

International Fellowship of Christians and Jews of Canada

Financial Statements

For the Year Ended December 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of International Fellowship of Christians and Jews of Canada

Opinion

We have audited the financial statements of International Fellowship of Christians and Jews of Canada (the "Organization or "IFCJ Canada"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

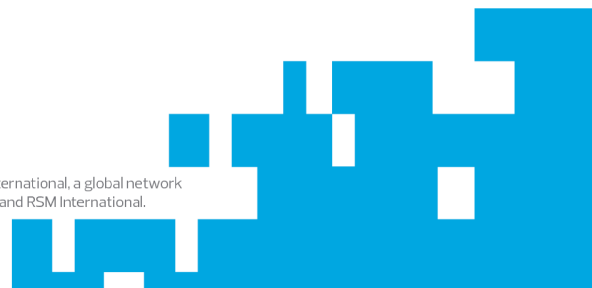
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
June 19, 2025
Toronto, Ontario

International Fellowship of Christians and Jews of Canada
Statement of Financial Position
As at December 31, 2024

	2024	2023
Assets		
Current		
Cash	\$ 1,750,222	\$ 2,669,334
Other receivables	3,082	8,527
Prepaid expenses	293,783	277,198
	2,047,087	2,955,059
Capital assets (Note 3)	476,864	538,833
Cloud computing implementation costs (Note 4)	55,787	51,117
	\$ 2,579,738	\$ 3,545,009


Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 949,144	\$ 679,010
Deferred contributions (Note 5)	-	35,002
Current portion of deferred tenant inducement	24,845	24,845
	973,989	738,857
Deferred tenant inducement	215,279	222,032
	1,189,268	960,889

Net Assets

Invested in capital assets (Note 6)	333,884	366,337
Internally restricted reserve fund	880,000	880,000
Unrestricted	176,586	1,337,783
	1,390,470	2,584,120
	\$ 2,579,738	\$ 3,545,009

Commitments (Note 9)

Approved by the Board	Signed by:	Signed by:
		
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	Director	Director

International Fellowship of Christians and Jews of Canada
Statement of Operations
Year Ended December 31, 2024

	2024	2023
Revenue		
Donor contributions		
Restricted (Note 5)	\$ 5,411,502	\$ 7,456,084
Unrestricted	8,485,145	7,846,602
Operating grant (Note 11)	771,274	402,330
Interest income	79,283	52,094
	14,747,204	15,757,110
Expenses		
Program expenses		
Poverty	8,250,191	7,671,003
Aliyah	1,813,694	1,645,729
Fellowship	55,482	53,975
Education Outreach Program	-	20,000
	10,119,367	9,390,707
Other expenses		
Fundraising (Note 8)	4,410,567	4,005,755
Management and administration	1,410,920	1,296,063
	5,821,487	5,301,818
	15,940,854	14,692,525
Excess (deficiency) of revenue over expenses	\$ (1,193,650)	\$ 1,064,585

International Fellowship of Christians and Jews of Canada
Statement of Changes in Net Assets
Year Ended December 31, 2024

	Invested in capital assets	Internally restricted reserve funds	Unrestricted	2024 Total	2023 Total
Net assets, beginning of year	\$ 366,337	\$ 880,000	\$ 1,337,783	\$ 2,584,120	\$ 1,519,535
Excess (deficiency) of revenue over expenses	(110,340)	-	(1,083,310)	(1,193,650)	1,064,585
Interfund transfer - net tenant inducement	24,845	-	(24,845)	-	-
Interfund transfer - purchase of capital assets and cloud computing implementation costs	54,409	-	(54,409)	-	-
Interfund transfer - loss on write off of capital assets	(1,367)	-	1,367	-	-
Net assets, end of year	\$ 333,884	\$ 880,000	\$ 176,586	\$ 1,390,470	\$ 2,584,120

International Fellowship of Christians and Jews of Canada
Statement of Cash Flows
Year Ended December 31, 2024

