

International Fellowship of Christians & Jews, Inc.

Consolidated Financial Report
December 31, 2018

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RSM US LLP

Independent Auditor's Report

To the Board of Directors
International Fellowship of Christians & Jews, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the International Fellowship of Christians & Jews, Inc. (The Fellowship) which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of HaKeren L'Yedidut (the Amutah), an Israeli nonprofit organization, whose statements reflect total assets constituting 24.0% and 21.3%, respectively, of consolidated total assets at December 31, 2018 and 2017, and total revenues constituting 2.9% of consolidated total revenues for both of those years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Amutah, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 audit opinion.

Opinion

In our opinion, based on our audits and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of the International Fellowship of Christians & Jews, Inc. as of December 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual entities and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audits and the report of the other auditor, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Emphasis of Matter

The Fellowship adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, during 2018. The adoption of the standard resulted in additional footnote disclosures and significant changes to classification of net assets and the disclosures related to net assets. Our opinion is not modified with respect to this matter.

RSM US LLP

Chicago, Illinois
July 23, 2019

International Fellowship of Christians & Jews, Inc.

Consolidated Statements of Financial Position
December 31, 2018 and 2017

	2018	2017
Assets		
Cash	\$ 18,027,281	\$ 13,582,022
Investments	30,031,838	32,365,299
Accounts receivable	302,557	16,897
Prepaid expenses	1,224,164	1,756,073
Fixed assets, net	5,358,470	2,736,247
Deferred lease expense	5,629,519	5,629,519
Other	1,090,226	1,074,553
	<u>1,090,226</u>	<u>1,074,553</u>
Total assets	<u>\$ 61,664,055</u>	<u>\$ 57,160,610</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 9,309,567	\$ 7,937,174
Grant commitments payable	5,000,000	5,000,000
Charitable gift annuities payable	4,081,288	3,352,818
Deferred compensation payable	4,294,387	4,385,617
Deferred rent	372,475	456,100
	<u>372,475</u>	<u>456,100</u>
Total liabilities	<u>23,057,717</u>	<u>21,131,709</u>
Net assets:		
Without donor restrictions	32,695,245	35,525,757
With donor restrictions	5,911,093	503,144
	<u>5,911,093</u>	<u>503,144</u>
Total net assets	<u>38,606,338</u>	<u>36,028,901</u>
	<u>38,606,338</u>	<u>36,028,901</u>
Total liabilities and net assets	<u>\$ 61,664,055</u>	<u>\$ 57,160,610</u>

See notes to consolidated financial statements.

International Fellowship of Christians & Jews, Inc.

Consolidated Statement of Activities
Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Contributions	\$ 115,637,703	\$ 6,067,662	\$ 121,705,365
Investment loss, net of fees	(1,848,809)	(21,366)	(1,870,175)
Catalog sales	34,116	-	34,116
Tours, conferences and other income	1,720,391	-	1,720,391
Net assets released from restrictions	1,263,500	(1,263,500)	-
Total revenues	116,806,901	4,782,796	121,589,697
Expenses:			
Fellowship	11,429,663	-	11,429,663
Guardians of Israel	36,558,468	-	36,558,468
Isaiah 58	23,987,193	-	23,987,193
On Wings of Eagles	11,974,975	-	11,974,975
Stand For Israel	432,183	-	432,183
Bless the Persecuted	224,396	-	224,396
	84,606,878	-	84,606,878
General and administrative	14,983,422	-	14,983,422
Fundraising	16,295,964	-	16,295,964
Loss on disposal of fixed assets	61,511	-	61,511
Total expenses	115,947,775	-	115,947,775
Increase in net assets before other items	859,126	4,782,796	5,641,922
Other items:			
Allocation to the Fellowship House	(4,559,303)	-	(4,559,303)
Effects of foreign currency translation	1,494,818	-	1,494,818
Total other items	(3,064,485)	-	(3,064,485)
(Decrease) increase in net assets	(2,205,359)	4,782,796	2,577,437
Net assets:			
Beginning of year	34,900,604	1,128,297	36,028,901
End of year	\$ 32,695,245	\$ 5,911,093	\$ 38,606,338

See notes to consolidated financial statements.

International Fellowship of Christians & Jews, Inc.

**Consolidated Statement of Activities
Year Ended December 31, 2017**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Contributions	\$ 123,174,849	\$ 579,223	\$ 123,754,072
Investment gain, net of fees	4,136,516	66,890	4,203,406
Catalog sales	63,027	-	63,027
Tours, conferences and other income	78,487	-	78,487
Net assets released from restrictions	20,960	(20,960)	-
Total revenues	127,473,839	625,153	128,098,992
Expenses:			
Fellowship	9,866,635	-	9,866,635
Guardians of Israel	56,105,231	-	56,105,231
Isaiah 58	25,867,620	-	25,867,620
On Wings of Eagles	17,137,678	-	17,137,678
Stand For Israel	387,836	-	387,836
	109,365,000	-	109,365,000
General and administrative	12,844,793	-	12,844,793
Fundraising	15,936,124	-	15,936,124
Loss on disposal of fixed assets	110,115	-	110,115
Total expenses	138,256,032	-	138,256,032
Increase (decrease) in net assets before other items	(10,782,193)	625,153	(10,157,040)
Other items:			
Effects of foreign currency translation	(212,143)	-	(212,143)
	(212,143)	-	(212,143)
Increase (decrease) in net assets	(10,994,336)	625,153	(10,369,183)
Net assets:			
Beginning of year	45,894,940	503,144	46,398,084
End of year	\$ 34,900,604	\$ 1,128,297	\$ 36,028,901

See notes to consolidated financial statements.

International Fellowship of Christians & Jews, Inc.

