

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

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# financial statements

>YEAR ENDED DECEMBER 31, 2009

McClurkin Ahier & Company LLP  
CHARTERED ACCOUNTANTS

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

# financial statements

>YEAR ENDED DECEMBER 31, 2009

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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, 2009, 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, 2009 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 17, 2010

LICENSED PUBLIC ACCOUNTANTS  
CHARTERED ACCOUNTANTS

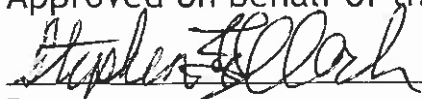
EVANGELICAL INTERNATIONAL CRUSADES CANADA, INC.  
O/A INTERNATIONAL TEAMS OF CANADA >

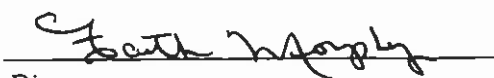
# statement of financial position

>DECEMBER 31, 2009

	2009	2008
<b>assets</b>		
<b>current</b>		
Cash	\$ 60,683	\$ 265,374
Temporary investments	-	87,109
Accounts receivable	83,733	37,148
Prepaid expenses	106,103	39,412
Due from affiliated organizations	<u>-</u>	<u>174,626</u>
	250,519	603,669
<b>long term investments - restricted</b>	32,200	31,034
<b>capital assets (Note 4)</b>	<u>51,837</u>	<u>59,247</u>
	<u>\$ 334,556</u>	<u>\$ 693,950</u>
<b>liabilities</b>		
<b>current</b>		
Accounts payable and accrued liabilities	\$ 84,070	\$ 210,263
Due to affiliated organizations	<u>64,390</u>	<u>22,909</u>
	<u>148,460</u>	<u>233,172</u>
<b>commitments (Note 5)</b>		
<b>net assets</b>		
Endowment fund (Note 6)	32,200	31,034
Investment in capital assets	51,837	59,247
Internally restricted	99,544	374,492
Unrestricted	<u>2,515</u>	<u>(3,995)</u>
	<u>186,096</u>	<u>460,778</u>
	<u>\$ 334,556</u>	<u>\$ 693,950</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, 2009

	restricted for endowment purposes	invested in capital assets	internally restricted	unrestricted	2009 total	2008 total
<b>net assets, beginning of year</b>	\$ 31,034	\$ 59,247	\$ 374,492	\$ (3,995)	\$ 460,778	\$ 573,049
Excess (deficiency) of revenue over expenses for year	-	-	(270,956)	(4,892)	(275,848)	(108,305)
Unrealized gain (loss) on investments held for endowment purposes	1,166	-	-	-	1,166	(3,966)
Amortization	-	(27,060)	18,504	8,556	-	-
Investment in capital assets	-	19,650	(22,496)	2,846	-	-
<b>net assets, end of year</b>	<u>\$ 32,200</u>	<u>\$ 51,837</u>	<u>\$ 99,544</u>	<u>\$ 2,515</u>	<u>\$ 186,096</u>	<u>\$ 460,778</u>

EVANGELICAL INTERNATIONAL CRUSADES CANADA, INC.  
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# statement of operations