	2024	2023
Cash provided by (used in)		
Operations		
Excess (deficiency) of revenue over expenses	\$ (1,193,650)	\$ 1,064,585
Items not affecting cash		
Amortization of capital assets	79,058	74,398
Amortization of cloud computing implementation costs	31,282	14,573
Amortization of tenant inducement	(24,845)	(24,845)
Difference between actual rent and accounting rent	18,092	23,264
Loss on write off of capital assets	1,368	-
Tenant inducement paid by landlord	-	248,458
	(1,088,695)	1,400,433
Net changes in non-cash operating working capital		
Other receivables	5,445	56,473
Prepaid expenses and deposits	(16,585)	118,135
Accounts payable and accrued liabilities	270,134	17,815
Deferred revenue	(35,002)	-
	(864,703)	1,592,856
Investing		
Additions to capital assets	(18,457)	(475,497)
Cloud computing implementation costs	(35,952)	(22,018)
	(54,409)	(497,515)
Increase (decrease) in cash	(919,112)	1,095,341
Cash, beginning of year	2,669,334	1,573,993
Cash, end of year	\$ 1,750,222	\$ 2,669,334

1. NATURE OF OPERATIONS

International Fellowship of Christians and Jews of Canada ("IFCJ Canada") was incorporated as a not-for-profit organization without share capital in 1999 under the Canada Corporations Act and was continued under the Canada Not-for-Profit Corporations Act in 2014. Its objectives are to advance, encourage and support Christians and Jews in their faith practices by promoting biblical doctrine and values in accordance with IFCJ Canada's statement of beliefs, and to relieve human suffering and economic hardships through initiatives that testify to God's word and promise. IFCJ Canada is a registered charity under the Income Tax Act (Canada) and accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for IFCJ Canada.

Revenue Recognition

IFCJ Canada follows the deferral method of accounting for contributions, which include donations and operating grants. Unrestricted contributions are recognized when received. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

Revenues other than contributions, including investment income, are recognized when they are earned and collectibility is reasonably assured.

Contributed Material and Services

Because of the difficulty in determining the fair value of contributed materials and services, contributed services and materials are not recognized in these financial statements.

Internally Restricted Reserve Fund

The Board of Directors created an internally restricted reserve fund in 2021 to cover operating costs and planned charitable program disbursements. In April 2021 the Board approved an increase in the reserve to \$880,000.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Capital Assets

Capital assets are recorded at cost less accumulated amortization. When conditions indicate a capital asset's value is impaired, it will be written down to its fair value or replacement cost, with the write-down recorded as an expense. Write-downs will not be reversed. Amortization is provided on a straight-line basis over the estimated useful lives of the assets, as follows:

<u>Asset</u>	<u>Rate</u>
Computer software	3 years
Computer	3 years
Furniture and fixtures	7 years
Leasehold improvements	Term of lease

Cloud Computing Implementation Costs

On January 1, 2024, IFCJ Canada adopted Accounting Guideline 20, Customer's Accounting for Cloud Computing Arrangements (AcG-20), which specifies acceptable methods of recognizing and measuring costs associated with cloud computing services. The new Guideline is intended to better account for and present the substance of cloud computing costs, and to enhance consistency of sector financial reporting practices.

IFCJ Canada has elected to capitalize implementation costs directly associated with using software services such as its Customer Relationship Management software. These costs are amortized on a straight-line basis over the estimated remaining periods of use of the associated software. Consistent with the Guideline, IFCJ Canada regularly reviews and updates, as needed, estimated remaining periods of use. Amortization is currently being taken over 5 years, the term of the software license agreement.

The costs associated with the software service are expensed as incurred.

IFCJ Canada applied the provisions of the Guideline retrospectively only to expenditures on implementation activities incurred in a cloud computing arrangement on or after the beginning of the earliest period presented. No adjustments were required as a result of these transitional provisions.

Deferred Tenant Inducement

Leases are accounted for as operating leases and rent expense is recorded in the statement of operations on a straight-line basis over the term of the related lease. The excess of the straight-line rent expense over the rental payments as stipulated under the lease agreement is recorded to deferred tenant inducement, which will be reduced as the actual rent exceeds the smoothed rent.

Amounts paid by the landlord for leasehold improvements are also recorded as deferred tenant inducement and taken into income at the same rate as the leasehold improvements are amortized.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Allocation of Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statement operations. Operating expenses directly identified with a functional area are charged to that area. Payroll expenses which affect more than one area are allocated based on management estimates relating to time spent and employee job description.