**Consolidated Statement of Functional Expenses
Year Ended December 31, 2018**

	Program Services						Total Programs	General and Administrative	Fundraising	Total Expenses
	Fellowship	Guardians of Israel	Isaiah 58	On Wings of Eagles	Stand For Israel	Bless the Persecuted				
Grants disbursed	\$ -	\$ 4,397,629	\$14,597,920	\$ 602,321	\$ -	\$ -	\$ 19,597,870	\$ -	\$ -	\$ 19,597,870
Program implementation	-	24,866,978	-	9,272,976	-	71,825	34,211,779	-	-	34,211,779
Television and radio airtime and production	769,480	483,376	6,484,154	20,331	-	-	7,757,341	461,537	3,368,698	11,587,576
Public education	1,215,357	618,047	1,033,582	7,539	27,805	115,911	3,018,241	136,443	596,539	3,751,223
Salaries and benefits	4,040,156	4,999,298	774,269	1,778,064	30,801	-	11,622,588	6,066,229	3,633,407	21,322,224
Consulting and public relations	667,958	-	-	-	-	-	667,958	1,410,223	19,108	2,097,289
Printing and postage	3,478,837	802,819	1,032,935	174,422	371,012	36,660	5,896,685	3,037,053	6,352,040	15,285,778
Catalog production and merchandise sold	1,529	-	-	-	-	-	1,529	-	-	1,529
Lockbox fees	74,794	189	-	-	-	-	74,983	1,218,780	339	1,294,102
Telemarketing	86	-	-	-	-	-	86	40,975	1,782,942	1,824,003
Occupancy	111,437	309,218	45,242	90,935	1,803	-	558,635	423,089	257,507	1,239,231
Equipment rental and maintenance	408,193	-	-	-	-	-	408,193	1,147,895	15,403	1,571,491
Office supplies and miscellaneous	64,880	-	-	-	-	-	64,880	139,191	12,788	216,859
Telephone	34,278	77,966	14,171	24,235	567	-	151,217	161,483	83,270	395,970
Travel and meetings	401,543	-	-	-	-	-	401,543	215,722	144,582	761,847
Accounting and legal	149,980	-	-	1,495	-	-	151,475	406,847	1,327	559,649
Depreciation and amortization	11,155	2,948	4,920	2,657	195	-	21,875	117,955	28,014	167,844
Loss on disposal of fixed assets	-	-	-	-	-	-	-	61,511	-	61,511
	\$11,429,663	\$36,558,468	\$23,987,193	\$11,974,975	\$ 432,183	\$ 224,396	\$ 84,606,878	\$15,044,933	\$16,295,964	\$115,947,775

See notes to consolidated financial statements.

International Fellowship of Christians & Jews, Inc.

**Consolidated Statement of Functional Expenses
Year Ended December 31, 2017**

	Program Services					Total Programs	General and Administrative	Fundraising	Total Expenses
	Fellowship	Guardians of Israel	Isaiah 58	On Wings of Eagles	Stand For Israel				
Grants disbursed	\$ 50,749	\$10,539,300	\$20,802,807	\$ -	\$ -	\$ 31,392,856	\$ -	\$ -	\$ 31,392,856
Program implementation	70,305	38,323,210	-	12,664,066	-	51,057,581	-	-	51,057,581
Television and radio airtime and production	1,075,495	1,485,113	2,688,011	984,601	-	6,233,220	176,857	3,134,892	9,544,969
Public education	1,259,164	579,943	801,664	-	18,000	2,658,771	121,343	426,008	3,206,122
Salaries and benefits	2,757,392	4,308,544	766,508	3,043,092	26,503	10,902,039	5,696,126	3,550,866	20,149,031
Consulting and public relations	407,748	-	-	-	-	407,748	716,369	-	1,124,117
Printing and postage	2,809,932	544,296	743,082	224,678	341,046	4,663,034	2,315,460	6,878,957	13,857,451
Catalog production and merchandise sold	40	-	-	-	-	40	232,371	-	232,411
Lockbox fees	73,618	-	-	-	-	73,618	1,459,550	729	1,533,897
Telemarketing	-	-	-	-	-	-	41,426	1,400,429	1,441,855
Occupancy	120,178	230,834	46,982	167,779	1,644	567,417	367,125	288,457	1,222,999
Equipment rental and maintenance	28,416	-	-	-	-	28,416	172,036	-	200,452
Office supplies and miscellaneous	508,560	-	-	-	-	508,560	807,743	13,000	1,329,303
Telephone	40,398	91,055	13,981	50,128	483	196,045	138,488	90,369	424,902
Travel and meetings	516,864	-	-	-	-	516,864	165,700	124,181	806,745
Accounting and legal	136,486	-	-	291	-	136,777	185,236	81	322,094
Depreciation and amortization	11,290	2,936	4,585	3,043	160	22,014	248,963	28,155	299,132
Loss on disposal of fixed assets	-	-	-	-	-	-	110,115	-	110,115
	\$ 9,866,635	\$56,105,231	\$25,867,620	\$17,137,678	\$ 387,836	\$109,365,000	\$12,954,908	\$15,936,124	\$138,256,032

See notes to consolidated financial statements.

International Fellowship of Christians & Jews, Inc.

Consolidated Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 2,577,437	\$ (10,369,183)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	167,844	299,132
Realized and unrealized loss (gain) on investments	2,817,073	(3,440,729)
Loss on disposal of fixed assets	61,511	110,115
Changes in:		
Accounts receivable	(285,660)	160,657
Prepaid expenses	531,909	373,276
Other assets	(15,673)	6,021
Accounts payable and accrued expenses	1,372,393	(79,919)
Grant commitments payable	-	5,000,000
Charitable gift annuities payable	728,470	(298,731)
Deferred compensation payable	(91,230)	180,768
Deferred rent	(83,625)	167,694
Net cash provided by (used in) operating activities	7,780,449	(7,890,899)
Cash flows from investing activities:		
Purchase of investments	(8,022,984)	(10,949,742)
Proceeds from sale of investments	7,472,363	16,888,404
Purchase of fixed assets	(2,776,607)	(984,976)
Net cash (used in) provided by investing activities	(3,327,228)	4,953,686
Effects of foreign exchange rates on cash and cash equivalents	(7,962)	(275,886)
Net change in cash and cash equivalents	4,445,259	(3,213,099)
Cash and cash equivalents:		
Beginning of year	13,582,022	16,795,121
End of year	\$ 18,027,281	\$ 13,582,022

See notes to consolidated financial statements.

International Fellowship of Christians & Jews, Inc.

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

The International Fellowship of Christians & Jews, Inc. (The Fellowship) is a nonprofit organization operated exclusively for charitable, educational and religious purposes. The Fellowship funds humanitarian aid to the needy in Israel and in Jewish communities around the world, promotes prayer and advocacy on behalf of the Jewish state, and provides resources that help build bridges of understanding between Christians and Jews. Through the generosity of its donors, The Fellowship has provided hundreds of millions of dollars to help Jews from around the world escape poverty and anti-Semitism by making aliyah (immigrating to Israel). Every day, The Fellowship's support of soup kitchens, orphanages, homeless shelters, and other programs of humanitarian aid provides much-needed relief to hundreds of thousands of impoverished and disadvantaged Jews in Israel and the former Soviet Union. Fellowship-funded emergency kit distribution, and support for security for Jewish institutions around the world help protect the Jewish state and the Jewish people from the scourges of anti-Semitism, terrorism, and war. The Fellowship also creates and distributes teaching material that helps Christians learn about the Jewish roots of their faith and deepen their ties with Israel and her people.

