

**WYCLIFFE BIBLE TRANSLATORS OF CANADA  
INC.**

**Financial Statements**

**Year Ended August 20, 2018**

**WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.**

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**Year Ended August 20, 2018**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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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.



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President

November 01, 2018



**DART BRYANT LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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### 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, 2018 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.

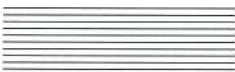
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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, 2018 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.

November 1, 2018

Chartered Professional Accountants



# WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

## Statement of Financial Position

August 20, 2018

	General Fund 2018	Capital Fund 2018	Designated Funds 2018	Total 2018	Total 2017
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash & cash equivalents	\$ 645,708	\$ -	\$ 1,534	\$ 647,242	\$ 374,261
Short term investments (Notes 4, 8)	239,199	570,754	2,499,502	3,309,455	2,864,477
Accounts receivable	153,921	-	-	153,921	165,297
Inventory	3,121	-	-	3,121	9,820
GST recoverable	10,035	-	-	10,035	4,276
Prepaid expenses	101,807	-	-	101,807	88,229
	1,153,791	570,754	2,501,036	4,225,581	3,506,360
<b>CAPITAL ASSETS (Note 5)</b>	-	342,874	-	342,874	351,733
<b>LONG TERM INVESTMENTS (Note 6)</b>	-	-	34,842	34,842	34,636
	<u>\$ 1,153,791</u>	<u>\$ 913,628</u>	<u>\$ 2,535,878</u>	<u>\$ 4,603,297</u>	<u>\$ 3,892,729</u>
<b>LIABILITIES</b>					
<b>CURRENT</b>					
Accounts payable and accrued liabilities	\$ 66,721	\$ -	\$ 399,914	\$ 466,635	\$ 578,773
Government remittances payable	196,762	-	-	196,762	201,675
	263,483	-	399,914	663,397	780,448
	-	-	135,000	135,000	35,000
<b>INVESTMENT TRUST AGREEMENTS (Note 7)</b>	263,483	-	534,914	798,397	815,448
	-	-	-	-	-
<b>FUND BALANCES</b>					
Externally restricted (Note 8)	-	-	1,994,588	1,994,588	1,600,990
Internally restricted (Note 8)	452,904	913,628	6,376	1,372,908	1,082,572
Unrestricted	437,404	-	-	437,404	393,719
	890,308	913,628	2,000,964	3,804,900	3,077,281
	<u>\$ 1,153,791</u>	<u>\$ 913,628</u>	<u>\$ 2,535,878</u>	<u>\$ 4,603,297</u>	<u>\$ 3,892,729</u>

LEASE COMMITMENTS (Note 10)

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, 2018**

	General Fund 2018	Capital Fund 2018	Designated Funds 2018	Total 2018	Total 2017
<b>REVENUES</b>					
Donations					
- Missionary support: Field	\$ -	\$ -	\$ 10,817,960	\$ 10,817,960	\$ 8,826,001
- Missionary support: Other	-	-	4,259,546	4,259,546	5,736,454
- Field programs	-	-	1,131,700	1,131,700	842,992
- General	716,888	-	163,395	880,283	1,006,229
Government grants	7,528	-	-	7,528	3,043
Investment and other income	243,807	-	11,774	255,581	88,200
Foreign exchange gains (losses)	11,717	-	-	11,717	(24,680)
Gains (losses) on sale of assets	-	395,980	-	395,980	(4,554)
	979,940	395,980	16,384,375	17,760,295	16,473,685
<b>EXPENSES</b>					
Field programs:					
- Missionary: Direct support	-	-	9,754,189	9,754,189	9,077,821
- Missionary: Travel	-	-	548,766	548,766	565,420
- Missionary: Other	-	-	311,477	311,477	127,145
- Projects	179,950	-	568,090	748,040	590,795
Communication	298,764	-	392,907	691,671	825,448
Public relations	98,312	-	618,340	716,652	841,885
Training	6,269	-	1,290,687	1,296,956	1,355,313
Administrative	983,178	-	1,411,296	2,394,474	2,332,685
Fundraising	179,987	-	306,315	486,302	1,123,803
Amortization	-	84,149	-	84,149	61,392
	1,746,460	84,149	15,202,067	17,032,676	16,901,707
	(766,520)	311,831	1,182,308	727,619	(428,022)
	586,257	203,262	(789,519)	-	-
	(180,263)	515,093	392,789	727,619	(428,022)
	1,070,571	398,535	1,608,175	3,077,281	3,505,303
<b>FUND BALANCES - beginning of year</b>					
<b>FUND BALANCES - end of year</b>	\$ 890,308	\$ 913,628	\$ 2,000,964	\$ 3,804,900	\$ 3,077,281

