

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

Financial Statements

Year Ended August 20, 2017

WYCLIFFE BIBLE TRANSLATORS OF CANADA, INC.
Index to Financial Statements
Year Ended August 20, 2017

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations and Changes in Fund Balances	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 11

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Wycliffe Bible Translators of Canada, Inc. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Wycliffe Bible Translators of Canada, Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by Dart Bryant LLP, in accordance with Canadian accounting standards for not-for-profit organizations.



President

Calgary, AB
October 30, 2017



DART BRYANT LLP
 CHARTERED PROFESSIONAL ACCOUNTANTS
 #250, 1319 Edmonton Trail N.E.
 Calgary, Alberta T2E 4Y8

David R. Dart, CPA, CA
 Edwin L. Bryant, CPA, CA

Bus: (403) 230-3764
 Fax: (403) 230-3766
 davedart@dartbryant.com
 edbryant@dartbryant.com

INDEPENDENT AUDITOR'S 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 August 20, 2017 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.

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 judgment, 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 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 August 20, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements of Wycliffe Bible Translators of Canada, Inc. for the eleven months ended Augusts 20, 2016, were audited by another auditor who expressed an unqualified opinion on those statements on October 26, 2016.

October 30, 2017



Chartered Professional Accountants



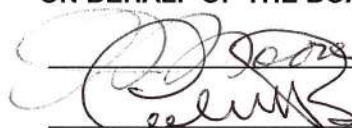

WYCLIFFE BIBLE TRANSLATORS OF CANADA, INC.

Statement of Financial Position

August 20, 2017

	General Operating Fund	Designated Funds	Total	Total Eleven months ending
	Year ending <i>August 20</i> 2017	Year ending <i>August 20</i> 2017	Year ending <i>August 20</i> 2017	<i>August 20</i> 2016
ASSETS				
CURRENT				
Cash	\$ 371,713	\$ 2,548	\$ 374,261	\$ 461,199
Short term investments <i>(Note 4)</i>	115,916	2,748,561	2,864,477	3,017,116
Accounts receivable	165,297	-	165,297	186,746
Inventory	9,821	-	9,821	18,056
GST recoverable	4,277	-	4,277	9,618
Prepaid expenses	88,229	-	88,229	98,387
	<u>755,253</u>	<u>2,751,109</u>	<u>3,506,362</u>	<u>3,791,122</u>
CAPITAL ASSETS <i>(Note 5)</i>	351,733	-	351,733	340,449
LONG TERM INVESTMENTS <i>(Note 6)</i>	-	34,636	34,636	34,450
	<u>\$ 1,106,986</u>	<u>\$ 2,785,745</u>	<u>\$ 3,892,731</u>	<u>\$ 4,166,021</u>
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	\$ 159,859	\$ 418,916	\$ 578,775	\$ 397,364
Government remittances payable	201,675	-	201,675	228,354
	<u>361,534</u>	<u>418,916</u>	<u>780,450</u>	<u>625,718</u>
INVESTMENT TRUST AGREEMENTS <i>(Note 7)</i>	-	35,000	35,000	35,000
	<u>361,534</u>	<u>453,916</u>	<u>815,450</u>	<u>660,718</u>
FUND BALANCES <i>(Note 8)</i>				
Externally restricted	-	1,600,990	1,600,990	1,836,759
Internally restricted - other	-	730,839	730,839	1,134,818
Internally restricted - invested in capital assets	351,733	-	351,733	340,449
Unrestricted	393,719	-	393,719	193,277
	<u>745,452</u>	<u>2,331,829</u>	<u>3,077,281</u>	<u>3,505,303</u>
	<u>\$ 1,106,986</u>	<u>\$ 2,785,745</u>	<u>\$ 3,892,731</u>	<u>\$ 4,166,021</u>

ON BEHALF OF THE BOARD

 Director
 Director

See notes to financial statements

WYCLIFFE BIBLE TRANSLATORS OF CANADA, INC.
Statement of Operations and Changes in Fund Balances
Year Ended August 20, 2017