These financial statements also include the accounts and activities of the following entities:

IFCJ Foundation (the Foundation) – In December 2004, the Foundation was organized under the Illinois trust provisions to serve as a supporting organization to The Fellowship.

HaKeren L'Yedidut (the Amutah) – The Amutah was established as a State of Israel Registered Amutah in July 2000 and operates as the Israeli representative of The Fellowship. The activities of the Amutah consist of direct operation of projects or recommendation to fund organizations which operate projects relating to Aliyah and absorption, poverty, welfare and security. In such cases, the Amutah acts as the "long arm" of The Fellowship by recommending projects serving the above objectives, as well as supervising and overseeing the implementation of the projects in accordance with the terms of the grant, and requesting the transfer of funds based on compliance with the terms. In order to achieve its objectives, the Amutah is substantially supported by The Fellowship. The Amutah has a separate Board of Directors from The Fellowship, whose members are appointed by The Fellowship.

The Amutah holds 100% of the shares of Beit HaYedidut Ltd (the Subsidiary). The Subsidiary was established to build a worldwide headquarters housing an auditorium, activity areas and as a home representing a bridge between the donors and the State of Israel and the Jewish people.

The Amutah and its subsidiary are recognized for tax purposes as a public institution in accordance with Section 9(2) of the State of Israel Income Tax Ordinance and the Value Added Tax Law.

Foundation Korea International Fellowship of Christians and Jews (IFCJ Korea) – In 2012, IFCJ Korea was established to promote international fellowship between Korea and Israel. IFCJ Korea has a separate Board of Directors from The Fellowship, whose members are appointed by The Fellowship. IFCJ Korea is recognized as a charitable tax-exempt organization by the government of the Republic of South Korea.

Uniao Internacional de Cristaos e Judeus (IFCJ Brazil) – In 2016, IFCJ Brazil was established to promote fellowship between Christians in Brazil and Jews in Israel and around the world as well as supporting Aliyah activities in Brazil. IFCJ Brazil has a separate Board of Directors, whose members are appointed by The Fellowship, and is substantially supported by The Fellowship. IFCJ Brazil is recognized as a non-profit organization by the government of Brazil.

International Fellowship of Christians & Jews, Inc.

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The Fellowship and the Foundation are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code). Contributions to The Fellowship and the Foundation are tax deductible under Section 170 (b)(1)(a)(6) of the Code. IFCJ Korea is a disregarded entity for federal and state tax purposes and all income and expenses from IFCJ Korea are reported in The Fellowship's tax returns.

The Fellowship's major programs are:

- *Guardians of Israel.* Meeting the needs of Israel's poorest citizens remains a high priority for The Fellowship. Through its Guardians of Israel program, The Fellowship assists hundreds of thousands of impoverished people in Israel with basic needs as they struggle to overcome extreme economic hardship, find jobs, and provide for their families. The Fellowship is actively involved in 196 Israeli cities providing food, clothing, shelter, medical care, emergency funds, and other resources to those in desperate need. With more than 20 percent of Israel's total population, including one in three children, living below the poverty line, and the Israeli government unable to provide for many of its poorest citizens, this assistance is absolutely essential. Through Guardians of Israel, The Fellowship also provides for Israel's security needs.
- *Isaiah 58.* Throughout the former Soviet Union, tens of thousands of elderly Jews, orphans, and other desperately poor people struggle to survive. Survivors of both the Holocaust and years of Communist rule today still battle hunger, illness, and brutal cold. In war-torn Ukraine, the problem is compounded by continuous fighting between Ukrainian forces and Russian separatists. Many innocent civilians have been displaced and have lost everything they had. Working with partner organizations and local Jewish communities, The Fellowship's Isaiah 58 program provides these suffering people with essentials like heating fuel, food, medicine, shelter, and companionship, and helps improve their living conditions. Isaiah 58 also rescues orphaned and abandoned Jewish children from the streets, and provides them with homes where they receive the support and love they need to succeed.
- *On Wings of Eagles.* Assists needy Jews in making aliyah (immigrating to Israel) from 25 countries from all over the world including the former Soviet Union, Argentina, France and elsewhere – to escape rising anti-Semitism, violent conflict and extreme poverty, and to realize the dream of living in their historic homeland. When they arrive in Israel, On Wings of Eagles provides them with klitah (resettlement) assistance in the form of temporary housing, job training, and financial assistance, to help them become full, productive citizens of their new home.
- *Stand For Israel.* Through the Stand for Israel website, social media presence, and daily emails, Stand for Israel keeps people informed about events affecting Israel, the Middle East, and the US-Israel relationship, and trains them to become active, engaged supporters of Israel, working both spiritually and politically on behalf of the Jewish state and the Jewish people.

The goals of Stand For Israel are to: educate the Christian community on the biblical, political and strategic importance of Israel. Strengthen the ties between Israel and the United States, particularly the evangelical Christian community. Rally and coordinate the efforts of pro-Israel Christians in the United States to give tangible expression to Christian solidarity with Israel and to be an influential pro-Israel voice in Washington, DC.

- *Bless the Persecuted.* The Fellowship's Bless the Persecuted initiative brings care and aid to Christians and other minorities in the Middle East who have been targeted by radical Islamist terrorism. The Fellowship helps these oppressed people by providing them with financial and medical aid, psychological counseling, and programs for families and children who have been victims of terror and other forms of religious persecution.

International Fellowship of Christians & Jews, Inc.

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Other program expenses are classified as Fellowship program expenses.

Basis of accounting: The financial statements have been prepared using the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Principles of consolidation: In accordance with the accounting guidance on reporting of related entities by not-for-profit organizations, The Fellowship's financial statements consolidate the activities of the Foundation, the Amutah, IFCJ Korea, and IFCJ Brazil. All inter-organizational balances and transactions have been eliminated in consolidation.

