

**WYCLIFFE BIBLE TRANSLATORS
OF CANADA INC.**

FINANCIAL STATEMENTS

AUGUST 20, 2016

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

FINANCIAL STATEMENTS

AUGUST 20, 2016

TABLE OF CONTENTS

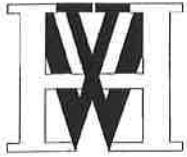
Independent Auditors' Report 1

Statement of Financial Position 2

Statement of Operations and Changes in Fund Balances 3

Statement of Cash Flows 4

Notes to Financial Statements 5-12



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 August 20, 2016 and the statements of operations and changes in fund balances, and cash flows for the period 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 August 20, 2016 and its results of operations and changes in fund balances and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta
October 26, 2016

Werner Haag
Chartered Accountants

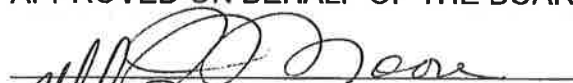



WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

STATEMENT OF FINANCIAL POSITION

	August 20 <u>2016</u>	September 20 <u>2015</u>
ASSETS		
Current		
Cash	\$ 461,199	\$ 1,102,832
Short term investments (Note 3)	3,017,116	2,584,068
Accounts receivable	186,746	100,533
Goods and services tax recoverable	9,619	8,046
Inventories	18,058	19,582
Prepaid expenses	<u>98,387</u>	<u>110,975</u>
	3,791,125	3,926,036
Investments	34,450	34,776
Capital Assets (Note 4)	<u>340,449</u>	<u>292,918</u>
	<u>\$ 4,166,024</u>	<u>\$ 4,253,730</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 397,366	\$ 505,621
Government remittances payable	<u>228,354</u>	<u>177,912</u>
	625,720	683,533
Investment trust agreements	<u>35,000</u>	<u>35,000</u>
	<u>660,720</u>	<u>718,533</u>
FUND BALANCES		
Externally restricted	1,836,759	1,538,326
Internally restricted	1,134,819	1,206,298
Invested in capital assets	340,449	292,918
Unrestricted	<u>193,277</u>	<u>497,655</u>
	<u>3,505,304</u>	<u>3,535,197</u>
	<u>\$ 4,166,024</u>	<u>\$ 4,253,730</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

	GENERAL		DESIGNATED FUNDS		TOTAL	
	OPERATING FUNDS		Eleven Months Ended August 20, 2016	Year Ended September 20, 2015	Eleven Months Ended August 20, 2016	Year Ended September 20, 2015
	Eleven Months Ended August 20, 2016	Year Ended September 20, 2015				
REVENUE						
Donations						
Missionary support (Note 5)	\$ -	\$ -	\$ 13,524,287	\$ 14,431,715	\$ 13,524,287	\$ 14,431,715
Field programs	-	-	744,926	555,354	744,926	555,354
General donations	487,521	497,909	689,514	1,127,287	1,177,035	1,625,196
Government grants	3,780	5,355	-	-	3,780	5,355
Investment and other income	96,676	154,903	16,297	(2,430)	112,973	152,473
	<u>587,977</u>	<u>658,167</u>	<u>14,975,024</u>	<u>16,111,926</u>	<u>15,563,001</u>	<u>16,770,093</u>
EXPENSES						
Programs (Note 6)	684,870	611,299	11,549,428	12,381,404	12,234,298	12,992,703
Administrative	1,078,099	1,070,402	1,123,293	1,322,094	2,201,392	2,392,496
Fundraising	317,095	337,672	776,502	725,236	1,093,597	1,062,908
Amortization	63,607	37,132	-	-	63,607	37,132
	<u>2,143,671</u>	<u>2,056,505</u>	<u>13,449,223</u>	<u>14,428,734</u>	<u>15,592,894</u>	<u>16,485,239</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE UNDERNOTED	(1,555,694)	(1,398,338)	1,525,801	1,683,192	(29,893)	284,854
Gain on sale of assets	-	1,425	-	-	-	1,425
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(1,555,694)	(1,396,913)	1,525,801	1,683,192	(29,893)	286,279
Fund Balances At Beginning Of Period	790,573	923,697	2,744,624	2,325,221	3,535,197	3,248,918
Interfund transfers (Note 7)	1,298,847	1,263,789	(1,298,847)	(1,263,789)	-	-
FUND BALANCES AT END OF PERIOD	<u>\$ 533,726</u>	<u>\$ 790,573</u>	<u>\$ 2,971,578</u>	<u>\$ 2,744,624</u>	<u>\$ 3,505,304</u>	<u>\$ 3,535,197</u>
COMPOSITION OF FUNDS						
Externally restricted	\$ -	\$ -	\$ 1,836,759	\$ 1,538,326	\$ 1,836,759	\$ 1,538,326
Internally restricted	-	-	1,134,819	1,206,298	1,134,819	1,206,298
Invested in capital assets	340,449	292,918	-	-	340,449	292,918
Unrestricted	193,277	497,655	-	-	193,277	497,655
FUND BALANCES AT END OF YEAR	<u>\$ 533,726</u>	<u>\$ 790,573</u>	<u>\$ 2,971,578</u>	<u>\$ 2,744,624</u>	<u>\$ 3,505,304</u>	<u>\$ 3,535,197</u>

(See accompanying notes to financial statements)

