068</u>

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, 2014

	GENERAL OPERATING FUNDS		DESIGNATED FUNDS		TOTAL	
	2014	2013	2014	2013	2014	2013
REVENUE						
Donations						
Missionary support (Note 4)	\$ -	\$ -	\$ 14,295,189	\$ 13,843,514	\$ 14,295,189	\$ 13,843,514
Field programs	-	-	425,760	452,411	425,760	452,411
General donations	466,566	532,561	578,179	261,636	1,044,745	794,197
Government grants	4,527	7,453	-	-	4,527	7,453
Investment and other income	241,099	154,648	37,028	81,947	278,127	236,595
	<u>712,192</u>	<u>694,662</u>	<u>15,336,156</u>	<u>14,639,508</u>	<u>16,048,348</u>	<u>15,334,170</u>
EXPENSES						
Programs (Note 5)	584,979	659,775	12,474,986	11,729,064	13,059,965	12,388,839
Administrative	932,411	969,616	1,225,864	1,282,524	2,158,275	2,252,140
Fundraising	286,342	282,587	572,757	466,162	859,099	748,749
Amortization	38,067	47,612	-	-	38,067	47,612
	<u>1,841,799</u>	<u>1,959,590</u>	<u>14,273,607</u>	<u>13,477,750</u>	<u>16,115,406</u>	<u>15,437,340</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE UNDERNOTED						
	(1,129,607)	(1,264,928)	1,062,549	1,161,758	(67,058)	(103,170)
Gain on sale of property	158,489	-	-	-	158,489	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES						
	(971,118)	(1,264,928)	1,062,549	1,161,758	91,431	(103,170)
Fund Balances At Beginning Of Year	1,117,027	1,183,641	2,040,460	2,077,016	3,157,487	3,260,657
Interfund transfers (Note 6)	777,788	1,198,314	(777,788)	(1,198,314)	-	-
FUND BALANCES AT END OF YEAR						
	<u>\$ 923,697</u>	<u>\$ 1,117,027</u>	<u>\$ 2,325,221</u>	<u>\$ 2,040,460</u>	<u>\$ 3,248,918</u>	<u>\$ 3,157,487</u>
COMPOSITION OF FUNDS						
Externally restricted	\$ -	\$ -	\$ 1,539,768	\$ 1,703,147	\$ 1,539,761	\$ 1,703,147
Internally restricted	-	-	785,453	337,313	785,460	337,313
Invested in capital assets	265,744	326,643	-	-	265,744	326,643
Unrestricted	657,953	790,384	-	-	657,953	790,384
FUND BALANCES AT END OF YEAR						
	<u>\$ 923,697</u>	<u>\$ 1,117,027</u>	<u>\$ 2,325,221</u>	<u>\$ 2,040,460</u>	<u>\$ 3,248,918</u>	<u>\$ 3,157,487</u>

(See accompanying notes to financial statements)

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.**STATEMENT OF CASH FLOWS**

YEAR ENDED SEPTEMBER 20, 2014

	<u>2014</u>	<u>2013</u>
CASH FROM (USED IN)		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 91,431	\$ (103,170)
Adjustments for		
Gain on sale of property	(158,489)	-
Amortization	38,067	47,612
	<u>(28,991)</u>	<u>(55,558)</u>
Changes in non-cash working capital		
Accounts receivable	(109,375)	(13,470)
Goods and services tax recoverable	1,167	3,277
Inventories	34,450	(8,071)
Prepaid expenses	8,949	4,544
Accounts payable and accrued liabilities	81,902	(172,269)
	<u>17,093</u>	<u>(185,989)</u>
	<u>(11,898)</u>	<u>(241,547)</u>
INVESTING ACTIVITIES		
Additions to property and equipment	(10,809)	-
Proceeds on sale of property	192,131	-
	<u>181,322</u>	<u>-</u>
FINANCING ACTIVITIES		
Investments	20,050	59,220
Investment trust agreements	(7,200)	(59,401)
	<u>12,850</u>	<u>(181)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	182,274	(241,728)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,988,989</u>	<u>3,230,717</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,171,263</u>	<u>\$ 2,988,989</u>
Cash and cash equivalents consist of:		
Cash	\$ 766,727	\$ 716,386
Short-term investments	<u>2,404,536</u>	<u>2,272,603</u>
	<u>\$ 3,171,263</u>	<u>\$ 2,988,989</u>

(See accompanying notes to financial statements)

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 20, 2014

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 Not-For-Profit Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements have been properly prepared using careful judgement with reasonable limits of materiality and within the framework of the significant policies summarized below:

FUND ACCOUNTING

The General Operating Fund reports unrestricted general operational, capital 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.