Basis of presentation: The Fellowship follows the accounting guidance for financial statements of nonprofit organizations, which requires that net assets and related revenue, expenses, gains and losses be classified into two classes of net assets – without donor restrictions and with donor restrictions– based upon the existence or absence of donor-imposed restrictions. These net asset classes are described as follows:

Net assets without donor restrictions: Net assets that are available for support of the Fellowship's operations that are not subject to donor-imposed restrictions.

The Fellowship's Board of Directors allocated estate gifts without donor restrictions to fund the design and building of Beit Yehidut (Fellowship House). For the years ended December 31, 2018 and 2017, \$10,091,222 and \$9,312,511, respectively, have been reserved as board designated for that purpose.

The Amutah's Board of Directors have allocated gifts without donor restrictions to fund the design and building of Beit Yehidut. For the years ended December 31, 2018 and 2017, \$11,480,790 and \$11,077,525, respectively, have been reserved as board designated for that purpose.

Net assets with donor restrictions: Net assets that are subject to donor-imposed restrictions that may or will be met either by actions of the Fellowship or the passage of time. Net assets with donor restrictions are released and reclassified to net assets without donor restrictions when the restrictions are met or have expired. Amounts received in the same period in which donor restrictions are satisfied are recorded in net assets without donor restrictions.

Cash concentrations: Amounts reflected as cash and cash equivalents include amounts held in checking and money market accounts with original maturities of three months or less. The Fellowship maintains these deposits with high-quality financial institutions in amounts that are in excess of federally insured limits; however, The Fellowship does not believe it is exposed to any significant risk of loss associated with these accounts.

Investments: Investments held by The Fellowship are stated at fair value. Realized and unrealized gains and losses resulting from changes in the fair value of securities held are reflected in the consolidated statements of activities, in the year of change. The cost of securities sold is based on the average-cost method, except for securities for which cost is based on the specific-identification method. Dividend income is recognized on the ex-dividend date. Interest and dividend income is recorded on the accrual basis. Investment return or loss, reported on the consolidated statements of activities, is presented net of investment fees.

International Fellowship of Christians & Jews, Inc.

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Fixed assets: All acquisitions of fixed assets are stated at cost or, if donated, at the approximate fair value at the date of donation. Furniture, computers and equipment are depreciated on the straight-line method over their estimated useful lives, ranging from three to seventeen years. Leasehold improvements will be amortized over the lesser of the term of the related lease or the useful life upon completion of related construction.

Grant commitments payable: During the year ended December 31, 2017 The Fellowship executed an unconditional grant in the amount of \$5,000,000. The full balance of this grant is still outstanding as of December 31, 2018 and has been recorded as a liability on the consolidated statements of financial position. The Fellowship expects to fund this grant from 2019 through 2022.

Charitable gift annuities payable: The Fellowship has entered into various charitable gift annuity arrangements with its donors. Gift annuity rates are in accordance with the recommendations of the American Council on Gift Annuities (ACGA). In order to comply with state regulations, annuity contracts vary by state. The Fellowship is obligated to make payments to the annuitants for the remainder of their lives. The contributed funds for charitable gift annuities immediately become part of the general assets and liabilities of The Fellowship, subject to The Fellowship maintaining an actuarial reserve in accordance with various state laws. Upon death of the annuitants, the residuum remains the property of The Fellowship.

Deferred rent liability: Base rent under the lease for The Fellowship's administrative office is being recognized as rental expense on the straight-line basis over the lease term. The difference between rental expense recognized and rentals paid is recorded as a deferred rent liability.

Contributions: Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions are considered to be available without restrictions on use unless specifically restricted by the donor.

Functional allocation of expenses: The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income taxes: The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, entities may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of an entity and various positions related to the potential sources of unrelated business taxable income.

The Fellowship files Form 990 in the U.S. federal jurisdiction and a related return in the State of Illinois. For the years ended December 31, 2018 and 2017, management has reviewed The Fellowship's tax positions for the open tax years (current and prior three tax years) and concluded that there are no material uncertain tax positions. Such open tax years remain subject to examination by tax authorities.

International Fellowship of Christians & Jews, Inc.

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The Foundation files Form 990 in the U.S. federal jurisdiction and a related return in the State of Illinois. The Amutah and IFCJ Brazil file Form 5471 in the U.S. Federal jurisdiction and related appropriate tax filings in their respective countries. For the years ended December 31, 2018 and 2017, management has reviewed the tax positions for the open tax years (current and prior three tax years) and concluded that there are no material uncertain tax positions. Such open tax years remain subject to examination by tax authorities.

IFCJ Korea is a disregarded entity for federal and state tax purposes and all income and expenses from IFCJ Korea are reported in The Fellowship's tax returns. For the years ended December 31, 2018 and 2017, management has reviewed the IFCJ Korea's tax positions for the tax year and concluded that there are no material uncertain tax positions. Such open tax years remain subject to examination by tax authorities.

Foreign currency translation: The Fellowship's functional currency and reporting currency is the United States Dollar. Monetary assets and liabilities denominated in the New Israel Shekel, South Korean Won, and Brazilian Real are translated into United States dollars using the rate of exchange in effect at the end of the year, except deferred lease expense which was translated at the historical rate on the date of the transaction. All revenue and expense transactions denominated in the New Israel Shekel, South Korean Won, and Brazilian Real are translated into United States Dollars at the average exchange rates in effect at the transaction date. Any gain or loss resulting from foreign currency transactions will be recognized in the consolidated financial statements when incurred.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles 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 date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Reclassifications: Certain prior-year amounts have been reclassified to conform to the current-year presentation without affecting prior-year net asset balances.

Adopted accounting pronouncements: As permitted, in 2018, The Fellowship adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Key elements of the ASU include a reduction in the number of net asset categories from three to two, conforming requirements on releases of capital restrictions, several new requirements related to expense presentation and disclosure (including investment expenses), and new required disclosures communicating information useful in assessing liquidity. The adoption was retrospectively applied to 2017.

Recent accounting pronouncements: In 2018, the Financial Accounting Standards Board (FASB) issued ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The new standard is effective for the Fellowship's 2019 consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in statement of activities. The new standard is effective for The Fellowship's 2020 consolidated financial statements.

International Fellowship of Christians & Jews, Inc.

Notes to Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The Fellowship is currently evaluating the impact of these standards on their consolidated financial statements.

