

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

financial statements

>YEAR ENDED DECEMBER 31, 2008

McClurkin Ahter & Company LLP
CHARTERED ACCOUNTANTS

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

financial statements

>YEAR ENDED DECEMBER 31, 2008

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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, 2008, 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, 2008 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
March 26, 2009

LICENSED PUBLIC ACCOUNTANTS
CHARTERED ACCOUNTANTS

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

statement of financial position


>DECEMBER 31, 2008

	2008	2007
<i>assets</i>		
current		
Cash	\$ 265,374	\$ 356,122
Temporary investments	87,109	99,940
Accounts receivable	37,148	64,712
Prepaid expenses	39,412	67,071
Due from affiliated organizations	<u>174,626</u>	<u>19,321</u>
	603,669	607,166
long term investments - restricted	31,034	35,000
capital assets (Note 3)	<u>59,247</u>	<u>46,571</u>
	<u>\$ 693,950</u>	<u>\$ 688,737</u>
<i>liabilities</i>		
current		
Accounts payable and accrued liabilities	\$ 210,263	\$ 96,141
Due to affiliated organizations	<u>22,909</u>	<u>19,547</u>
	<u>233,172</u>	<u>115,688</u>
commitments (Note 5)		
<i>net assets</i>		
Endowment fund (Note 6)	31,034	35,000
Investment in capital assets	59,247	46,571
Internally restricted	374,492	498,946
Unrestricted	<u>(3,995)</u>	<u>(7,468)</u>
	<u>460,778</u>	<u>573,049</u>
	<u>\$ 693,950</u>	<u>\$ 688,737</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, 2008

	restricted for endowment purposes	invested in capital assets	internally restricted	unrestricted	2008 total	2007 total
net assets, beginning of year	\$ 35,000	\$ 46,571	\$ 498,946	\$ (7,468)	\$ 573,049	\$ 767,160
Excess (deficiency) of revenue over expenses for year	-	-	(107,109)	(1,196)	(108,305)	(194,111)
Unrealized gain (loss) on investments held for endowment purposes	(3,966)	-	-	-	(3,966)	-
Amortization	-	(22,820)	12,655	10,165	-	-
Investment in capital assets	-	35,496	(30,000)	(5,496)	-	-
net assets, end of year	<u>\$ 31,034</u>	<u>\$ 59,247</u>	<u>\$ 374,492</u>	<u>\$ (3,995)</u>	<u>\$ 460,778</u>	<u>\$ 573,049</u>

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

statement of operations

>YEAR ENDED DECEMBER 31, 2008

	general fund		internally restricted fund		total	
	2008	2007	2008	2007	2008	2007
revenue						
Donations	\$ 72,653	\$ 200,892	\$ 4,237,811	\$ 3,102,776	\$ 4,310,464	\$ 3,303,668
Investment income	429	16,872	6,667	2,320	7,096	19,192
Unrealized gain (loss) on investments	-	7,157	(12,831)	-	(12,831)	7,157
Gain on foreign exchange	-	2,034	13,484	-	13,484	2,034
Other	4,443	12,377	252,557	131,537	257,000	143,914
	<u>77,525</u>	<u>239,332</u>	<u>4,497,688</u>	<u>3,236,633</u>	<u>4,575,213</u>	<u>3,475,965</u>
expenses						
Advertising and promotion	-	3,820	89,645	19,175	89,645	22,995
Amortization	10,165	24,009	12,655	9,068	22,820	33,077
Contract labour	11,093	8,315	275,329	124,549	286,422	132,864
Contributions to Joint Venture (Note 7)	114,029	88,100	-	-	114,029	88,100
Food and accommodations	19,607	31,164	274,135	280,670	293,742	311,834
Facility	26,413	26,232	159,756	18,398	186,169	44,630
Gifts to qualified donees	100	100	223,229	139,403	223,329	139,503
Other operating costs	1,751	4,424	213,270	226,252	215,021	230,676
Office expenses	89,428	94,249	185,689	170,687	275,117	264,936
Professional fees	11,639	6,155	4,431	-	16,070	6,155
Salaries and benefits	322,752	403,147	1,844,616	1,311,217	2,167,368	1,714,364
Travel	26,535	65,585	767,251	615,357	793,786	680,942
Leadership, administration and people development recoveries	(544,377)	(467,356)	544,377	467,356	-	-
Contribution and fees	(10,414)	(42,103)	10,414	42,103	-	-
	<u>78,721</u>	<u>245,841</u>	<u>4,604,797</u>	<u>3,424,235</u>	<u>4,683,518</u>	<u>3,670,076</u>
excess (deficiency) of revenue over expenses for year	\$ <u>(1,196)</u>	\$ <u>(6,509)</u>	\$ <u>(107,109)</u>	\$ <u>(187,602)</u>	\$ <u>(108,305)</u>	\$ <u>(194,111)</u>

