

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

**International Fellowship of Christians
& Jews, Inc.**

December 31, 2024 and 2023

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Opinion

We have audited the consolidated financial statements of International Fellowship of Christians & Jews, Inc. (the "Entity"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, 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.

In our opinion, based on our audits and the report of and additional audit procedures performed by the other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Entity as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of HaKeren L'Yedidut (the Amutah), an Israeli not-for-profit organization, whose statements reflect total assets constituting 10 percent and 17 percent, respectively, of consolidated total assets at December 31, 2024 and 2023, and total revenues constituting 6 percent and 4 percent, respectively, of consolidated total revenues for the years then ended. Those statements were audited by other auditors in accordance with generally accepted auditing standards in Israel, including standards prescribed by the Auditors Regulations (Manner of Auditor's Performance) - 1973, whose report has been furnished to us. Our opinion, insofar as it relates to the amounts included for the Amutah is based solely on the report of, and additional audit procedures to meet the relevant requirements of auditing standards generally accepted in the United States of America performed by the other auditors.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 required to be independent of the Entity and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditor's responsibilities for the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- 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 Entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statements of financial position as of December 31, 2024 and 2023 and consolidating statements of activities for the years ended December 31, 2024 and 2023 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Chicago, Illinois
July 21, 2025

International Fellowship of Christians & Jews, Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 83,622,409	\$ 85,924,469
Investments	141,718,420	89,106,985
Accounts and grants receivable	5,894,393	7,516,362
Prepaid expenses	6,167,213	5,928,928
Fixed assets, net	9,215,646	8,654,439
Operating lease right-of-use assets	8,122,163	8,940,114
Other	569,685	501,500
	\$ 255,309,929	\$ 206,572,797
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 8,488,230	\$ 6,643,906
Grant commitments payable	4,188,063	10,067,650
Charitable gift annuities payable	4,682,604	4,621,000
Deferred compensation payable	2,189,476	2,171,280
Operating lease liabilities	13,193,215	14,150,923
	32,741,588	37,654,759
Net assets		
Without donor restrictions	191,594,637	104,865,726
With donor restrictions	30,973,704	64,052,312
	222,568,341	168,918,038
	\$ 255,309,929	\$ 206,572,797

The accompanying notes are an integral part of these consolidated financial statements.

International Fellowship of Christians & Jews, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions	\$ 309,261,081	\$ 49,396	\$ 309,310,477
Contributions from Ministry of Welfare of Israel	11,475,788	-	11,475,788
Tours, conferences and other income	8,553,242	-	8,553,242
Investment return, net	10,579,768	-	10,579,768
Net assets released from restrictions	<u>33,128,004</u>	<u>(33,128,004)</u>	<u>-</u>
 Total revenues	 <u>372,997,883</u>	 <u>(33,078,608)</u>	 <u>339,919,275</u>
Expenses			
Fellowship	40,340,752	-	40,340,752
Poverty	130,538,565	-	130,538,565
Security	35,052,616	-	35,052,616
Aliyah	8,518,023	-	8,518,023
Emergency response	<u>7,575,018</u>	<u>-</u>	<u>7,575,018</u>
 Total program	 <u>222,024,974</u>	 <u>-</u>	 <u>222,024,974</u>
 General and administrative	 28,441,010	 -	 28,441,010
Fundraising	<u>39,585,475</u>	<u>-</u>	<u>39,585,475</u>
 Total expenses	 <u>290,051,459</u>	 <u>-</u>	 <u>290,051,459</u>
 Increase in net assets before other items	 <u>82,946,424</u>	 <u>(33,078,608)</u>	 <u>49,867,816</u>
Other items			
Other gains	(71,238)	-	(71,238)
Effects of foreign currency translation	<u>3,853,725</u>	<u>-</u>	<u>3,853,725</u>
 Total other items	 <u>3,782,487</u>	 <u>-</u>	 <u>3,782,487</u>
 CHANGE IN NET ASSETS	 86,728,911	 (33,078,608)	 53,650,303
Net assets			
Beginning of year	<u>104,865,726</u>	<u>64,052,312</u>	<u>168,918,038</u>
 End of year	 <u>\$ 191,594,637</u>	 <u>\$ 30,973,704</u>	 <u>\$ 222,568,341</u>

The accompanying notes are an integral part of this consolidated financial statement.