Note 2. Liquidity and Available Funds

The Organization manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining a sufficient level of asset liquidity, and
- Monitoring and maintaining reserves to provide reasonable assurance that long-term grant and contract commitments and obligations with donor restrictions will continue to be met.

The Fellowship has a liquidity policy to maintain financial assets available to meet general expenditures at a level that represents three months expenses for administrative and general expenses, as well as fundraising expenses, plus an amount that represents three months of program commitments. In addition, The Fellowship sets aside a reserve to cover significant future contract and grant commitments. To achieve this, The Fellowship forecasts its future cash flows and monitors its liquidity monthly.

The table below represents financial assets available for general expenditures within one year of December 31, 2018:

Cash and cash equivalents	\$ 18,027,281
Investments	30,031,838
Accounts receivable	<u>302,557</u>
Total financial assets available at year end	<u>48,361,676</u>
Less amounts not available to be used within one year:	
Endowment funds to be held in perpetuity	(503,144)
Obligations to Beit Yedidut	(8,967,383)
Assets restricted to cover charitable gift annuity obligations	(4,081,288)
Deferred compensation distributions to be paid in 2019	(170,173)
Grant commitments from the Amutah	<u>(1,670,000)</u>
Financial assets not available to be used within one year	<u>(15,391,988)</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 32,969,688</u></u>

The Fellowship holds a line of credit with a lendable value of \$9,400,000 secured by investment assets.

International Fellowship of Christians & Jews, Inc.

Notes to Financial Statements

Note 3. Fair Value Disclosures and Investments

The Fellowship records its investments at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs are used. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1. Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that The Fellowship has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2. Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3. Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Investments in securities; which include: corporate bonds, common stocks, various mutual funds, real estate investment trusts and U.S government bonds; are traded on a national securities exchange are stated at the last reported sales price on the day of valuation. These financial instruments are classified as Level 1 in the fair value hierarchy.

The Fellowship's investment in alternative funds of \$2,761,405 and \$2,636,009 as of December 31, 2018 and 2017, respectively, is measured at fair value using the net asset value per share (NAV) practical expedient and has not been categorized in the fair value hierarchy.

The Fellowship assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer. For the years ended December 31, 2018 and 2017, there were no such transfers.

The Fellowship holds various investments. Such investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of activities.

The Fellowship's liability for charitable gift annuities is computed and measured at fair value based on changes in life expectancy and other actuarial assumptions, which include the discount rate, the annuitant's age at issuance, an estimate of the return on the invested assets, and the contractual payment obligation during the expected term of each annuity agreement.

International Fellowship of Christians & Jews, Inc.

Notes to Financial Statements

Note 3. Fair Value Disclosures and Investments (Continued)

The following table presents The Fellowship's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2018 and 2017:

	2018				Total
	Quoted Prices	Significant	Significant	Value Using	
	in Active	Other	Unobservable	Net Asset	
	Markets for	Observable	Inputs	Value ⁽¹⁾	
Identical Assets	Inputs	Level 3			
	Level 1	Level 2			
Assets:					
Corporate bonds	\$ 2,876,197	\$ -	\$ -	\$ -	\$ 2,876,197
Common stocks	392,123	-	-	-	392,123
Fixed-income mutual funds	4,313,858	-	-	-	4,313,858
Equity mutual funds	9,746,819	-	-	-	9,746,819
Real estate investment trusts	145,672	-	-	-	145,672
Exchange-traded index funds	6,230,787	-	-	-	6,230,787
Exchange-traded fixed income funds	341,213	-	-	-	341,213
U.S. Government bonds	2,186,423	-	-	-	2,186,423
Investments in alternative funds	-	-	-	2,761,405	2,761,405
	<u>\$ 26,233,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,761,405</u>	<u>28,994,497</u>
Money market funds					1,037,341
					<u>\$ 30,031,838</u>
Liabilities:					
Charitable gift annuities payable	\$ -	\$ -	\$ (4,081,288)	\$ -	\$ (4,081,288)
	2017				Total
	Quoted Prices	Significant	Significant	Value Using	
	in Active	Other	Unobservable	Net Asset	
	Markets for	Observable	Inputs	Value ⁽¹⁾	
Identical Assets	Inputs	Level 3			
	Level 1	Level 2			
Assets:					
Corporate bonds	\$ 4,928,222	\$ -	\$ -	\$ -	\$ 4,928,222
Common stocks	3,448,446	-	-	-	3,448,446
Fixed-income mutual funds	2,639,662	-	-	-	2,639,662
Equity mutual funds	6,909,845	-	-	-	6,909,845
Real estate investment trusts	178,035	-	-	-	178,035
Exchange-traded index funds	6,648,122	-	-	-	6,648,122
U.S. Government bonds	2,820,157	-	-	-	2,820,157
Investments in alternative funds	-	-	-	2,636,009	2,636,009
	<u>\$ 27,572,489</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,636,009</u>	<u>30,208,497</u>
Money market funds					2,156,802
					<u>\$ 32,365,299</u>
Liabilities:					
Charitable gift annuities payable	\$ -	\$ -	\$ (3,352,818)	\$ -	\$ (3,352,818)

(1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the amounts presented on the consolidated statements of financial position.

International Fellowship of Christians & Jews, Inc.

Notes to Financial Statements

Note 3. Fair Value Disclosures and Investments (Continued)

The Fellowship maintains a portion of its investment portfolio in a separate account as a reserve for its charitable gift annuities. This reserve totaled \$6,554,567 and \$6,761,159 at December 31, 2018 and 2017, respectively, which exceeds the projected current liability.

The tables below represent The Fellowship's ability to redeem an investment in underlying funds valued at net asset value or its equivalent at December 31, 2018 and 2017, and include the underlying investment entities' redemption frequency and redemption notice period. The tables also include a summary of the significant categories of such investments measured at net asset value, their attributes and investment strategies as of December 31, 2018 and 2017:

		December 31, 2018			
		Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Equity:					
Developed international equity (a)		\$ 2,761,405	\$ -	Monthly	30 days
		<u>\$ 2,761,405</u>	<u>\$ -</u>		

		December 31, 2017			
		Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Equity:					
Developed international equity (a)		\$ 2,636,009	\$ -	Monthly	30 days
		<u>\$ 2,636,009</u>	<u>\$ -</u>		

(a) This class represents mutual funds invested primarily in companies located in developed economies outside the United States.