	General Operating Fund	Designated Funds	Total	Total Eleven months ending August 20 2016
	Year ending August 20 2017	Year ending August 20 2017	Year ending August 20 2017	
REVENUES				
Donations				
- Missionary support: Field	\$ -	\$ 8,826,001	\$ 8,826,001	\$ 8,171,034
- Missionary support: Other	-	5,736,454	5,736,454	5,353,253
- Field programs	-	842,992	842,992	744,926
- General	657,270	348,960	1,006,230	1,177,035
Government grants	3,043	-	3,043	3,780
Investment and other income	77,107	11,093	88,200	106,405
Foreign exchange gains (losses)	(24,681)	-	(24,681)	6,568
	<u>712,739</u>	<u>15,765,500</u>	<u>16,478,239</u>	<u>15,563,001</u>
EXPENSES				
Field programs:				
- Missionary: direct support	-	9,077,821	9,077,821	7,981,671
- Missionary: Travel	-	565,420	565,420	470,472
- Missionary: Other	-	127,145	127,145	114,505
- Projects	76,858	513,937	590,795	664,322
Communication	351,326	474,122	825,448	725,862
Public relations	135,325	706,560	841,885	952,922
Training	12,659	1,342,654	1,355,313	1,324,544
Administrative	1,047,689	1,284,996	2,332,685	2,201,392
Fundraising	148,068	975,735	1,123,803	1,093,597
Amortization	61,392	-	61,392	63,607
	<u>1,833,317</u>	<u>15,068,390</u>	<u>16,901,707</u>	<u>15,592,894</u>
EXCESS (DEFICIENCY) OF OPERATIONS BEFORE OTHER INCOME	(1,120,578)	697,110	(423,468)	(29,893)
(LOSS) ON SALE OF ASSETS	(4,554)	-	(4,554)	-
EXCESS (DEFICIENCY) OF OPERATIONS BEFORE TRANSFERS	(1,125,132)	697,110	(428,022)	(29,893)
INTERFUND TRANSFERS (Note 9)	1,336,857	(1,336,857)	-	-
NET EXCESS (DEFICIENCY) OF OPERATIONS	211,725	(639,747)	(428,022)	(29,893)
FUND BALANCES - beginning of year	533,727	2,971,576	3,505,303	3,535,196
FUND BALANCES - end of year (Note 8)	<u>\$ 745,452</u>	<u>\$ 2,331,829</u>	<u>\$ 3,077,281</u>	<u>\$ 3,505,303</u>

See notes to financial statements

WYCLIFFE BIBLE TRANSLATORS OF CANADA, INC.

**Statement of Cash Flows
Year Ended August 20, 2017**

	General Operating Fund	Designated Funds	Total	Total Eleven months ended
	Year ended August 20 2017	Year ended August 20 2017	Year ended August 20 2017	August 20 2016
OPERATING ACTIVITIES				
Excess (deficiency) of revenues	\$ 211,725	\$ (639,747)	\$ (428,022)	\$ (29,893)
Items not affecting cash:				
Amortization	61,392	-	61,392	63,607
Loss on disposal of capital assets	4,554	-	4,554	-
	<u>277,671</u>	<u>(639,747)</u>	<u>(362,076)</u>	<u>33,714</u>
Changes in non-cash working capital:				
Accounts receivable	21,449	-	21,449	(86,213)
Inventory	8,236	-	8,236	1,525
Accounts payable and accrued liabilities	19,249	162,161	181,410	(108,257)
Prepaid expenses	10,158	-	10,158	12,588
GST recoverable	5,341	-	5,341	(1,572)
Government remittances payable	(26,679)	-	(26,679)	50,442
	<u>37,754</u>	<u>162,161</u>	<u>199,915</u>	<u>(131,487)</u>
Cash flow from operating activities	<u>315,425</u>	<u>(477,586)</u>	<u>(162,161)</u>	<u>(97,773)</u>
INVESTING ACTIVITIES				
Additions to capital assets	(80,730)	-	(80,730)	(111,138)
Proceeds on disposal of capital assets	3,500	-	3,500	-
Short term investments	(324,035)	476,674	152,639	(433,048)
Cash flow from (used by) investing activities	<u>(401,265)</u>	<u>476,674</u>	<u>75,409</u>	<u>(544,186)</u>
FINANCING ACTIVITY				
Long term investments	-	(186)	(186)	326
Cash flow from (used by) financing activity	<u>-</u>	<u>(186)</u>	<u>(186)</u>	<u>326</u>
DECREASE IN CASH FLOW	(85,840)	(1,098)	(86,938)	(641,633)
Cash - beginning of year	457,553	3,646	461,199	1,102,832
CASH - END OF YEAR	\$ 371,713	\$ 2,548	\$ 374,261	\$ 461,199

See notes to financial statements

WYCLIFFE BIBLE TRANSLATORS OF CANADA, INC.

Notes to Financial Statements

Year Ended August 20, 2017

1. DESCRIPTION OF OPERATIONS

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. As a registered charity the organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The continued operations of Wycliffe are dependent on the continued support of interested individuals and organizations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements have, in management's opinion, been properly prepared using careful judgment 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.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments in equity instruments, mutual funds and exchange traded funds (ETF) with actively traded markets are reported at fair value, with any unrealised gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred. Certain investments have been segregated as non-current to provide for investment trust agreements.

Cash and cash equivalents

Cash and cash equivalents consists of cash and short term deposits with original maturities less than one year at the time of purchase or having the capacity of prompt liquidation.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

(continues)

WYCLIFFE BIBLE TRANSLATORS OF CANADA, INC.

Notes to Financial Statements

Year Ended August 20, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Buildings	3.3%
Office Furniture and equipment	10%
Media equipment	10%
Printing arts equipment	6.7%
Vehicles	20%
Computer equipment	20%

The organization regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

Wycliffe Bible Translators of Canada, Inc. 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 reasonable assured.