International Fellowship of Christians & Jews, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions	\$ 248,617,887	\$ 23,531,402	272,149,289
Contributions from Ministry of Welfare of Israel	9,221,188	-	9,221,188
Tours, conferences and other income	6,157,709	-	6,157,709
Investment return, net	8,873,175	-	8,873,175
Net assets released from restrictions	8,528,216	(8,528,216)	-
Total revenues	<u>281,398,175</u>	<u>15,003,186</u>	<u>296,401,361</u>
Expenses			
Fellowship	41,922,336	-	41,922,336
Poverty	120,245,926	-	120,245,926
Security	18,101,921	-	18,101,921
Aliya	7,455,512	-	7,455,512
Bless the persecuted	34,531	-	34,531
Emergency response	3,428,307	-	3,428,307
Total program	<u>191,188,533</u>	<u>-</u>	<u>191,188,533</u>
General and administrative	25,576,567	-	25,576,567
Fundraising	33,643,725	-	33,643,725
Total expenses	<u>250,408,825</u>	<u>-</u>	<u>250,408,825</u>
Increase in net assets before other items	<u>30,989,350</u>	<u>15,003,186</u>	<u>45,992,536</u>
Other items			
Other gains	70,803	-	70,803
Capital gain from sale of property	2,818,837	-	2,818,837
Effects of foreign currency translation	324,709	-	324,709
Total other items	<u>3,214,349</u>	<u>-</u>	<u>3,214,349</u>
CHANGE IN NET ASSETS	34,203,699	15,003,186	49,206,885
Net assets			
Beginning of year	<u>70,662,027</u>	<u>49,049,126</u>	<u>119,711,153</u>
End of year	<u>\$ 104,865,726</u>	<u>\$ 64,052,312</u>	<u>\$ 168,918,038</u>

The accompanying notes are an integral part of this consolidated financial statement.

International Fellowship of Christians & Jews, Inc.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2024

	Program Services					Total Programs	General and Administrative	Fundraising	Total Expenses
	Fellowship	Poverty	Security	Aliyah	Emergency Response				
Grants disbursed	\$ 2,653,727	\$ 34,519,885	\$ 11,558,827	\$ 1,202,849	\$ -	\$ 49,935,288	\$ -	\$ -	\$ 49,935,288
Program implementation	4,921,182	80,875,920	23,078,035	5,852,642	2,524,556	117,252,335	-	-	117,252,335
Media	9,040,172	8,634,599	69,775	5,129	4,264,452	22,014,127	277,033	15,829,258	38,120,418
Public education	778,595	386,243	38,252	2,812	-	1,205,902	391,111	1,053,285	2,650,298
Salaries and benefits	8,600,041	1,216,061	117,572	1,128,216	493,999	11,555,889	9,583,403	4,433,907	25,573,199
Consulting and public relations	444,732	34,560	3,419	251	1,797	484,759	1,068,669	2,783,275	4,336,703
Printing and postage	11,136,948	4,839,517	185,147	323,994	290,214	16,775,820	7,361,467	10,296,667	34,433,954
Catalog production and merchandise sold	5,412	-	-	-	-	5,412	-	-	5,412
Lockbox and banking fees	338,255	-	-	340	-	338,595	3,246,100	-	3,584,695
Telemarketing	85,050	-	-	-	-	85,050	433,055	4,950,143	5,468,248
Occupancy	638,334	16,977	124	1,681	-	657,116	1,137,263	-	1,794,379
Office supplies and miscellaneous	274,158	3,504	347	26	-	278,035	2,480,040	74,351	2,832,426
Telephone and communications	345,694	1,610	159	12	-	347,475	634,011	-	981,486
Travel and meetings	391,561	6,738	667	49	-	399,015	426,686	163,228	988,929
Accounting and legal	303,986	86	8	1	-	304,081	689,126	1,361	994,568
Insurance	-	-	-	-	-	-	213,548	-	213,548
Depreciation and amortization	276,171	2,865	284	21	-	279,341	499,498	-	778,839
Miscellaneous	106,734	-	-	-	-	106,734	-	-	106,734
	<u>\$ 40,340,752</u>	<u>\$ 130,538,565</u>	<u>\$ 35,052,616</u>	<u>\$ 8,518,023</u>	<u>\$ 7,575,018</u>	<u>\$ 222,024,974</u>	<u>\$ 28,441,010</u>	<u>\$ 39,585,475</u>	<u>\$ 290,051,459</u>

The accompanying notes are an integral part of this consolidated financial statement.