>YEAR ENDED DECEMBER 31, 2009

	general fund		internally restricted fund		total	
	2009	2008	2009	2008	2009	2008
<b>revenue</b>						
Donations	\$ 173,990	\$ 72,653	\$ 4,024,257	\$ 4,237,811	\$ 4,198,247	\$ 4,310,464
Investment income	31	429	(4,437)	6,667	(4,406)	7,096
Unrealized gain (loss) on investments	-	-	-	(12,831)	-	(12,831)
Gain (loss) on foreign exchange	-	-	(4,001)	13,484	(4,001)	13,484
Other	<u>6,664</u>	<u>4,443</u>	<u>90,227</u>	<u>252,557</u>	<u>96,891</u>	<u>257,000</u>
	<u>180,685</u>	<u>77,525</u>	<u>4,106,046</u>	<u>4,497,688</u>	<u>4,286,731</u>	<u>4,575,213</u>
<b>expenses</b>						
Advertising and promotion	-	-	77,895	89,645	77,895	89,645
Amortization	8,556	10,165	18,504	12,655	27,060	22,820
Contract labour	11,936	11,093	178,866	275,329	190,802	286,422
Contributions to Joint Venture (Note 7)	101,167	114,029	-	-	101,167	114,029
Food and accommodations Facility	15,500	19,607	283,170	274,135	298,670	293,742
	26,466	26,413	246,992	159,756	273,458	186,169
Gifts to qualified donees	-	100	194,055	223,229	194,055	223,329
Other operating costs	1,146	1,751	246,808	213,270	247,954	215,021
Office expenses	73,727	89,428	218,844	185,689	292,571	275,117
Professional fees	10,250	11,639	469	4,431	10,719	16,070
Salaries and benefits	398,802	322,752	1,832,036	1,844,616	2,230,838	2,167,368
Travel	14,931	26,535	602,459	767,251	617,390	793,786
Leadership, administration and people development recoveries	(517,342)	(544,377)	517,342	544,377	-	-
Contribution and fees	<u>40,438</u>	<u>(10,414)</u>	<u>(40,438)</u>	<u>10,414</u>	<u>-</u>	<u>-</u>
	<u>185,577</u>	<u>78,721</u>	<u>4,377,002</u>	<u>4,604,797</u>	<u>4,562,579</u>	<u>4,683,518</u>
<b>excess (deficiency) of revenue over expenses for year</b>	\$ <u>(4,892)</u>	\$ <u>(1,196)</u>	\$ <u>(270,956)</u>	\$ <u>(107,109)</u>	\$ <u>(275,848)</u>	\$ <u>(108,305)</u>

EVANGELICAL INTERNATIONAL CRUSADES CANADA, INC.  
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# statement of cash flows

>YEAR ENDED DECEMBER 31, 2009

	2009	2008
<b>operating activities</b>		
Excess (deficiency) of revenue over expenses for year	\$ (275,848)	\$ (108,305)
Adjustments for:		
Amortization	<u>27,060</u>	<u>22,820</u>
	(248,788)	(85,485)
Changes in non-cash working capital:		
Decrease in temporary investments	87,109	12,831
Increase in accounts receivable	(46,585)	27,564
Increase in prepaid expenses	(66,691)	27,659
Decrease in due from affiliated organizations	174,626	(155,305)
Decrease in accounts payable and accrued liabilities	(126,193)	114,122
Increase in due to affiliated organizations	<u>41,481</u>	<u>3,362</u>
	(185,041)	(55,252)
<b>investing activities</b>		
Purchase of capital assets	<u>(19,650)</u>	<u>(35,496)</u>
Net change in cash for the year	(204,691)	(90,748)
Cash balance, beginning of year	<u>265,374</u>	<u>356,122</u>
<b>cash balance, end of year</b>	<b>\$ <u>60,683</u></b>	<b>\$ <u>265,374</u></b>

# notes to financial statements

>DECEMBER 31, 2009

## 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.

**Financial Instruments** - The Organization has classified its financial assets and financial liabilities as follows:

Cash, temporary investments and long term investments are classified as held for trading.

Accounts receivable and due from affiliated organizations are classified as loans and receivables.

Accounts payable and accrued liabilities and due to affiliated organizations are classified as other financial liabilities.



# notes to financial statements

>DECEMBER 31, 2009

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**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 \$15,408 (2008 - \$12,077) 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, and useful lives of capital assets.

### 3. change in accounting policy

During the year, the Organization adopted amendments to several of the existing sections in the 4400 series - Financial Statements by Not-for-Profit Organizations as recommended by the Canadian Institute of Chartered Accountants (CICA).

