

EVANGELICAL INTERNATIONAL
CRUSADES CANADA, INC.
O/A INTERNATIONAL TEAMS OF
CANADA>

financial statements

>YEAR ENDED DECEMBER 31, 2007

McClurkin Ahier & Company LLP
CHARTERED ACCOUNTANTS

EVANGELICAL INTERNATIONAL CRUSADES CANADA, INC.
O/A INTERNATIONAL TEAMS OF CANADA>

financial statements

>YEAR ENDED DECEMBER 31, 2007

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AUDITORS' REPORT

To the Members of Evangelical International Crusades Canada, Inc.:

We have audited the statement of financial position of Evangelical International Crusades Canada, Inc. operating as International Teams of Canada as at December 31, 2007, and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

McClurkin Ahier & Company LLP.

Waterloo, Ontario
April 7, 2008

LICENSED PUBLIC ACCOUNTANTS

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EVANGELICAL INTERNATIONAL CRUSADES CANADA, INC.
O/A INTERNATIONAL TEAMS OF CANADA>

statement of financial position

>DECEMBER 31, 2007

	2007	2006
assets		
current		
Cash	\$ 356,122	\$ 467,186
Temporary investments	99,940	234,938
Accounts receivable	64,712	26,595
Prepaid expenses	67,071	92,330
Due from affiliated organizations	<u>19,321</u>	<u>21,190</u>
	607,166	842,239
long term investments	35,000	-
capital assets (Note 3)	<u>46,571</u>	<u>54,205</u>
	<u>\$ 688,737</u>	<u>\$ 896,444</u>
liabilities		
current		
Accounts payable and accrued liabilities	\$ 96,141	\$ 90,772
Due to affiliated organizations	19,547	27,787
Deferred contributions related to capital assets (Note 4)	<u>-</u>	<u>10,725</u>
	<u>115,688</u>	<u>129,284</u>
commitments (Note 5)		
net assets		
Endowment fund (Note 6)	35,000	35,000
Investment in capital assets	46,571	43,480
Internally restricted	498,946	689,111
Unrestricted	<u>(7,468)</u>	<u>(431)</u>
	<u>573,049</u>	<u>767,160</u>
	<u>\$ 688,737</u>	<u>\$ 896,444</u>

Approved on behalf of the board:

Director

Director

EVANGELICAL INTERNATIONAL CRUSADES CANADA, INC.
O/A INTERNATIONAL TEAMS OF CANADA>

statement of changes in net assets

>YEAR ENDED DECEMBER 31, 2007

	restricted for endowment purposes	invested in capital assets	internally restricted	unrestricted	2007 total	2006 total
net assets, beginning of year	\$ 35,000	\$ 43,480	\$ 689,111	\$ (431)	\$ 767,160	\$ 727,918
Excess (deficiency) of revenue over expenses for year	-	-	(187,602)	(6,509)	(194,111)	39,242
Amortization	-	(33,077)	9,068	24,009	-	-
Investment in capital assets	<u>-</u>	<u>36,168</u>	<u>(11,631)</u>	<u>(24,537)</u>	<u>-</u>	<u>-</u>
net assets, end of year	<u>\$ 35,000</u>	<u>\$ 46,571</u>	<u>\$ 498,946</u>	<u>\$ (7,468)</u>	<u>\$ 573,049</u>	<u>\$ 767,160</u>