International Fellowship of Christians & Jews, Inc.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2023

	Program Services						Total Programs	General and Administrative	Fundraising	Total Expenses
	Fellowship	Poverty	Security	Aliyah	Bless the Persecuted	Emergency Response				
Grants disbursed	\$ 2,300,000	\$ 41,391,916	\$ 6,016,000	\$ 1,075,768	\$ 3,791	\$ 525,000	\$ 51,312,475	\$ -	\$ -	\$ 51,312,475
Program implementation	125,930	68,185,560	11,970,829	5,924,841	-	-	86,207,160	-	-	86,207,160
Media	15,917,352	4,148,050	-	16,018	2,421	2,045,057	22,128,898	760,091	10,268,480	33,157,469
Public education	1,072,715	806,951	-	6,480	21,921	5,599	1,913,666	385,920	1,676,024	3,975,610
Salaries and benefits	8,640,484	1,303,865	15,200	97,340	4,000	558,966	10,619,855	8,809,671	4,249,578	23,679,104
Consulting and public relations	596,954	65,660	-	2,351	-	6,517	671,482	1,279,314	1,898,414	3,849,210
Printing and postage	10,426,323	4,081,235	99,892	311,243	-	286,216	15,204,909	6,398,076	10,592,604	32,195,589
Catalog production and merchandise sold	23,338	15,858	-	227	273	-	39,696	4,600	-	44,296
Lockbox and banking fees	287,714	9,095	-	-	-	-	296,809	2,849,709	33	3,146,551
Telemarketing	59,597	59,440	-	842	362	-	120,241	451,338	4,843,728	5,415,307
Occupancy	676,217	21,493	-	-	-	-	697,710	501,612	-	1,199,322
Office supplies and miscellaneous	253,527	143,115	-	2,020	1,763	97	400,522	1,753,192	12,459	2,166,173
Telephone and communications	355,179	2,118	-	66	-	-	357,363	793,634	62	1,151,059
Travel and meetings	400,486	6,270	-	18,146	-	855	425,757	271,723	102,234	799,714
Accounting and legal	314,229	5,300	-	170	-	-	319,699	609,629	-	929,328
Insurance	-	-	-	-	-	-	-	193,879	-	193,879
Depreciation and amortization	259,958	-	-	-	-	-	259,958	514,179	-	774,137
Miscellaneous	212,333	-	-	-	-	-	212,333	-	109	212,442
	<u>\$ 41,922,336</u>	<u>\$ 120,245,926</u>	<u>\$ 18,101,921</u>	<u>\$ 7,455,512</u>	<u>\$ 34,531</u>	<u>\$ 3,428,307</u>	<u>\$ 191,188,533</u>	<u>\$ 25,576,567</u>	<u>\$ 33,643,725</u>	<u>\$ 250,408,825</u>

The accompanying notes are an integral part of this consolidated financial statement.

International Fellowship of Christians & Jews, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31,

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 53,650,303	\$ 49,206,885
Adjustments to reconcile change net assets to net cash provided by operating activities:		
Depreciation and amortization	778,839	774,137
Realized and unrealized gain on investments	(6,192,849)	(7,082,193)
Capital gain on sale of property	-	(2,818,837)
Changes in:		
Accounts and grants receivable	1,621,969	1,406,966
Prepaid expenses	(238,285)	(3,442,218)
Other assets	(68,185)	1,096,992
Accounts payable and accrued expenses	1,844,324	(189,049)
Grant commitments payable	(5,879,587)	1,510,726
Charitable gift annuities payable	61,604	(65,724)
Deferred compensation payable	18,196	(169,566)
Operating lease right-of-use assets/liabilities	<u>(139,757)</u>	<u>752,962</u>
Net cash provided by operating activities	<u>45,456,572</u>	<u>40,981,081</u>
Cash flows from investing activities:		
Purchase of investments	(85,072,699)	(42,130,207)
Proceeds from sale of investments	37,328,548	40,273,399
Purchase of fixed assets	(1,340,046)	(920,045)
Proceeds from sale of property	<u>-</u>	<u>15,100,200</u>
Net cash (used in) provided by investing activities	<u>(49,084,197)</u>	<u>12,323,347</u>
Effects of foreign exchange rates on cash and cash equivalents	<u>1,325,565</u>	<u>151,739</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(2,302,060)</u>	<u>53,456,167</u>
Cash and cash equivalents:		
Beginning of year	<u>85,924,469</u>	<u>32,468,302</u>
End of year	<u>\$ 83,622,409</u>	<u>\$ 85,924,469</u>

The accompanying notes are an integral part of these consolidated financial statements.