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

Grants are recognized as revenue when received or receivable

Investment and other income are recognized as revenue when earned.

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.

Foreign currency translation

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.

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.

(*continues*)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Allocation of fundraising

Costs for fundraising during the year were \$148,068 for the general fund and \$975,735 for the designated funds (2016: \$317,095 for the general fund and \$776,502 for the designated fund).

Comparative figures

Certain comparative amounts have been reclassified to conform to the current year's presentation.

3. FINANCIAL INSTRUMENTS

All financial instruments are recorded originally at Fair Value and are subsequently recorded at each year end date as follows:

Financial assets measured at amortized cost:

Cash
Accounts receivable
Accounts payable

Financial assets measured at fair value:

Investments - ETF in equity funds in an active market (Note 4)
- ETF in fixed income and bond funds reported at fair value (Note 4)

The organization is exposed to various risks through its financial instruments and has an investment policy to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of August 20, 2017.

Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk could include: currency risk and interest rate risk. The organization is mainly exposed to ETF and mutual funds held by brokerage houses.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable in US\$. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

(continues)

WYCLIFFE BIBLE TRANSLATORS OF CANADA, INC.

Notes to Financial Statements

Year Ended August 20, 2017

3. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk.

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

4. SHORT TERM INVESTMENTS

	2017	2016
Funds in fixed income and bond ETF measured at fair market value	\$ 889,727	\$ 813,109
Funds in equity ETF measured at fair market value	1,974,750	2,204,007
	<u>\$ 2,864,477</u>	<u>\$ 3,017,116</u>

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Land	\$ 55,000	\$ -	\$ 55,000	\$ 55,000
Buildings	821,213	708,958	112,255	122,685
Office furniture and fixtures	79,370	71,467	7,903	10,340
Computer equipment and software	465,491	309,994	155,497	121,218
Media equipment	24,657	19,840	4,817	10,466
Printing arts equipment	238,299	222,038	16,261	17,733
Vehicles	-	-	-	3,007
	<u>\$ 1,684,030</u>	<u>\$ 1,332,297</u>	<u>\$ 351,733</u>	<u>\$ 340,449</u>

6. LONG TERM INVESTMENTS

Investments were segregated to provide for investment trust agreements. These investments were all placed with an asset manager into cash equivalent savings accounts. See Note 7.

7. INVESTMENT TRUST AGREEMENT

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 released. The principal is not recognized as income until the agreements vest with Wycliffe. These funds are placed with asset manager under long term investments. See Note 6.

WYCLIFFE BIBLE TRANSLATORS OF CANADA, INC.

Notes to Financial Statements

Year Ended August 20, 2017

8. FUND BALANCES

	<u>2017</u>	<u>2016</u>
General Operating Fund		
Unrestricted	\$ 393,719	\$ 193,277
Internally restricted - invested in capital assets	<u>351,733</u>	<u>340,449</u>
	<u>745,452</u>	<u>533,726</u>
Designated Funds		
Externally restricted		
- Member projects	1,024,922	1,155,076
- Field projects	566,068	671,683
- Trust	<u>10,000</u>	<u>10,000</u>
	<u>1,600,990</u>	<u>1,836,759</u>
Internally restricted		
- Projects in fund 4	723,655	1,126,723
- Trust	<u>7,184</u>	<u>8,095</u>
	<u>730,839</u>	<u>1,134,818</u>
Designated Funds - total	<u>2,331,829</u>	<u>2,971,577</u>
	<u>\$ 3,077,281</u>	<u>\$ 3,505,303</u>

9. INTER-FUND TRANSFERS

The following inter-fund transfers were made during the period:

	<u>General Operating Funds</u>		<u>Restricted Designated Funds</u>	
	Year ended	Eleven	Year ended	Eleven
	Aug 20, 2017	months ended	Aug 20, 2017	months ended
		Aug 20, 2016		Aug 20, 2016
Designated funds transferred to General fund to cover portion of operating expenses	\$ 1,259,628	\$ 1,187,709	\$ (1,259,628)	\$ (1,187,709)
Designated funds transferred to General (capital) fund for purchases of capital assets	<u>77,229</u>	<u>111,138</u>	<u>(77,229)</u>	<u>(111,138)</u>
	<u>\$ 1,336,857</u>	<u>\$ 1,298,847</u>	<u>\$ (1,336,857)</u>	<u>\$ (1,298,847)</u>

10. 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. There is no outstanding balance at year end.

WYCLIFFE BIBLE TRANSLATORS OF CANADA, INC.

Notes to Financial Statements

Year Ended August 20, 2017

11. OTHER INFORMATION

Wycliffe works with Canada Institute of Linguistics Inc. ("CanIL") and Global PartnerLink Society (operating as OneBook) on certain projects.

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

OneBook helps 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.