EVANGELICAL INTERNATIONAL CRUSADES CANADA, INC.
O/A INTERNATIONAL TEAMS OF CANADA>

statement of operations

>YEAR ENDED DECEMBER 31, 2007

	general fund		internally restricted fund		total	
	2007	2006	2007	2006	2007	2006
revenue						
Donations	\$ 200,892	\$ 341,650	\$ 3,102,776	\$ 2,495,053	\$ 3,303,668	\$ 2,836,703
Investment income	24,029	17,496	2,320	3,819	26,349	21,315
Gain on foreign exchange	2,034	5,121	-	-	2,034	5,121
Other	<u>12,377</u>	<u>25,018</u>	<u>131,537</u>	<u>152,415</u>	<u>143,914</u>	<u>177,433</u>
	<u>239,332</u>	<u>389,285</u>	<u>3,236,633</u>	<u>2,651,287</u>	<u>3,475,965</u>	<u>3,040,572</u>
expenses						
Advertising and promotion	4,894	11,271	19,175	1,722	24,069	12,993
Amortization	24,009	39,897	9,068	12,361	33,077	52,258
Contract labour	15,003	44,211	263,952	65,239	278,955	109,450
Food and accommodations	41,794	41,083	280,670	250,124	322,464	291,207
Facility	29,830	30,408	18,398	14,744	48,228	45,152
Other operating costs	10,259	25,158	226,252	183,225	236,511	208,383
Office expenses	108,605	118,134	170,687	89,162	279,292	207,296
Professional fees	6,155	11,128	-	-	6,155	11,128
Salaries and benefits	417,952	441,910	1,311,217	1,090,810	1,729,169	1,532,720
Travel	96,799	89,201	615,357	441,542	712,156	530,743
Leadership, administration and people development recoveries	(467,356)	(397,286)	467,356	397,286	-	-
Contribution and fees	<u>(42,103)</u>	<u>32,902</u>	<u>42,103</u>	<u>(32,902)</u>	<u>-</u>	<u>-</u>
	<u>245,841</u>	<u>488,017</u>	<u>3,424,235</u>	<u>2,513,313</u>	<u>3,670,076</u>	<u>3,001,330</u>
excess (deficiency) of revenue over expenses for year	\$ <u>(6,509)</u>	\$ <u>(98,732)</u>	\$ <u>(187,602)</u>	\$ <u>137,974</u>	\$ <u>(194,111)</u>	\$ <u>39,242</u>

EVANGELICAL INTERNATIONAL CRUSADES CANADA, INC.
O/A INTERNATIONAL TEAMS OF CANADA>

statement of cash flows

>YEAR ENDED DECEMBER 31, 2007

	2007	2006
operating activities		
Excess (deficiency) of revenue over expenses for year	\$ (194,111)	\$ 39,242
Adjustments for:		
Amortization	33,077	52,258
Deferred contributions related to capital assets	<u>(10,725)</u>	<u>(19,241)</u>
	(171,759)	72,259
Changes in non-cash working capital:		
Decrease in temporary investments	99,998	(140,000)
Increase in accounts receivable	(38,117)	2,017
Decrease in prepaid expenses	25,259	(66,811)
Decrease in due from affiliated organizations	1,869	3,651
Increase in accounts payable and accrued liabilities	5,369	60,782
Decrease in due to affiliated organizations	<u>(8,240)</u>	<u>12,464</u>
	(85,621)	(55,638)
investing activities		
Purchase of capital assets	<u>(25,443)</u>	<u>(20,956)</u>
Net change in cash for the year	(111,064)	(76,594)
Cash balance, beginning of year	<u>467,186</u>	<u>543,780</u>
cash balance, end of year	<u>\$ 356,122</u>	<u>\$ 467,186</u>

notes to financial statements

>DECEMBER 31, 2007

1. organization

Evangelical International Crusades (Canada) Inc. (ITC) is incorporated without share capital and is a registered charity for income tax purposes. The Organization develops, trains, supports and maintains missions and missionaries to preach, promote and advance the spiritual teaching of the Christian faith. The Organization also provides assistance in the areas of health, economic development, education and the supply of food and clothing to persons in need internationally. The Organization operates with its affiliates world wide through a joint ministry agreement.

2. significant accounting policies

Basis of Presentation - The donor support of ITC consists primarily of the contributions received with the express preference by the donor for a specific ministry; however, the Organization retains the right to direct these funds. Such amounts are used by ITC in the furthering of its programs and objectives. Accordingly, for financial statement purposes, these amounts are reported as internally restricted.

Recognition of Income - The Organization follows the restricted method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue in the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue when received.

Unrestricted contributions are recognized as revenue in the General Fund in the year received.

Capital Assets and Amortization - Capital assets are recorded at cost. Amortization is provided in the accounts using the following methods and annual rates:

Asset	Method	Rate
Office furniture	Straight line	20 %
Computer equipment	Straight line	25 %
Software	Straight line	100 %
Leasehold improvements	Straight line	20 %

Capital assets acquired during the year are amortized at one half the above annual rates.