International Fellowship of Christians & Jews, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

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 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 in Israel and from around the world living in poverty with basic needs. The Fellowship helps thousands of Jews escape anti-Semitism by supporting their immigration to Israel (Aliyah). Every day, The Fellowship's supports impoverished elderly Jewish people in Israel and the former Soviet Union with food through the distribution of food boxes, hot meals, food cards and soup kitchens. The Fellowship supports orphanages, elderly centers, and other programs of humanitarian aid with the focus on providing basic needs to millions of impoverished and disadvantaged Jews in Israel and the former Soviet Union. The Fellowship funds emergency needs during times of crisis primarily in Israel and Ukraine and security for Jewish institutions around the world. The Fellowship helps protect the Jewish state and the Jewish people from the scourges of anti-Semitism, terrorism, and war, providing mobile bomb shelters for citizens and supporting first responders with high priority needs. The Fellowship provides prayer to our donors and supporters through regular prayer calls, and prayer requests. The Fellowship also creates and distributes educational material that helps Christians learn about the Jewish roots of their faith and deepen their ties with Israel and her people.

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

IFCJ Foundation (the Foundation)

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 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 is affiliated with The Fellowship through common membership of their respective Boards of Directors and shared senior management.

The Amutah holds 100% of the shares of Beit HaYedidut Ltd (the Subsidiary). The Subsidiary had originally been established to build a worldwide headquarters in Israel. On October 28, 2019 the Board of Directors of the Subsidiary and the Board of the Amutah decided to cease the construction of the worldwide headquarters in Israel and on November 18, 2019 decided to act to sell the asset. In accordance with this decision a deal was signed on January 5, 2023 for the sale of the property for a total amount of approximately \$15.1 million (including Value Added Tax (VAT)), resulting in a gain on sale of approximately \$2.8 million

The Amutah is 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.

International Fellowship of Christians & Jews, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

Foundation Korea International Fellowship of Christians and Jews (IFCJ Korea)

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.

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.

The Fellowship's major programs are:

Poverty

Remembering the biblical call "*to share your food with the hungry and to provide the poor wanderer with shelter - when you see the naked, to clothe them*" (Isaiah 58:7), The Fellowship hears the cries of impoverished people and responds by filling their most fundamental needs. The Fellowship addresses the effects of poverty on the Jewish people in both Israel and the Former Soviet Union (FSU). Through the Poverty program, the Fellowship supplies thousands of needy elderly, children and poor families with necessities including food, heating fuel during the cold winter months as well as medicine, and personal care and attention so they can live in comfort and dignity.

Security

Israel is surrounded by hostile neighbors - and so The Fellowship serves as watchmen on the walls for God's people. Terrorist groups like Hamas and Hezbollah - funded by Iran - pose a constant threat to Israel. Terrorist rocket fire, suicide bombings, vehicular attacks sow death, destruction, and chaos. In response, The Fellowship provides emergency equipment for Israel's first responders, builds and reinforces bomb shelters, finances help for victims of terror, supports Israel's soldiers, and so much more. In wartime, The Fellowship acts quickly to meet the needs of Israelis in the line of fire and help victims heal from physical and emotional trauma. Not only does Israel face anti-Semitic neighbors, but Jewish communities around the world struggle against rising anti-Semitism and the threat of terrorism. Worldwide, The Fellowship aids synagogues, Jewish schools, and other institutions targeted by attacks, providing funds that allow them to add security guards and sophisticated security systems.

Aliyah

The Fellowship helps fulfill biblical prophecy by bringing the Jewish people home "*from the four quarters of the earth*" (Isaiah 11:12) through *aliyah* (immigration to Israel) and provides them with *klitah* (resettlement) assistance when they arrive, including housing, job training and placement, Hebrew language lessons, and more, giving them the tools they need to be full, productive citizens in their new home.

Since it was founded, The Fellowship's generous supporters have helped thousands of Jews from around the globe - the former Soviet Union, Europe, South America, Arab and Muslim countries - make Israel their home. For many Jews, making *aliyah* (immigrating to Israel) means finally escaping anti-Semitism, oppression, violence, and extreme poverty. It offers them hope for a better life and a chance to live out their faith.

