

**WYCLIFFE BIBLE TRANSLATORS  
OF CANADA INC.**

**FINANCIAL STATEMENTS**

**SEPTEMBER 20, 2013**

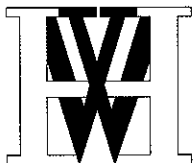
**WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.**

**FINANCIAL STATEMENTS**

**SEPTEMBER 20, 2013**

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## 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 September 20, 2013, September 20, 2012 and September 21, 2011 and the statements of operations and changes in fund balances, and cash flows for the years ended September 20, 2013 and September 20, 2012, 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 audits. We conducted our audits 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 our 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, we 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, these financial statements present fairly, in all material respects, the financial position of Wycliffe Bible Translators of Canada Inc. as at September 20, 2013, September 20, 2012, September 21, 2011 and its results of operations and its cash flows for the years ended September 20, 2013 and September 20, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta  
November 28, 2013

*Werner Haag*  
Chartered Accountants

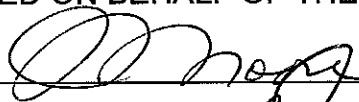



**WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.**

**STATEMENT OF FINANCIAL POSITION**

	<u>SEPTEMBER</u> <u>20, 2013</u>	<u>SEPTEMBER</u> <u>20, 2012</u>	<u>SEPTEMBER</u> <u>21, 2011</u>
<b>ASSETS</b>			
Current			
Cash	\$ 716,386	\$ 564,929	\$ 493,541
Short term investments	2,272,603	2,665,788	2,594,377
Accounts receivable	116,944	103,474	58,917
Goods and services tax recoverable	8,119	11,396	9,308
Inventories	54,180	46,109	42,407
Prepaid expenses	<u>83,290</u>	<u>87,834</u>	<u>68,626</u>
	3,251,522	3,479,530	3,267,176
Investments	85,902	145,122	212,469
Property and equipment (Note 3)	<u>326,644</u>	<u>374,256</u>	<u>404,284</u>
	<u>\$ 3,664,068</u>	<u>\$ 3,998,908</u>	<u>\$ 3,883,929</u>
<b>LIABILITIES</b>			
Current			
Accounts payable and accrued liabilities	\$ 427,081	\$ 599,350	\$ 632,540
Investment trust agreements	<u>79,500</u>	<u>138,901</u>	<u>201,651</u>
	<u>506,581</u>	<u>738,251</u>	<u>834,191</u>
<b>FUND BALANCES</b>			
Externally restricted	1,703,147	1,448,161	1,032,043
Internally restricted	337,313	628,855	800,701
Invested in capital assets	326,643	374,256	404,284
Unrestricted	<u>790,384</u>	<u>809,385</u>	<u>812,710</u>
	<u>3,157,487</u>	<u>3,260,657</u>	<u>3,049,738</u>
	<u>\$ 3,664,068</u>	<u>\$ 3,998,908</u>	<u>\$ 3,883,929</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**

YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	GENERAL OPERATING FUNDS		DESIGNATED FUNDS		TOTAL	
	2013	2012	2013	2012	2013	2012
<b>REVENUE</b>						
Donations						
Missionary support (Note 4)	\$ -	\$ -	\$ 13,843,514	\$ 13,664,453	\$ 13,843,514	\$ 13,664,453
Field programs	-	-	452,411	442,884	452,411	442,884
General donations	532,561	578,752	261,636	342,015	794,197	920,767
Government grants	7,453	2,191	-	61,239	7,453	63,430
Investment and other income	154,648	225,915	81,947	95,777	236,595	321,692
	<u>694,662</u>	<u>806,858</u>	<u>14,639,508</u>	<u>14,606,368</u>	<u>15,334,170</u>	<u>15,413,226</u>
<b>EXPENSES</b>						
Programs (Note 5)	659,775	782,804	11,729,064	11,466,394	12,388,839	12,249,198
Administrative	969,616	969,189	1,282,524	1,293,000	2,252,140	2,262,189
Fundraising	282,587	127,307	466,162	512,240	748,749	639,547
Amortization	47,612	51,373	-	-	47,612	51,373
	<u>1,959,590</u>	<u>1,930,673</u>	<u>13,477,750</u>	<u>13,271,634</u>	<u>15,437,340</u>	<u>15,202,307</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	(1,264,928)	(1,123,815)	1,161,758	1,334,734	( 103,170)	210,919
Fund Balances At Beginning Of Year	1,183,641	1,216,994	2,077,016	1,832,744	3,260,657	3,049,738
Interfund transfers (Note 6)	<u>1,198,314</u>	<u>1,090,462</u>	<u>(1,198,314)</u>	<u>( 1,090,462)</u>	-	-
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 1,117,027</u>	<u>\$ 1,183,641</u>	<u>\$ 2,040,460</u>	<u>\$ 2,077,016</u>	<u>\$ 3,157,487</u>	<u>\$ 3,260,657</u>
<b>COMPOSITION OF FUNDS</b>						
Externally restricted	\$ -	\$ -	\$ 1,703,147	\$ 1,448,161	\$ 1,703,147	\$ 1,448,161
Internally restricted	-	-	337,313	628,855	337,313	628,855
Invested in capital assets	326,643	374,256	-	-	326,643	374,256
Unrestricted	<u>790,384</u>	<u>809,385</u>	<u>-</u>	<u>-</u>	<u>790,384</u>	<u>809,386</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 1,117,027</u>	<u>\$ 1,183,641</u>	<u>\$ 2,040,460</u>	<u>\$ 2,077,016</u>	<u>\$ 3,157,487</u>	<u>\$ 3,260,657</u>

