

**WYCLIFFE BIBLE TRANSLATORS  
OF CANADA INC.**

**FINANCIAL STATEMENTS**

**SEPTEMBER 20, 2015**

**WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.**

**FINANCIAL STATEMENTS**

**SEPTEMBER 20, 2015**

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## 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, 2015 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, 2015 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, 2015

*Werner Haag*  
Chartered Accountants




**WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.**


**STATEMENT OF FINANCIAL POSITION**

SEPTEMBER 20, 2015

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Current		
Cash	\$ 1,102,832	\$ 766,727
Short term investments	2,584,068	2,404,536
Accounts receivable	100,533	226,319
Goods and services tax recoverable	8,046	6,952
Inventories	19,582	19,730
Prepaid expenses	<u>110,975</u>	<u>74,341</u>
	3,926,036	3,498,605
Investments	34,776	65,852
Capital Assets (Note 3)	<u>292,918</u>	<u>265,744</u>
	<u>\$ 4,253,730</u>	<u>\$ 3,830,201</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 505,621	\$ 508,983
Government remittances payable	<u>177,912</u>	<u>-</u>
	683,533	508,983
Investment trust agreements	<u>35,000</u>	<u>72,300</u>
	<u>718,533</u>	<u>581,283</u>
<b>FUND BALANCES</b>		
Externally restricted	1,538,326	1,539,768
Internally restricted	1,206,298	785,453
Invested in capital assets	292,918	265,744
Unrestricted	<u>497,655</u>	<u>657,953</u>
	<u>3,535,197</u>	<u>3,248,918</u>
	<u>\$ 4,253,730</u>	<u>\$ 3,830,201</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, 2015

	GENERAL OPERATING FUNDS		DESIGNATED FUNDS		TOTAL	
	2015	2014	2015	2014	2015	2014
<b>REVENUE</b>						
Donations						
Missionary support (Note 4)	\$ -	\$ -	\$ 14,431,715	\$ 14,295,189	\$ 14,431,715	\$ 14,295,189
Field programs	-	-	555,354	425,760	555,354	425,760
General donations	497,909	466,566	1,127,287	578,179	1,625,196	1,044,745
Government grants	5,355	4,527	-	-	5,355	4,527
Investment and other income	154,903	241,099	( 2,430)	37,028	152,473	278,127
	<u>658,167</u>	<u>712,192</u>	<u>16,111,926</u>	<u>15,336,156</u>	<u>16,770,093</u>	<u>16,048,348</u>
<b>EXPENSES</b>						
Programs (Note 5)	611,299	584,979	12,381,404	12,474,986	12,992,703	13,059,965
Administrative	1,070,402	932,411	1,322,094	1,225,864	2,392,496	2,158,275
Fundraising	337,672	286,342	725,236	572,757	1,062,908	859,099
Amortization	37,132	38,067	-	-	37,132	38,067
	<u>2,056,505</u>	<u>1,841,799</u>	<u>14,428,734</u>	<u>14,273,607</u>	<u>16,485,239</u>	<u>16,115,406</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE UNDERNOTED</b>						
	(1,398,338)	(1,129,607)	1,683,192	1,062,549	284,854	( 67,058)
Gain on sale of property	<u>1,425</u>	<u>158,489</u>	<u>-</u>	<u>-</u>	<u>1,425</u>	<u>158,489</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>						
	(1,396,913)	( 971,118)	1,683,192	1,062,549	286,279	91,431
Fund Balances At Beginning Of Year	923,697	1,117,027	2,325,221	2,040,460	3,248,918	3,157,487
Interfund transfers (Note 6)	<u>1,263,789</u>	<u>777,788</u>	<u>(1,263,789)</u>	<u>( 777,788)</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES AT END OF YEAR</b>						
	<u>\$ 790,573</u>	<u>\$ 923,697</u>	<u>\$ 2,744,624</u>	<u>\$ 2,325,221</u>	<u>\$ 3,535,197</u>	<u>\$ 3,248,918</u>
<b>COMPOSITION OF FUNDS</b>						
Externally restricted	\$ -	\$ -	\$ 1,538,326	\$ 1,539,768	\$ 1,538,326	\$ 1,539,761
Internally restricted	-	-	1,206,298	785,453	1,206,298	785,460
Invested in capital assets	292,918	265,744	-	-	292,918	265,744
Unrestricted	<u>497,655</u>	<u>657,953</u>	<u>-</u>	<u>-</u>	<u>497,655</u>	<u>657,953</u>
<b>FUND BALANCES AT END OF YEAR</b>						
	<u>\$ 790,573</u>	<u>\$ 923,697</u>	<u>\$ 2,744,624</u>	<u>\$ 2,325,221</u>	<u>\$ 3,535,197</u>	<u>\$ 3,248,918</u>