Net investment (loss) return consists of the following as of December 31, 2018 and 2017:

	2018	2017
Interest and dividends	\$ 1,101,748	\$ 907,170
Realized gain on sales of investments	242,144	822,678
Change in unrealized gain relating to assets still held at year end	(3,059,217)	2,618,051
Investment fees	(154,850)	(144,493)
Net investment (loss) return	<u>\$ (1,870,175)</u>	<u>\$ 4,203,406</u>

International Fellowship of Christians & Jews, Inc.

Notes to Financial Statements

Note 4. Fixed Assets

Fixed assets are summarized by major classification, net of accumulated depreciation and amortization, as follows:

	2018	2017
Furniture and equipment	\$ 366,000	\$ 374,131
Leasehold improvement	5,032,000	2,364,906
Computers and related equipment	1,311,000	1,259,444
	<u>6,709,000</u>	<u>3,998,481</u>
Less accumulated depreciation and amortization	(1,350,530)	(1,262,234)
	<u>\$ 5,358,470</u>	<u>\$ 2,736,247</u>

Depreciation and amortization expense for 2018 and 2017 totaled \$167,845 and \$299,132, respectively.

Note 5. Deferred Lease Expense

During 2014, the Subsidiary won a tender to lease land from the Israel Land Authority for a period of 49 years, with an option for an extension of a further 49 years. The land is situated in the Arnona neighborhood of Jerusalem. The Subsidiary paid \$5,629,519 to the Israel Land Authority to enter into the lease.

Note 6. Charitable Gift Annuities

During the years ended December 31, 2018 and 2017, the value of assets (primarily cash) received by The Fellowship in connection with the issuance of charitable gift annuities totaled \$860,305 and \$601,700, respectively. The Fellowship records a liability and revenue at receipt, which were as follows at December 31, 2018 and 2017:

	2018	2017
Liability portion (actuarial value of estimated future payments due to annuitant)	\$ 513,716	\$ 285,735
Gift portion (recorded as revenue)	346,589	315,965
Total assets received	<u>\$ 860,305</u>	<u>\$ 601,700</u>

The gift and liability portion of the annuities are computed annually using discount rates established by the Internal Revenue Service. The discount rates used range from 1.0 to 6.0%. The difference between the amount received and the computed liability, representing the gift portion, was recorded as contribution revenue.

International Fellowship of Christians & Jews, Inc.

Notes to Financial Statements

Note 6. Charitable Gift Annuities (Continued)

Changes in The Fellowship's liability for charitable gift annuities (which are deemed Level 3 liabilities) were as follows at December 31, 2018 and 2017:

	2018	2017
Balance, beginning of year	\$ 3,352,818	\$ 3,651,549
Liability portion of charitable gifts received (per above)	513,716	285,735
Payments to annuitants	(478,882)	(431,596)
Actuarial increase (decrease) in the value of annuities	693,636	(152,870)
Balance, end of year	<u>\$ 4,081,288</u>	<u>\$ 3,352,818</u>

The Fellowship's fixed payments to annuitants are in amounts ranging from 4.4% to 12.8% per year of the original annuity gifts. The actuarial adjustment, or increase, represents revaluations of future payments to annuitants based on changes in life expectancy and other actuarial assumptions.

Note 7. Net Assets with Donor Restrictions

A donor imposed restricted endowment was established to benefit the On Wings of Eagles program, during 2015, in the amount of \$497,223. The net assets that represent this endowment, as well as subsequent contributions to the fund's corpus, are recorded as net assets with donor restrictions, to be held in perpetuity. The investment earnings on this endowment will be used to support this program and are recorded as activity with donor restrictions, temporary in nature. Investment earnings will be released as they are used. There was approximately \$3,656 and \$45,930 of unspent investment earnings as of December 31, 2018 and 2017, respectively.

Donors have imposed restrictions on donations for specific purposes. As of December 31, 2018, there were balances with donor restrictions in Wings of Eagles of \$3,614,213, Stand for Israel of \$531,735 and Bless the Persecuted of \$488,555. In addition the Amutah has \$1,276,590 in net assets with donor restrictions.

Note 8. Leases

The Fellowship leases office space in Chicago, Illinois under an operating lease agreement which expires in March 2022.

Approximate future minimum lease payments (exclusive of operating expenses) at December 31, 2018, are as follows:

2019	\$ 595,000
2020	610,000
2021	625,000
2022	158,000
	<u>\$ 1,988,000</u>

International Fellowship of Christians & Jews, Inc.

Notes to Financial Statements

Note 8. Leases (Continued)

The Amutah entered into a new three-year lease in May 2014 for New Israeli Shekel (NIS) 53,600 per month, plus Value Added Tax (VAT) and took additional space in the building in November 2014 for NIS 20,000 per month plus VAT: equivalent to approximately \$20,000 per month. The Amutah extended the agreement through May 2020. In addition, the Amutah entered into an agreement to use space for a telephone hotline service through March 2019. Monthly usage fees for the facility are NIS 47,900 plus VAT approximate future minimum lease payments (exclusive of operating expenses). This is equivalent to approximately \$16,150 per month. This agreement was extended through December 31, 2020. This is equivalent to approximately \$13,675 per month.

2019	\$	531,000
2020		270,000
	\$	<u>801,000</u>

Total rent expense related to these agreements was approximately \$1,039,000 and \$790,000 for the years ended December 31, 2018 and 2017, respectively.

Note 9. Employee Benefit Plans

The Fellowship sponsors a defined-contribution retirement plan (qualified under Section 403(b) of the Internal Revenue Code) which covers substantially all full-time employees. The Fellowship switched third party administrators of the plan during the year from TIAA-CREF to Credit Union National Association Mutual Group. The Fellowship matches employee contributions on a dollar-for-dollar basis up to a maximum deferral of 5% of annual salary. The Fellowship contributed \$299,743 and \$295,245 to the plan during the years ended December 31, 2018 and 2017, respectively.

In addition, The Fellowship sponsors a fully employer-funded defined-contribution plan (qualified under Section 401(a) of the Internal Revenue Code) which covers all employees who have completed at least 1,000 hours of creditable service and have been employed at least one year. Contributions are determined based on Section 415 limits and certain discrimination provisions. In 2018, The Fellowship accrued \$437,627 to fund its contribution to the plan for the plan year ended December 31, 2018. This amount is included in accounts payable and accrued expenses on the consolidated statements of financial position at December 31, 2018. In 2017, The Fellowship paid \$496,284 to fund its contribution to the plan for the plan year ended December 31, 2017.