(See accompanying notes to financial statements)

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

YEAR ENDED SEPTEMBER 20, 2013

	<u>2013</u>	<u>2012</u>
<b>CASH FROM (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ ( 103,170)	\$ 210,919
Adjustment for		
Amortization	<u>47,612</u>	<u>51,373</u>
	<u>( 55,558)</u>	<u>262,292</u>
Changes in non-cash working capital		
Accounts receivable	( 13,470)	( 44,557)
Goods and services tax recoverable	3,277	( 2,088)
Inventories	( 8,071)	( 3,702)
Prepaid expenses	4,544	( 19,208)
Accounts payable and accrued liabilities	<u>( 172,269)</u>	<u>( 33,190)</u>
	<u>( 185,989)</u>	<u>( 102,745)</u>
	<u>( 241,547)</u>	<u>159,547</u>
<b>INVESTING ACTIVITIES</b>		
Additions to property and equipment	<u>-</u>	<u>( 21,345)</u>
<b>FINANCING ACTIVITIES</b>		
Investments	59,220	67,347
Investment trust agreements	<u>( 59,401)</u>	<u>( 62,750)</u>
	<u>( 181)</u>	<u>4,597</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	( 241,728)	142,799
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>3,230,717</u>	<u>3,087,918</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 2,988,989</u>	<u>\$ 3,230,717</u>
Cash and cash equivalents consists of:		
Cash	\$ 716,386	\$ 564,929
Short-term investments	<u>2,272,603</u>	<u>2,665,788</u>
	<u>\$ 2,988,989</u>	<u>\$ 3,230,717</u>

(See accompanying notes to financial statements)

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

## **NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 20, 2013**

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.

On September 21, 2012, Wycliffe adopted Canadian Accounting Standards for Not-For-Profit Organizations in Part III of The Canadian Institute of Chartered Accountants' ("CICA") Handbook. These are the first financial statements prepared in accordance with not-for-profit standards.

In accordance with the transitional provisions in not-for-profit standards, Wycliffe has adopted the changes retrospectively, subject to certain exemptions allowed under these standards. The transition date is September 21, 2011, and all comparative information provided has been presented by applying not-for-profit standards.

There are no adjustments to net assets as at September 21, 2011 or excess of revenue over expenses for the year ended September 20, 2012 as a result of the transition to not-for-profit standards.

### **1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook, using the assumption that Wycliffe will continue as a going concern. Significant accounting policies are described 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.

# WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

## NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2013

### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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.

#### 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. These investments 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.

#### 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.



# WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

## NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2013

### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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%

#### 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.

# WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

## NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2013

### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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.

### 2. CASH

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

### 3. PROPERTY AND EQUIPMENT

	2013			2012
	<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	860,880	664,625	196,255	220,702
Office furniture and equipment	90,011	80,299	9,712	12,868
Computer equipment	263,341	263,341	-	-
Media equipment	25,822	16,054	9,768	11,342
Printing arts equipment	242,099	191,637	50,462	65,906
Vehicles	21,947	16,909	5,038	8,030
	<u>\$ 1,559,508</u>	<u>\$ 1,232,865</u>	<u>\$ 326,643</u>	<u>\$ 374,256</u>

# WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

## NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2013

### 4. MISSIONARY SUPPORT REVENUE

Missionary support revenue consists of:

	<u>2013</u>	<u>2012</u>
Field Support	\$ 9,067,837	\$ 8,630,968
Other support	<u>4,775,677</u>	<u>5,033,485</u>
	<u>\$ 13,843,514</u>	<u>\$ 13,664,453</u>

### 5. PROGRAMS EXPENSES

Program expenses consists of:

	<u>2013</u>	<u>2012</u>
Field Programs		
Missionary support	\$ 9,001,913	\$ 8,736,832
Projects	283,701	486,708
Communication	820,270	763,874
Public relations	909,875	1,015,918
Training	<u>1,373,080</u>	<u>1,245,866</u>
	<u>\$ 12,388,839</u>	<u>\$ 12,249,198</u>

### 6. 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, 2013

**7. AFFILIATED ORGANIZATIONS**

Wycliffe works closely with Canada Institute of Linguistics Inc. and OneBook 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 \$7,264 (\$6,788 in 2012). There was \$Nil (\$75 in 2012) payable to Canada Institute of Linguistics Inc. at September 20, 2013.

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

Donations made to OneBook Inc. during the year were \$Nil (\$117,992 in 2012). At September 20, 2013 there were no accounts receivable or accounts payable to OneBook Inc..

OneBook Inc. rented office space from Wycliffe paying rent totalling \$Nil in 2013 (\$8,000 – 2012).

**8. INTER-FUND TRANSFERS**

The following inter fund transfers were made during the year:

	<u>General Operating Funds</u>		<u>Restricted Designated Funds</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Designated to General to cover portion of operating expenses	<u>\$ 1,198,314</u>	<u>\$1,090,462</u>	<u>\$ (1,198,314)</u>	<u>\$ (1,090,462)</u>

**WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**SEPTEMBER 20, 2013**

**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.

**10. COMPARATIVE NUMBERS**

Certain comparative numbers for 2012 have been restated to conform to the financial presentation adopted for 2013.