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

statement of cash flows

>YEAR ENDED DECEMBER 31, 2008

	2008	2007
operating activities		
Excess (deficiency) of revenue over expenses for year	\$ (108,305)	\$ (194,111)
Adjustments for:		
Amortization	22,820	33,077
Deferred contributions related to capital assets	<u>-</u>	<u>(10,725)</u>
	(85,485)	(171,759)
Changes in non-cash working capital:		
Decrease in temporary investments	12,831	99,998
Decrease in accounts receivable	27,564	(38,117)
Decrease in prepaid expenses	27,659	25,259
Increase in due from affiliated organizations	(155,305)	1,869
Increase in accounts payable and accrued liabilities	114,122	5,369
Increase in due to affiliated organizations	<u>3,362</u>	<u>(8,240)</u>
	(55,252)	(85,621)
investing activities		
Purchase of capital assets	<u>(35,496)</u>	<u>(25,443)</u>
Net change in cash for the year	(90,748)	(111,064)
Cash balance, beginning of year	<u>356,122</u>	<u>467,186</u>
cash balance, end of year	<u>\$ 265,374</u>	<u>\$ 356,122</u>

notes to financial statements

>DECEMBER 31, 2008

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 %
Vehicles	Straight line	30 %

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.

EVANGELICAL INTERNATIONAL CRUSADES CANADA, INC.
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notes to financial statements

>DECEMBER 31, 2008

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.

The Organization receives contribution of materials, the fair value of which may or may not be reasonably determinable. Contributed materials are recognized as donations when fair values can be determined. During the year ITC received contributed materials of \$12,077 (2007 - nil) that were recognized as donation revenue during the year.

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 2008	net 2007
Office furniture	\$ 73,409	\$ 64,802	\$ 8,607	\$ 13,560
Vehicles	30,000	4,500	25,500	-
Computer equipment	132,124	106,984	25,140	32,458
Software	38,621	38,621	-	-
Leasehold improvements	<u>160,720</u>	<u>160,720</u>	<u>-</u>	<u>553</u>
	<u>\$ 434,874</u>	<u>\$ 375,627</u>	<u>\$ 59,247</u>	<u>\$ 46,571</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:

	2008	2007
Balance, beginning of year	\$ -	\$ 10,725
Amount recognized as revenue in the year	<u>-</u>	<u>(10,725)</u>
Balance, end of year	<u>\$ -</u>	<u>\$ -</u>

notes to financial statements

>DECEMBER 31, 2008

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:

2009	\$	20,281
2010	\$	20,281
2011	\$	20,281
2012	\$	20,281
2013	\$	20,281
thereafter	\$	172,389

6. endowment fund

Of the net assets restricted for endowment purposes, \$31,034 (2007 - \$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 \$132,314 and \$80,508 (2007 - \$105,250 and \$95,237) 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 \$114,029 (2007 - \$88,100) towards the costs of world wide leadership and training.

8. comparative figures

Certain of the comparative figures have been restated to conform with the current year's presentation.

9. 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.

Currency Risk - Some assets, liabilities, revenues and expenses are exposed to foreign exchange fluctuations. As at December 31, 2008, cash and due from and to affiliated organizations of \$9,572, \$170,205 and \$22,909 respectively (2007 - \$772, \$19,321 and \$19,547) are denominated in US dollars.