Deferred Contributions - Deferred contributions related to capital assets are amortized on the same basis as the leasehold improvements they relate to.

Contributed Materials and Services - The Organization is dependent upon many hours of service contributed by volunteers. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

EVANGELICAL INTERNATIONAL CRUSADES CANADA, INC.
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notes to financial statements

>DECEMBER 31, 2007

Disclosure and Use of Estimates - The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

Estimates are used when accounting for certain items such as revenues, allowance for doubtful accounts, useful lives of capital assets, asset impairments and evaluation of minimum lease terms for operating leases.

3. capital assets

	cost	accumulated amortization	net 2007	net 2006
Office furniture	\$ 73,409	\$ 59,849	\$ 13,560	\$ 21,276
Computer equipment	126,628	94,170	32,458	19,783
Software	38,621	38,621	-	-
Leasehold improvements	<u>160,720</u>	<u>160,167</u>	<u>553</u>	<u>13,146</u>
	<u>\$ 399,378</u>	<u>\$ 352,807</u>	<u>\$ 46,571</u>	<u>\$ 54,205</u>

4. deferred contributions related to capital assets

Deferred contributions related to capital assets represent restricted contributions with respect to the office expansion. Deferred contributions related to capital assets are recognized as revenue on the same basis as the related assets are amortized. The changes in the deferred contributions balance for the year are as follows:

	2007	2006
Balance, beginning of year	\$ 10,725	\$ 29,966
Amount recognized as revenue in the year	<u>(10,725)</u>	<u>(19,241)</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 10,725</u>

EVANGELICAL INTERNATIONAL CRUSADES CANADA, INC.
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5. commitments

ITC is obligated under a leasing contract for the premises from which it operates. The lease expires in 2022 and the future minimum lease payments are as follows:

2008	\$	20,281
2009		20,281
2010		20,281
2011		20,281
2012		20,281
thereafter		<u>192,670</u>
	\$	<u>294,075</u>

6. endowment fund

Of the net assets restricted for endowment purposes, \$35,000 (2006 - \$35,000) is subject to externally imposed restrictions stipulating that the resources be maintained permanently. Investment income derived from these assets is to be used for training purposes.

7. international operations

The international operations of ITC are carried on by employees of ITC through a Joint Ministry Agreement with the affiliated organizations operating world wide as International Teams.

During the year, ITC contributed \$105,250 and \$95,237 (2006 - \$109,281, \$55,987) to International Teams US and affiliated organizations, respectively. These contributions were applied towards the cost of foreign missionaries carrying out the mandate of ITC. In addition, ITC contributed \$88,100 (2006 - \$61,167) towards the costs of world wide leadership and training.

notes to financial statements

>DECEMBER 31, 2007

8. financial instruments

The Organization's financial assets and financial liabilities are held for trading.

Fair Value - The fair values of cash, accounts receivable, due from affiliated organizations, accounts payable and accrued liabilities, and due to affiliated organizations correspond approximately to their carrying amount due to their short term maturity.

Temporary investments and long term investments are measured at fair value, determined on the basis of market value.

Interest rate risk - The Organization manages its portfolio of investments based on its cash flow needs and with a view of optimizing its interest income.

The effective interest rate on temporary investments during the year varied from 4.05% to 4.20% with an average interest rate of 4.11%

Currency Risk - Some assets, liabilities, revenues and expenses are exposed to foreign exchange fluctuations. As at December 31, 2007, cash and due from and to affiliated organizations of \$772.06, \$19,321 and \$19,547 respectively (2006 - \$80,584, \$21,190, \$8,948) are denominated in US dollars.

9. change in accounting policy

During the year, the Organization applied retroactively and without prior period adjustment, the new recommendations of the Canadian Institute of Chartered Accountants on the accounting, measurement and presentation of financial instruments issued in Section 3855, "Financial Instruments - Recognition and Measurement," Section 3862, "Financial Instruments - Disclosures" and Section 3865, "Hedges."