(See accompanying notes to financial statements)

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

YEAR ENDED SEPTEMBER 20, 2015

	<u>2015</u>	<u>2014</u>
<b>CASH FROM (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 286,279	\$ 91,431
Adjustments for		
Gain on sale of property	( 1,425)	( 158,489)
Amortization	<u>37,132</u>	<u>38,067</u>
	<u>321,986</u>	<u>( 28,991)</u>
Changes in non-cash working capital		
Accounts receivable	125,786	( 109,375)
Goods and services tax recoverable	( 1,094)	1,167
Inventories	148	34,450
Prepaid expenses	( 36,634)	8,949
Accounts payable and accrued liabilities	( 3,362)	81,902
Government remittances payable	<u>177,912</u>	<u>-</u>
	<u>262,756</u>	<u>17,093</u>
	<u>584,742</u>	<u>( 11,898)</u>
<b>INVESTING ACTIVITIES</b>		
Additions to capital assets	( 65,881)	( 10,809)
Proceeds on sale of capital assets	<u>3,000</u>	<u>192,131</u>
	<u>( 62,881)</u>	<u>181,322</u>
<b>FINANCING ACTIVITIES</b>		
Investments	31,076	20,050
Investment trust agreements	<u>( 37,300)</u>	<u>( 7,200)</u>
	<u>( 6,224)</u>	<u>( 12,850)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	515,637	182,274
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>3,171,263</u>	<u>2,988,989</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 3,686,900</u>	<u>\$ 3,171,263</u>
Cash and cash equivalents consist of:		
Cash	\$ 1,102,832	\$ 766,727
Short-term investments	<u>2,584,068</u>	<u>2,404,536</u>
	<u>\$ 3,686,900</u>	<u>\$ 3,171,263</u>

(See accompanying notes to financial statements)

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

## **NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 20, 2015

### **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.

### **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.

#### **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, 2015

### 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.

#### 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%



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

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

SEPTEMBER 20, 2015

### **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, 2015

### 2. CASH

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

### 3. PROPERTY AND EQUIPMENT

	2015		2014	
	<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	687,646	133,567	147,368
Office furniture and equipment	79,370	66,593	12,777	17,015
Computer equipment and software	284,000	236,440	47,560	-
Media equipment	31,843	19,201	12,642	8,194
Printing arts equipment	246,299	218,754	27,545	35,018
Vehicles	<u>4,100</u>	<u>273</u>	<u>3,827</u>	<u>3,149</u>
	<u>\$ 1,521,825</u>	<u>\$ 1,228,907</u>	<u>\$ 292,918</u>	<u>\$ 265,744</u>

### 4. MISSIONARY SUPPORT REVENUE

Missionary support revenue consists of:

	<u>2015</u>	<u>2014</u>
Field Support	\$ 8,622,200	\$ 8,866,380
Other support	<u>5,809,515</u>	<u>5,428,809</u>
	<u>\$ 14,431,715</u>	<u>\$ 14,295,189</u>

**WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.**

NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2015

**5. PROGRAMS EXPENSES**

Program expenses consists of:

	<u>2015</u>	<u>2014</u>
Field Programs		
Missionary support	\$ 9,149,364	\$ 9,280,589
Projects	503,772	449,953
Communication	787,418	846,783
Public relations	903,334	859,700
Training	<u>1,648,815</u>	<u>1,622,940</u>
	<u>\$ 12,992,703</u>	<u>\$ 13,059,965</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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Designated to General to cover portion of operating expenses	\$ 1,200,908	\$ 959,110	\$ (1,200,908)	\$ ( 959,110)
Designated Capital to General for purchases of capital assets	65,881	10,809	( 65,881)	( 10,809)
General to Designated Capital for disposal of capital assets	<u>( 3,000)</u>	<u>(192,131)</u>	<u>3,000</u>	<u>192,131</u>
	<u>\$ 1,263,789</u>	<u>\$ 777,788</u>	<u>\$ (1,263,789)</u>	<u>\$ ( 777,788)</u>

# WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.

## NOTES TO FINANCIAL STATEMENTS (Continued)

SEPTEMBER 20, 2015

### 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.

### 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. ("the Institute") during the year were \$25,207 (\$4,412 in 2014). There was no accounts receivable from the Institute and \$20,127 (Nil in 2014) in accounts payable to the Institute at September 20, 2015.

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 year and there were no accounts receivable from or accounts payable to OneBook at September 20, 2015.

**WYCLIFFE BIBLE TRANSLATORS OF CANADA INC.**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**SEPTEMBER 20, 2015**

**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.