Changes apply to annual financial statements relating to fiscal years beginning on or after January 1, 2009. The amendments include: a) additional guidance in the applicability of Section 1100, Generally Accepted Accounting Principles; b) removal of the requirement to report separately net assets invested in capital assets; c) requirement to disclose revenues and expenses in accordance with EIC 123, Reporting Revenue Gross as a Principal Versus Net as an Agent; d) requirements to include a statement of cash flows in accordance with Section 1540, Cash Flow Statements; e) requirement to apply Section 1751, Interim Financial Statements, when preparing interim financial statements in accordance with GAAP; f) requirement for not-for-profit organizations that recognize capital assets to depreciate and assess these capital assets for impairment in the same manner as other entities reporting on a GAAP basis; g) requirement to disclose related party transactions in accordance with Section 3840, Related Party Transactions; and h) new disclosure requirements regarding the allocation of fundraising and general support costs.

EVANGELICAL INTERNATIONAL CRUSADES CANADA, INC.  
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# notes to financial statements

>DECEMBER 31, 2009

## 4. capital assets

	cost	accumulated amortization	net 2009	net 2008
Office furniture	\$ 73,409	\$ 68,897	\$ 4,512	\$ 8,607
Vehicles	47,000	16,050	30,950	25,500
Computer equipment	134,775	118,400	16,375	25,140
Software	38,621	38,621	-	-
Leasehold improvements	<u>160,720</u>	<u>160,720</u>	<u>-</u>	<u>-</u>
	<u>\$ 454,525</u>	<u>\$ 402,688</u>	<u>\$ 51,837</u>	<u>\$ 59,247</u>

## 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:

2010	\$ 20,281
2011	\$ 20,281
2012	\$ 20,281
2013	\$ 20,281
2014	\$ 20,281
thereafter	\$ 152,108

## 6. endowment fund

Of the net assets restricted for endowment purposes, \$32,200 (2008 - \$31,034) 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 \$180,078 and \$97,348 (2008 - \$132,314 and \$80,508) 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 \$87,019 (2008 - \$114,029) towards the costs of world wide leadership and training.

# notes to financial statements

>DECEMBER 31, 2009

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## 8. subsequent events

The Organization has entered into a memorandum of understanding with the charity in application "Blue Sea Philanthropy" (BSP) for the sale of the Ride For Refugees asset for an agreed minimum of \$500,000. The sale is contingent on BSP acquiring charitable status. The sale is projected to occur in 2010 with sale proceeds to be received over 3 years.

The Organization borrowed \$200,000 on January 21, 2010 to be repaid on or before December 31, 2010 including interest at 3% per annum.

## 9. financial instruments

**Fair value** - The fair value of financial assets and liabilities classified as loans and receivables and other financial liabilities approximate their carrying value due to their short term maturity. Financial assets and liabilities classified as held for trading are measured at fair value determined on the basis of market value.

**Risk management** - It is management's opinion that the Organization is not exposed to significant interest rate or credit risks arising from its financial instruments. The following analysis provides a measure of the currency risk at December 31, 2009.

**Currency Risk** - Some assets, liabilities, revenues and expenses are exposed to foreign exchange fluctuations. As at December 31, 2009, cash and due from and to affiliated organizations of \$17,422, \$nil and \$50,242 respectively (2008 - \$9,572, \$170,205 and \$22,909) are denominated in US dollars.

## 10. capital disclosures

The Organizations's objectives in managing its capital, which it defines as its net assets, are to maintain a sufficient level to provide for normal operating requirements on an ongoing basis, to ensure internal restrictions are sustained, and to continue its mission as disclosed in Note I. The Organization manages its capital by ensuring it has sufficient funds before committing to expenditures.

The Organization is subject to the disbursement requirements set by the Canada Revenue Agency for Canadian charities and was in compliance with these requirements for the current fiscal year. The Organization is not subject to any external capital requirements other than those outlined.