**NET EXCESS (DEFICIENCY) OF OPERATIONS**  
**INTERFUND TRANSFERS**

See notes to financial statements

**WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.**  
**Statement of Cash Flows**  
**Year Ended August 20, 2018**

	General Operating Fund 2018	Capital Fund 2018	Designated Funds 2018	Total 2018	Total 2017
<b>OPERATING ACTIVITIES</b>					
Excess (deficiency) of revenues	\$ (766,520)	\$ 311,831	\$ 1,182,308	\$ 727,619	\$ (428,022)
Items not affecting cash:					
Amortization	-	84,149	-	84,149	61,392
Loss (gain) on disposal of capital assets	-	(395,980)	-	(395,980)	4,554
Interfund transfers (Note 8)	586,257	203,262	(789,519)	-	-
Reclassification of opening fund balances (Note 8)	676,851	46,802	(723,653)	-	-
	496,588	250,064	(330,864)	415,788	(362,076)
Changes in non-cash working capital:					
Accounts receivable	11,376	-	-	11,376	21,449
Inventory	6,700	-	-	6,700	8,236
Accounts payable and accrued liabilities	(93,137)	-	(19,003)	(112,140)	181,407
Prepaid expenses	(13,578)	-	-	(13,578)	10,158
GST recoverable	(5,758)	-	-	(5,758)	5,341
Government remittances payable	(4,913)	-	-	(4,913)	(26,679)
	(99,310)	-	(19,003)	(118,313)	199,912
Cash flow from operating activities	397,278	250,064	(349,867)	297,475	(162,164)
<b>INVESTING ACTIVITIES</b>					
Additions to capital assets	-	(100,068)	-	(100,068)	(80,730)
Proceeds on disposal of capital assets	-	420,758	-	420,758	3,500
Short term investments	(123,283)	(570,754)	249,059	(444,978)	152,642
Cash flow from (used by) investing activities	(123,283)	(250,064)	249,059	(124,288)	75,412
<b>FINANCING ACTIVITIES</b>					
Long term investments	-	-	(206)	(206)	(186)
Long term loan increase	-	-	100,000	100,000	-
Cash flow from (used by) financing activities	-	-	99,794	99,794	(186)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	273,995	-	(1,014)	272,981	(86,938)
Cash - beginning of year	371,713	-	2,548	374,261	461,199
<b>CASH - END OF YEAR</b>	\$ 645,708	\$ -	\$ 1,534	\$ 647,242	\$ 374,261

See notes to financial statements

# WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

## Notes to Financial Statements

Year Ended August 20, 2018

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### 1. DESCRIPTION OF OPERATIONS

Wycliffe Bible Translators of Canada Inc. ("Wycliffe") works to end Bible poverty by facilitating the translation of God's Word among minority language communities worldwide. 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.

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### 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 Fund** reports unrestricted general operational and administrative activities.

The **Capital Fund** reports the funding of and expenditure on property and equipment with original cost greater than \$5,000 and with an expected life of greater than three years. Internally restricted funds are set apart for future capital use. Replacements and repairs are recorded as expenses of the general fund.

The **Designated Fund** reports restricted contributions that are to be used for missionary support, 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.

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**WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.**

**Notes to Financial Statements**

**Year Ended August 20, 2018**

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**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	4%	(2017 - 3.3%)
Office Furniture and equipment	20%	(2017 - 10%)
Media equipment	20%	(2017 - 10%)
Printing arts equipment	20%	(2017 - 6.7%)
Vehicles	20%	(2017 - 20%)
Computer equipment	30%	(2017 - 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 purchased 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.

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WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

Notes to Financial Statements

Year Ended August 20, 2018

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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 \$179,987 for the general fund and \$306,315 for the designated funds (2017: \$148,068 for the general fund and \$975,735 for the designated fund).