Under Israeli law, the Amutah is required to make severance payments to dismissed employees and to employees leaving employment in certain other circumstances. This liability for employees hired prior to January 1, 2015, is partly covered by deposits in insurance policies. The value of severance pay covered by insurance plans is not under the control and management of the Amutah and, accordingly, is not reflected in the consolidated statements of financial position. The liability that is not covered by insurance is presented in the balance sheet as severance funds. The estimated net liability recorded by the Amutah for severance payments totaled \$8,538 and \$180,980 at December 31, 2018 and 2017, respectively.

The Amutah's liability for severance pay to its employees who were employed after January 1, 2015 is fully covered by current payments in the name of each employee to the insurance companies, in accordance with Israeli law.

International Fellowship of Christians & Jews, Inc.

Notes to Financial Statements

Note 10. Deferred Compensation

In 2005, after 22 years of employment, The Fellowship's Board of Directors established a retirement plan (non-qualified deferred-compensation plan) for its president, with a benefit to his beneficiary in the case of his death. Originally, this retirement plan was set up to vest in January 2017. However, during 2015, the President exercised his option to defer the vesting date of the pension to 2022. The Fellowship has been fully funding the future liability. The President passed away in February 2019. Under the agreement, in the case of death, the President's beneficiary is to receive fixed monthly payments for 10 years. As of December 31, 2018 and 2017, \$3,543,853 and \$3,468,902, respectively, has been accrued as a liability on the consolidated statements of financial position. The Fellowship funds the expected liability on a monthly basis into a Rabbi Trust for the benefit of the President. As of December 31, 2018, the Rabbi Trust held investments of \$4,508,688.

The Amutah has a deferred compensation agreement with a former employee. Under the agreement, the Amutah is required to make fixed monthly payments for the remainder of the former employee's life. The estimate of the present value of the deferred-compensation liability totaled \$56,297 and \$69,452 at December 31, 2018 and 2017, respectively.

Note 11. Line of Credit

During 2017, The Fellowship entered into a line of credit agreement with Bank of Leumi. The line of credit is secured by investments held at Bank of Leumi, and is intended to provide gap funding for the construction of Beit Yehidut. As of December 31, 2018 the lendable available credit is \$9,400,000. Interest is payable at a variable rate equal to LIBOR plus 1.50%, totaling 3.88% at December 31, 2018. There were no borrowings during 2018. The agreement will mature in November 2019, with a provision for extension.

Note 12. Commitments and Litigation Contingencies

As of December 31, 2018 The Fellowship has signed construction commitments totaling \$800,427 related to construction of the Beit Yehidut.

The Fellowship is a party to litigation and claims incidental to its operations. The amounts of the liability, if any, on these claims as of December 31, 2018, in excess of related insurance, is not determinable at this time. In the opinion of the Fellowship's management and legal counsel, the final resolution of these claims and legal actions will not be material to the Fellowship as of December 31, 2018.

Note 13. Subsequent Events

The Fellowship has evaluated subsequent events for potential recognition and/or disclosure through July 23, 2019, the date the consolidated financial statements were available to be issued.

Supplementary Information

International Fellowship of Christians & Jews, Inc.

**Consolidating Statement of Financial Position
December 31, 2018**

	IFCJ	Foundation	Amutah	IFCJ Korea	IFCJ Brazil	Eliminations	Total
Assets							
Cash	\$ 14,330,596	\$ 47,104	\$ 3,191,569	\$ 454,414	\$ 3,598	\$ -	\$ 18,027,281
Investments	30,031,838	-	-	-	-	-	30,031,838
Accounts receivable	302,557	-	-	-	-	-	302,557
Grants receivable and due from Fellowship	281,565	-	2,773,479	-	21,495	(3,076,539)	-
Prepaid expenses	784,463	-	439,701	-	-	-	1,224,164
Fixed assets, net	304,575	-	5,053,895	-	-	-	5,358,470
Deferred lease expense	-	-	5,629,519	-	-	-	5,629,519
Other	266,584	-	823,642	-	-	-	1,090,226
Total assets	\$ 46,302,178	\$ 47,104	\$ 17,911,805	\$ 454,414	\$ 25,093	\$ (3,076,539)	\$ 61,664,055
Liabilities and net assets							
Liabilities:							
Accounts payable and accrued expenses	\$ 5,961,666	\$ 3,000	\$ 3,236,361	\$ 88,409	\$ 10,869	\$ 9,262	\$ 9,309,567
Grants payable to affiliate	3,085,801	-	-	-	-	(3,085,801)	-
Grant commitments payable	5,000,000	-	-	-	-	-	5,000,000
Charitable gift annuities payable	4,081,288	-	-	-	-	-	4,081,288
Deferred compensation payable	3,543,853	-	750,534	-	-	-	4,294,387
Deferred rent	372,475	-	-	-	-	-	372,475
Total liabilities	22,045,083	3,000	3,986,895	88,409	10,869	(3,076,539)	23,057,717
Net assets:							
Without donor restrictions	18,346,002	44,104	13,924,910	366,005	14,224	-	32,695,245
With donor restrictions	5,911,093	-	-	-	-	-	5,911,093
Total net assets	24,257,095	44,104	13,924,910	366,005	14,224	-	38,606,338
Total liabilities and net assets	\$ 46,302,178	\$ 47,104	\$ 17,911,805	\$ 454,414	\$ 25,093	\$ (3,076,539)	\$ 61,664,055

International Fellowship of Christians & Jews, Inc.