Financial Instruments

IFCJ Canada initially measures its financial assets and liabilities at fair value. IFCJ Canada subsequently measures its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash and other receivables. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of a write-down, if any, is recognized in the excess of revenue over expenses. Reversals of impairment are recorded to the extent that the value has increased, up to the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenditures for the year then ended. Estimates are used when accounting for amortization and expense allocations. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2024	Net 2023
Computer	\$ 50,677	\$ 26,061	\$ 24,616	\$ 23,877
Furniture and fixtures	171,075	53,557	117,518	143,326
Leasehold improvements	417,546	82,816	334,730	371,630
	\$ 639,298	\$ 162,434	\$ 476,864	\$ 538,833

4. CLOUD COMPUTING IMPLEMENTATION COSTS

	Cost	Accumulated Amortization	Net 2024	Net 2023
Cloud computing implementation costs	\$ 101,642	\$ 45,855	\$ 55,787	\$ 51,117

5. DEFERRED CONTRIBUTIONS

Deferred contributions consist of funding received for which the related expenditures have not yet been made.

	2024	2023
Balance, beginning of year	\$ 35,002	\$ 35,002
Restricted contributions received	5,411,502	7,456,084
Contributions recognized as revenue	(5,446,504)	(7,456,084)
	\$ -	\$ 35,002

6. INVESTED IN CAPITAL ASSETS

Invested in capital assets is comprised of the following:

	2024	2023
Capital assets	\$ 476,864	\$ 538,833
Cloud computing amortization costs	55,787	51,117
Unamortized tenant inducement	(198,767)	(223,613)
	\$ 333,884	\$ 366,337

7. DEFINED CONTRIBUTION EMPLOYEE BENEFIT PLAN

IFCJ Canada sponsors a defined contribution retirement plan for full time employees, matching employee contributions to a maximum of 5% of annual salary. IFCJ Canada contributed \$29,534 (2023 - \$30,088) to employee plans during the year.

8. FUNDRAISING

Fundraising expense includes an allocation of payroll and benefit costs of \$538,470 (2023 - \$424,879) for employees whose duties include fundraising activities. \$167,806 (2023 - \$172,050) was paid to a fundraising business used to make solicitations on behalf of IFCJ Canada. Fundraising costs also include TV airtime and production, printing, postage and a post office lockbox.

9. COMMITMENTS

IFCJ Canada leases its premises under an agreement which expires on December 31, 2032. Minimum future payments required under the operating lease are as follows:

2025	\$ 181,045
2026	186,018
2027	190,992
2028	195,966
2029	200,940
Thereafter	632,661
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	\$ 1,587,622

10. FINANCIAL RISK MANAGEMENT

In managing capital, IFCJ Canada focuses on liquid resources available for operations. IFCJ Canada's objective is to have sufficient liquid resources to continue operating and to provide it with the flexibility to take advantage of opportunities that will advance its purpose. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to budget.

There were no changes in the risks from the previous year end.

11. RELATIONSHIP WITH THE INTERNATIONAL FELLOWSHIP OF CHRISTIANS & JEWS, INC. (IFCJ U.S.)

IFCJ Canada and IFCJ U.S. have a common founder and share a common mission and purpose. Two individuals who sit on the IFCJ Canada Board, comprising a minority of the Board, also hold senior positions within IFCJ U.S. One of these individuals also holds a position on the board of a charity in Israel which carries out charitable programs on behalf of IFCJ Canada and IFCJ U.S. in accordance with written agreements.

IFCJ Canada has a management services agreement with IFCJ U.S. under which IFCJ U.S. provides fundraising, consulting, information technology and other services. The agreement expired in December 2024 and will be automatically renewed for an additional one year term unless either party provides 30 day notice to not renew at the end of the current term. During the year, IFCJ U.S. provided an operating grant of \$771,274 (2023 - \$402,330) to IFCJ Canada.

12. COMPARATIVE FIGURES

Certain comparative revenue and expenses figures have been reclassified to conform with the current year presentation relating to cloud computing implementation costs, including capital assets, amortization of capital assets, and additions to capital assets on the statement of cash flows.