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

STATEMENT OF CASH FLOWS

	Eleven Months Ended August 20, 2016	Year Ended September 20, 2015
CASH FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ (29,893)	\$ 286,279
Adjustments for		
Gain on sale of property	-	(1,425)
Amortization	63,607	37,132
	<u>33,714</u>	<u>321,986</u>
Changes in non-cash working capital		
Accounts receivable	(86,213)	125,786
Goods and services tax recoverable	(1,573)	(1,094)
Inventories	1,524	148
Prepaid expenses	12,588	(36,634)
Accounts payable and accrued liabilities	(108,255)	(3,362)
Government remittances payable	50,442	177,912
	<u>(131,487)</u>	<u>262,756</u>
	<u>(97,773)</u>	<u>584,742</u>
INVESTING ACTIVITIES		
Additions to capital assets	(111,138)	(65,881)
Proceeds on sale of capital assets	-	3,000
	<u>(111,138)</u>	<u>(62,881)</u>
FINANCING ACTIVITIES		
Investments	326	31,076
Investment trust agreements	-	(37,300)
	<u>326</u>	<u>(6,224)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(208,585)	515,637
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>3,686,900</u>	<u>3,171,263</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 3,478,315</u>	<u>\$ 3,686,900</u>
Cash and cash equivalents consist of:		
Cash	\$ 461,199	\$ 1,102,832
Short-term investments	<u>3,017,116</u>	<u>2,584,068</u>
	<u>\$ 3,478,315</u>	<u>\$ 3,686,900</u>

(See accompanying notes to financial statements)

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 20, 2016

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.

CHANGE IN YEAR END

Effective 2016 Wycliffe changed its year end from September 20 to August 20. Accordingly, the 2016 financial statements represent an eleven month period.

1. 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 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.

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

AUGUST 20, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and a foundation. 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.

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

AUGUST 20, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS

Capital assets 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%
Computer equipment and software	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.

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

AUGUST 20, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

2. CASH

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

3. SHORT TERM INVESTMENTS

	<u>August 20, 2016</u>	<u>September 20, 2015</u>
Cash and marketable securities invested with major brokerage houses	\$ 2,204,007	\$ 2,584,068
Investment in Fixed Income Fund of the Mennonite Foundation of Canada	<u>813,109</u>	<u>-</u>
	<u>\$ 3,017,116</u>	<u>\$ 2,584,068</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

AUGUST 20, 2016

4. CAPITAL ASSETS

	August 20, 2016			September 20, 2015
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 55,000	\$ -	\$ 55,000	\$ 55,000
Buildings	821,213	698,528	122,685	133,567
Office furniture and equipment	79,370	69,030	10,340	12,777
Computer equipment and software	387,962	266,744	121,218	47,560
Media equipment	31,843	21,377	10,466	12,642
Printing arts equipment	238,299	220,566	17,733	27,545
Vehicles	<u>4,100</u>	<u>1,093</u>	<u>3,007</u>	<u>3,827</u>
	<u>\$ 1,617,787</u>	<u>\$ 1,277,338</u>	<u>\$ 340,449</u>	<u>\$ 292,918</u>

5. MISSIONARY SUPPORT REVENUE

Missionary support revenue consists of:

	<u>Eleven Months Ended August 20, 2016</u>	<u>Year Ended September 20, 2015</u>
Field Support	\$ 8,171,034	\$ 8,622,200
Other support	<u>5,353,253</u>	<u>5,809,515</u>
	<u>\$ 13,524,287</u>	<u>\$ 14,431,715</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

AUGUST 20, 2016

6. PROGRAMS EXPENSES

Program expenses consists of:	Eleven Months Ended August 20 2016	Year Ended September 20 2015
	Field Programs	
Missionary support	\$ 8,566,648	\$ 9,149,364
Projects	664,322	503,772
Communication	725,862	787,418
Public relations	952,922	903,334
Training	<u>1,324,544</u>	<u>1,648,815</u>
	<u>\$ 12,234,298</u>	<u>\$ 12,992,703</u>

7. INTER-FUND TRANSFERS

The following inter fund transfers were made during the period:

	<u>General Operating Funds</u>		<u>Restricted Designated Funds</u>	
	Eleven Months Ended August 20, 2016	Year Ended September 20, 2015	Eleven Months Ended August 20, 2016	Year Ended September 20, 2015
Designated to General to cover portion of operating expenses	\$ 1,187,709	\$ 1,200,908	\$ (1,187,709)	\$ (1,200,908)
Designated Capital to General for purchases of capital assets	111,138	65,881	(111,138)	(65,881)
General to Designated Capital for disposal of capital assets	<u>-</u>	<u>(3,000)</u>	<u>-</u>	<u>3,000</u>
	<u>\$ 1,298,847</u>	<u>\$ 1,263,789</u>	<u>\$ (1,298,847)</u>	<u>\$ (1,263,789)</u>

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

AUGUST 20, 2016

8. 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.

9. 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. ("the Institute") during the period were \$14,613 (\$25,207 in 2015). There was \$1,021 (Nil in 2015) in accounts receivable from the Institute and \$Nil (\$20,127 in 2015) in accounts payable to the Institute at August 20, 2016.

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.

No donations were made to OneBook during the period and there were no accounts receivable from or accounts payable to OneBook at August 20, 2016.

WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

AUGUST 20, 2016

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.