**Consolidating Statement of Financial Position
December 31, 2017**

	IFCJ	Foundation	Amutah	IFCJ Korea	IFCJ Brazil	Eliminations	Total
Assets							
Cash	\$ 10,479,982	\$ 47,050	\$ 2,668,835	\$ 386,155	\$ -	\$ -	\$ 13,582,022
Investments	32,365,299	-	-	-	-	-	32,365,299
Accounts receivable	16,897	-	-	-	-	-	16,897
Grants receivable and due from Fellowship	41,922	-	3,829,247	-	17,860	(3,889,029)	-
Prepaid expenses	1,208,421	-	547,652	-	-	-	1,756,073
Fixed assets, net	272,885	-	2,463,362	-	-	-	2,736,247
Deferred lease expense	-	-	5,629,519	-	-	-	5,629,519
Other	211,446	-	863,107	-	-	-	1,074,553
Total assets	\$ 44,596,852	\$ 47,050	\$ 16,001,722	\$ 386,155	\$ 17,860	\$ (3,889,029)	\$ 57,160,610
Liabilities and net assets							
Liabilities:							
Accounts payable and accrued expenses	\$ 4,448,126	\$ 30	\$ 3,489,018	\$ -	\$ -	\$ -	\$ 7,937,174
Grants payable to affiliate	3,850,621	-	-	-	-	(3,850,621)	-
Grant commitments payable	5,000,000	-	-	-	-	-	5,000,000
Due to affiliate	-	-	-	38,408	-	(38,408)	-
Charitable gift annuities payable	3,352,818	-	-	-	-	-	3,352,818
Deferred compensation payable	3,468,925	-	916,692	-	-	-	4,385,617
Deferred rent	456,100	-	-	-	-	-	456,100
Total liabilities	20,576,590	30	4,405,710	38,408	-	(3,889,029)	21,131,709
Net assets:							
Without donor restrictions	23,517,118	47,020	11,596,012	347,747	17,860	-	35,525,757
With donor restrictions	503,144	-	-	-	-	-	503,144
Total net assets	24,020,262	47,020	11,596,012	347,747	17,860	-	36,028,901
Total liabilities and net assets	\$ 44,596,852	\$ 47,050	\$ 16,001,722	\$ 386,155	\$ 17,860	\$ (3,889,029)	\$ 57,160,610

International Fellowship of Christians & Jews, Inc.

**Consolidating Statement of Activities
Year Ended December 31, 2018**

	IFCJ	Foundation	Amutah	IFCJ Korea	IFCJ Brazil	Eliminations	Total
Revenues:							
Contributions	\$ 117,931,347	\$ -	\$ 41,494,621	\$ 221,266	\$ 6,833	\$ (37,948,702)	\$ 121,705,365
Investment loss, net of fees	(1,870,229)	54	-	-	-	-	(1,870,175)
Catalog sales	34,116	-	-	-	-	-	34,116
Tours, conferences and other income	1,720,391	-	847,074	5,165	5,650	(857,889)	1,720,391
Total revenues	117,815,625	54	42,341,695	226,431	12,483	(38,806,591)	121,589,697
Expenses:							
Fellowship	11,429,663	-	848,824	170,366	16,119	(1,035,309)	11,429,663
Guardians of Israel	32,787,397	-	28,940,113	50,228	-	(25,219,270)	36,558,468
Isaiah 58	23,987,193	-	-	-	-	-	23,987,193
On Wings of Eagles	11,974,975	-	9,873,716	-	-	(9,873,716)	11,974,975
Stand For Israel	432,183	-	-	-	-	-	432,183
Bless the Persecuted	224,396	-	-	-	-	-	224,396
	80,835,807	-	39,662,653	220,594	16,119	(36,128,295)	84,606,878
General and administrative	14,980,452	2,970	2,678,296	-	-	(2,678,296)	14,983,422
Fundraising	16,295,964	-	-	-	-	-	16,295,964
Loss on disposal of fixed assets	18,710	-	42,801	-	-	-	61,511
Total expenses	112,130,933	2,970	42,383,750	220,594	16,119	(38,806,591)	115,947,775
Increase (decrease) in net assets before other items	5,684,692	(2,916)	(42,055)	5,837	(3,636)	-	5,641,922
Other items:							
Building allocation	-	-	(4,559,303)	-	-	-	(4,559,303)
Effects of foreign currency translation	-	-	1,482,397	12,421	-	-	1,494,818
Transfers between affiliates	(5,447,859)	-	5,447,859	-	-	-	-
	(5,447,859)	-	2,370,953	12,421	-	-	(3,064,485)
Increase (decrease) in net assets	236,833	(2,916)	2,328,898	18,258	(3,636)	-	2,577,437
Net assets:							
Beginning of year	24,020,262	47,020	11,596,012	347,747	17,860	-	36,028,901
End of year	\$ 24,257,095	\$ 44,104	\$ 13,924,910	\$ 366,005	\$ 14,224	\$ -	\$ 38,606,338

International Fellowship of Christians & Jews, Inc.

**Consolidating Statement of Activities
Year Ended December 31, 2017**

	IFCJ	Foundation	Amutah	IFCJ Korea	IFCJ Brazil	Eliminations	Total
Revenues:							
Contributions	\$ 123,367,897	\$ -	\$ 60,075,116	\$ 77,462	\$ 118,083	\$ (59,884,486)	\$ 123,754,072
Investment gain, net of fees	4,203,356	50	-	-	-	-	4,203,406
Catalog sales	63,027	-	-	-	-	-	63,027
Tours, conferences and other income	78,487	-	-	30,953	52	(31,005)	78,487
Total revenues	127,712,767	50	60,075,116	108,415	118,135	(59,915,491)	128,098,992
Expenses:							
Fellowship	9,866,635	3,000	-	138,789	92,692	(234,481)	9,866,635
Guardians of Israel	56,105,231	-	42,782,375	-	-	(42,782,375)	56,105,231
Isaiah 58	25,867,620	-	-	-	-	-	25,867,620
On Wings of Eagles	17,137,678	-	13,943,707	-	-	(13,943,707)	17,137,678
Stand For Israel	387,836	-	-	-	-	-	387,836
	109,365,000	3,000	56,726,082	138,789	92,692	(56,960,563)	109,365,000
General and administrative	12,844,793	16	2,954,912	-	-	(2,954,928)	12,844,793
Fundraising	15,936,124	-	-	-	-	-	15,936,124
Loss on disposal of fixed assets	-	-	110,115	-	-	-	110,115
Total expenses	138,145,917	3,016	59,791,109	138,789	92,692	(59,915,491)	138,256,032
Increase (decrease) in net assets before other items	(10,433,150)	(2,966)	284,007	(30,374)	25,443	-	(10,157,040)
Other items:							
Effects of foreign currency translation	-	-	(212,143)	-	-	-	(212,143)
	-	-	(212,143)	-	-	-	(212,143)
Increase (decrease) in net assets	(10,433,150)	(2,966)	71,864	(30,374)	25,443	-	(10,369,183)
Net assets:							
Beginning of year	34,453,412	49,986	11,524,148	378,121	(7,583)	-	46,398,084
End of year	\$ 24,020,262	\$ 47,020	\$ 11,596,012	\$ 347,747	\$ 17,860	\$ -	\$ 36,028,901