**Comparative figures**

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

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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, 2018.

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 organization'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 organization does not use derivative instruments to reduce its exposure to foreign currency risk.

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# WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

## Notes to Financial Statements

Year Ended August 20, 2018

### 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

	2018	2017
Cash	\$ 954,912	\$ -
Funds in fixed income and bond ETF measured at fair market value	1,428,119	889,727
Funds in equity ETF measured at fair market value	926,424	1,974,750
	<u>\$ 3,309,455</u>	<u>\$ 2,864,477</u>

### 5. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Land	\$ 55,000	\$ -	\$ 55,000	\$ 55,000
Buildings	717,966	638,186	79,780	112,255
Office furniture and fixtures	65,807	60,753	5,054	7,903
Computer equipment and software	565,558	377,974	187,584	155,497
Media equipment	24,657	21,044	3,613	4,817
Printing arts equipment	238,299	226,456	11,843	16,261
	<u>\$ 1,667,287</u>	<u>\$ 1,324,413</u>	<u>\$ 342,874</u>	<u>\$ 351,733</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 an asset manager under long term investments. See Note 6.

**WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.**

**Notes to Financial Statements**

**Year Ended August 20, 2018**

**8. FUND BALANCES**

	2017	Revenues	Expenses	Transfers	2018
<b>General Fund</b>					
<u>Unrestricted</u>	\$ 393,717	\$ 979,940	\$ 1,746,460	\$ 810,207	\$ 437,404
<u>Internally restricted</u>					
- Reserve fund	676,854	-	-	(223,950)	452,904
	<u>1,070,571</u>	<u>979,940</u>	<u>1,746,460</u>	<u>586,257</u>	<u>890,308</u>
<b>Capital Fund</b>				(1)	
<u>Internally restricted</u>					
- Invested in capital assets	351,733	(687)	84,149	75,977	342,874
- Capital replacement reserve	46,802	-	-	144,158	190,960
- Toronto property reserve	-	396,667	-	(16,873)	379,794
	<u>398,535</u>	<u>395,980</u>	<u>84,149</u>	<u>203,262</u>	<u>913,628</u>
<b>Designated Funds</b>				(2)	
<u>Externally restricted</u>					
- Member projects	1,024,922	15,289,719	14,387,578	(520,608)	1,406,455
- Field projects	566,069	1,094,450	813,475	(268,911)	578,133
- Trust	10,000				10,000
	<u>1,600,991</u>	<u>16,384,169</u>	<u>15,201,053</u>	<u>(789,519)</u>	<u>1,994,588</u>
<u>Internally restricted</u>					
- Return on Trusts	7,184	206	1,014	-	6,376
Total designated	<u>1,608,175</u>	<u>16,384,375</u>	<u>15,202,067</u>	<u>(789,519)</u>	<u>2,000,964</u>
				(3)	
Grand Total	<u>3,077,281</u>	<u>17,760,295</u>	<u>17,032,676</u>	<u>-</u>	<u>3,804,900</u>

Interfund transfers were made as follows:

**General Fund (1)**

- Assessments received from designated funds	\$ 1,136,550
- Supplements paid to designated funds	(347,031)
- Capital asset reserve transfers	(203,262)
	<u>586,257</u>

**Capital Fund - Internally restricted (2)**

- Capital additions and amortization support received from General fund	75,977
- General fund transfers received	144,158
- Toronto property reserve transferred to support general fund costs	(16,873)
	<u>203,262</u>

**Designated Funds - Externally restricted (3)**

- Assessments paid to general fund	(1,136,550)
- Supplements received from general fund	347,031
	<u>(789,519)</u>

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

**WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.****Notes to Financial Statements****Year Ended August 20, 2018****10. LEASE COMMITMENTS**

The organization has entered into lease agreements with respect to premises and certain office equipment. Future minimum lease payments as at August 20, 2018, are as follows:

	Premises	Operating	Total
2019	\$ 23,821	\$ 30,059	\$ 53,880
2020	23,821	17,627	41,448
2021	23,821	-	23,821
2022	13,896	-	13,896
	<u>\$ 85,359</u>	<u>\$ 47,686</u>	<u>\$ 133,045</u>

**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.