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.

CASH AND CASH EQUIVALENTS

Cash consists of cash and short-term investments. Short-term investments are readily convertible into cash and are considered to be cash equivalents.

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVENTORIES

Inventories are recorded at the lower of cost and realizable value as determined by management.

INVESTMENTS

Investments consist of marketable securities and cash held by brokerage houses. Investments are treated as held for trading and are recorded at fair value. 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.

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 General Fund on the straight line basis at the following annual rates:

Buildings	3.3%
Office furniture and equipment	10.0%
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, 2014

1. 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, 2014

2. CASH

Cash is on deposit with major financial institutions and is, therefore, not subject to significant credit risk.

3. PROPERTY AND EQUIPMENT

	<u>2014</u>			<u>2013</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 55,000	\$ -	\$ 55,000	\$ 55,408
Buildings	821,213	673,845	147,368	196,256
Office furniture and equipment	79,370	62,355	17,015	9,712
Computer equipment	263,341	263,341	-	-
Media equipment	25,822	17,628	8,194	9,768
Printing arts equipment	242,099	207,081	35,018	50,462
Vehicles	<u>21,947</u>	<u>18,798</u>	<u>3,149</u>	<u>5,038</u>
	<u>\$ 1,508,792</u>	<u>\$ 1,243,048</u>	<u>\$ 265,744</u>	<u>\$ 326,644</u>

4. MISSIONARY SUPPORT REVENUE

Missionary support revenue consists of:

	<u>2014</u>	<u>2013</u>
Field Support	\$ 8,866,380	\$ 9,067,837
Other support	<u>5,428,809</u>	<u>4,775,677</u>
	<u>\$ 14,295,189</u>	<u>\$ 13,843,514</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2014

5. PROGRAMS EXPENSES

Program expenses consists of:

	<u>2014</u>	<u>2013</u>
Field Programs		
Missionary support	\$ 9,280,589	\$ 9,001,913
Projects	449,953	283,701
Communication	846,783	820,270
Public relations	859,700	909,875
Training	<u>1,622,940</u>	<u>1,373,080</u>
	<u>\$ 13,059,965</u>	<u>\$ 12,388,839</u>

6. INTER-FUND TRANSFERS

The following inter fund transfers were made during the year:

	<u>General</u> <u>Operating Funds</u>		<u>Restricted</u> <u>Designated Funds</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Designated to General to cover portion of operating expenses	<u>\$ 777,788</u>	<u>\$1,198,314</u>	<u>\$ (777,788)</u>	<u>\$ (1,198,314)</u>

7. FINANCIAL INSTRUMENTS

Financial instruments included in these financial statements include cash, accounts receivable, goods and services tax recoverable, investments, accounts payable and accrued liabilities, and investment trust agreements. These financial instruments are initially recorded at fair value and subsequently measured at amortized cost.

Investments in publicly traded securities are subject to market risk as such investments are subject to price changes in the open market that may affect future cash flows. Wycliffe does not use derivative financial instruments to alter the effects of this risk.

Unless otherwise noted, it is management's opinion that Wycliffe is not exposed to significant liquidity, currency or credit risks arising from these financial instruments, nor does it believe there are significant concentrations of credit risk.

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2014

8. AFFILIATED ORGANIZATIONS

Wycliffe works closely with Canada Institute of Linguistics Inc. and Global PartnerLink Society (operating as OneBook).

The purpose of Canada Institute of Linguistics Inc. is, to train linguists, translators and trainers so that all people may have access to the Bible in their own language. Canada Institute of Linguistics Inc. is incorporated under the Canada Not-For-Profit Corporations Act and is a separate charity under the Income Tax Act.

Donations made to Canada Institute of Linguistics Inc. during the year were \$4,412 (\$7,264 in 2013). There was no accounts receivable from or accounts payable to Canada Institute of Linguistics Inc. at September 20, 2014.

The purpose of One Book is to help nationals reach their own people with the good news by financially and organizationally assisting them to translate the Bible. OneBook is incorporated under the Canada Not-for-Profit Corporations Act and is a separate charity under the Income Tax Act.

Donations made to OneBook during the year were \$Nil (\$Nil in 2013) and there were no accounts receivable from or accounts payable to OneBook at September 20, 2014.

9. REVOLVING BANK LOAN

Wycliffe has available to it, a revolving bank loan limited to \$175,000 and bearing interest at 1.25% over the bank prime rate. The revolving loan is secured by a general security agreement over the assets of Wycliffe.