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

financial statements

>YEAR ENDED DECEMBER 31, 2010

McClurkin Ahler & Company LLP
CHARTERED ACCOUNTANTS

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

financial statements

>YEAR ENDED DECEMBER 31, 2010

index

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Evangelical International Crusades Canada, Inc., which comprise the statement of financial position as at December 31, 2010, and the statement of operations, statement of changes in net assets and statement of 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 generally accepted accounting principles 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.

Auditor's 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 auditor's judgment, 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 auditor considers 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Evangelical International Crusades Canada, Inc. as at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

McClurkin Ahier & Company LLP.

Waterloo, Ontario
March 16, 2011

LICENSED PUBLIC ACCOUNTANTS
CHARTERED ACCOUNTANTS

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

statement of financial position

>DECEMBER 31, 2010

	statement of financial position	2009
assets		
current		
Cash	$ 273,789	$ 60,683
Accounts receivable	84,731	83,733
Prepaid expenses	101,075	106,103
Due from affiliated organizations	29,643	-
	489,238	250,519
long term investments - restricted	32,200	32,200
capital assets (Note 4)	58,429	51,837
	$ 579,867	$ 334,556
liabilities		
current		
Accounts payable and accrued liabilities	$ 180,667	$ 84,070
Note payable (Note 5)	200,000	-
Due to affiliated organizations	12,456	64,390
	393,123	148,460
commitments (Note 6)		
net assets		
Endowment fund (Note 7)	32,200	32,200
Investment in capital assets	58,429	51,837
Internally restricted	64,165	99,544
Unrestricted	31,950	2,515
	186,744	186,096
	$ 579,867	$ 334,556

Approved on behalf of the board:

Faith Yorphey Director

Stuart Thomas Director

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

statement of changes in net assets

>YEAR ENDED DECEMBER 31, 2010

	restricted for endowment purposes	invested in capital assets	internally restricted	unrestricted	2010 total	2009 total
net assets, beginning of year	$ 32,200	$ 51,837	$ 99,544	$ 2,515	$ 186,096	$ 460,778
Excess (deficiency) of revenue over expenses for year	-	-	(21,292)	21,940	648	(275,848)
Unrealized gain (loss) on investments held for endowment purposes	-	-	-	-	-	1,166
Amortization	-	(32,760)	25,265	7,495	-	-
Investment in capital assets	-	39,352	(39,352)	-	-	-
net assets, end of year	$ 32,200	$ 58,429	$ 64,165	$ 31,950	$ 186,744	$ 186,096

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

statement of operations

>YEAR ENDED DECEMBER 31, 2010

	general	internally restricted	2010 total	2009 total
revenue				
Donations	$ 84,485	$ 4,234,183	$ 4,318,668	$ 4,198,247
Gain (loss) on foreign exchange	(4)	7,914	7,910	(4,001)
Other income	1,929	131,344	133,273	92,485
	86,410	4,373,441	4,459,851	4,286,731
expenses				
Amortization	7,495	25,265	32,760	27,060
Contributions to Joint Venture (Note 8)	-	99,964	99,964	101,167
Facility	31,289	169,164	200,453	268,958
Food, accommodation and travel	8,015	773,714	781,729	868,191
Fundraising	-	323,768	323,768	340,731
Gifts to qualified donees	106	529,516	529,622	194,055
Office	104,712	153,831	258,543	237,631
Program development	949	152,546	153,495	226,917
Salaries and benefits	248,239	1,830,630	2,078,869	2,297,869
Leadership and administration	(336,335)	336,335	-	-
	64,470	4,394,733	4,459,203	4,562,579
excess (deficiency) of revenue over expenses for year	$ 21,940	$ (21,292)	$ 648	$ (275,848)

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

statement of cash flows

>YEAR ENDED DECEMBER 31, 2010

	statement of financial position	2009
operating activities		
	$ 648	$ (275,848)
Adjustments for:		
Amortization	32,760	27,060
	33,408	(248,788)
Changes in non-cash working capital:		
Decrease in temporary investments	-	87,109
Increase in accounts receivable	(998)	(46,585)
Decrease in prepaid expenses	5,028	(66,691)
Increase in due from affiliated organizations	(29,643)	174,626
Increase in accounts payable and accrued liabilities	96,597	(126,193)
Decrease in due to affiliated organizations	(51,934)	41,481
	52,458	(185,041)
financing activities		
Note payable	200,000	-
investing activities		
Purchase of capital assets	(39,352)	(19,650)
Net change in cash for the year	213,106	(204,691)
Cash balance, beginning of year	60,683	265,374
cash balance, end of year	$ 273,789	$ 60,683

notes to financial statements

>DECEMBER 31, 2010

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 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, note payable and due to affiliated organizations are classified as other financial liabilities.

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 $516 (2009 - $15,408) 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. future accounting changes

The Canadian Institute of Chartered Accountants has approved a new framework for the sector that is based on the existing Canadian GAAP and incorporates the 4400 series of standards. The new standards are available as of December 1, 2010 as Part III of the CICA Handbook - Accounting and are effective January 1, 2012, with early adoption permitted. Organizations also have the option of adopting International Financial Reporting Standards. Until the new standards are effective, all organizations will continue to follow the existing accounting standards found in the CICA Handbook - Accounting. The Organization is currently evaluating the impact of the adoption of these new standards on its financial statements. The Organization does not expect that the adoption of these new standards will have a material impact on its financial statements and intends to adopt these standards when effective.

4. capital assets

2009

	cost	accumulated amortization	net statement of financial position	net
Office furniture	$ 73,409	$ 72,177	$ 1,232	$ 4,512
Vehicles	86,351	36,052	50,299	30,950
Computer equipment	134,775	127,877	6,898	16,375
Software	38,621	38,621	-	-
Leasehold improvements	160,720	160,720	-	-
	$ 493,876	$ 435,447	$ 58,429	$ 51,837

5. note payable

$200,000 note payable bearing interest at 3% per annum due December 31, 2011.

6. 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:

2011	$	20,281
2012	$	20,281
2013	$	20,281
2014	$	20,281
2015	$	20,281
thereafter	$	131,827

7. endowment fund

Of the net assets restricted for endowment purposes, $32,200 (2009 - $32,200) 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.

8. international operations, assets and measurement uncertainty

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. The Organization has consistently followed the policy of expensing all costs for international operations, property and equipment. This policy is based upon the practice that such assets, while generally redeployable under the direction of the Organization, are not always accessible for redeployment due to foreign property regulations, international fund transfer and foreign currency exchange limitations.

During the year, ITC contributed $80,384 and $95,636 (2009 - $180,078 and $97,348) 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 $75,571 (2009 - $87,019) towards the costs of world wide leadership and training.

9. comparative figures

Certain of the comparative figures have been restated to conform to the presentation adopted for the current year.

notes to financial statements

10. 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 2011 with sale proceeds to be received over 3 years.

11. 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, 2010.

Currency Risk - Some assets, liabilities, revenues and expenses are exposed to foreign exchange fluctuations. As at December 31, 2010, cash and due from and to affiliated organizations of $22,821, $29,643 and $8,056 respectively (2009 - $17,422, $nil and $50,242) are denominated in US dollars.

12. 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 1. The Organization manages its capital by ensuring it has sufficient funds before committing to expenditures.

As a Registered Charity, the Organization is required to devote its resources to activities in pursuit of its own charitable purposes. Failure to comply can lead to the revocation of the Organization's charitable status. The Organization was in compliance with these requirements for the current fiscal year.