Supporting Fellowship

The Fellowship provides a spiritual connection to the land and the Jewish people, by being a reliable source of information, producing and distributing educational messaging and content that teaches Christians about

International Fellowship of Christians & Jews, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
December 31, 2024 and 2023

the Jewish roots of their faith, and by building support with Christians and leaders in the community through meaningful engagements.

Swords of Iron 2023 Response

Since the attacks by Hamas in October 2023, The Fellowship has provided aid and assistance to hundreds of thousands of Israelis displaced by the war. Since the start of the war, The Fellowship has been on the ground in Israel, even going into the warzones in both the South and the North of Israel, with volunteers and staff, delivering emergency aid to the people of Israel. The Fellowship provided food to evacuees from settlements and cities around Gaza, and to those who remained in their homes. The Fellowship provided bomb shelters and medical and protective gear to first responders and emergency teams. The Fellowship operated the IFCJ Mobile Emergency Response Center to support families who lost loved ones, evacuees, and more. The Fellowship also supported wounded soldiers and their families.

In addition, other aid and security measures provided by The Fellowship over the past couple decades continue to protect and care for Israelis all around the country.

Basis of Accounting

The consolidated 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 nonprofit organizations, The Fellowship's financial statements consolidate the activities of the Foundation, the Amutah, and IFCJ Korea. All inter-organizational balances and transactions have been eliminated in consolidation.

Basis of Presentation

The Fellowship follows the accounting guidance for consolidated 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 created a board-designated fund in 2021. This fund (the Joseph Fund) is meant to function as a quasi-endowment fund. Gifts designated for the fund will be pooled and distributed to various program initiatives, at the discretion of The Fellowship's Board of Directors, with guidance from management, over a seven-year period. The Fellowship seeded the fund with an initial investment of \$1 million. Also during 2021, the Board of Directors established The Fellowship Urgent Program Fund comprised of year end surpluses, if any, to be used at the Board's discretion. The Amutah's Board of Directors has additionally designated funds for the implementation of strategic plan initiatives. Board-designated net assets are included within net assets without donor restrictions on the consolidated statement of financial position.

International Fellowship of Christians & Jews, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

Board-designated net assets as of December 31, 2024 and 2023, were as follows:

	2024	2023
The Fellowship - Joseph Fund	\$ 2,060,228	\$ 1,111,429
The Fellowship - Urgent Program Fund	88,738,048	49,450,000
The Fellowship - Reserve for Recuperative Center	11,516,315	-
Amutah - strategic initiatives	11,538,056	18,462,496
	<u>\$ 113,852,647</u>	<u>\$ 69,023,925</u>

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. Some donor restrictions are perpetual in nature, in which the donor has stipulated that the funds be invested in perpetuity.

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 statement 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. Both interest and dividend income is recorded on the accrual basis. Investment return, reported on the consolidated statement of activities, is presented net of investment fees.

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 17 years. Leasehold improvements are amortized over the lesser of the term of the related lease or the useful life upon completion of related construction.

Leases

The Fellowship determines if an arrangement contains a lease at inception based on whether there is an identified asset and whether The Fellowship controls the use of the identified asset throughout the period of use. The Fellowship classifies leases as either financing or operating. Right-of-use (ROU) assets are recognized at the lease commencement date and represent The Fellowship's ROU an underlying asset for the lease term and lease liabilities represent The Fellowship's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments are discounted based on the risk-free rate for all classes of underlying assets except for those held by the

International Fellowship of Christians & Jews, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

Amutah, which are at the incremental borrowing rate. The lease term used in determining the discount rate starts at the transition date. The lease term is the remaining lease term on the transition date. Leases with an initial term of 12 months or less are not recorded on the consolidated statement of financial position.

The Fellowship's operating lease ROU assets are measured based on the corresponding operating lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of our ROU assets and lease liabilities when it is reasonably certain the options will be exercised. ROU assets are also assessed for impairments consistent with The Fellowship's long-lived asset policy.

The Fellowship elected the practical expedient to not separate lease components from nonlease components for all leases within the portfolio. Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. Variable lease payments that depend on an index or rate are included in the lease payments and are measured using the prevailing index or rate at the measurement date. Variable lease payments not based on an index or a rate are excluded from lease payments and are expensed as incurred.

Operating leases are presented separately as operating lease ROU assets and operating lease liabilities in the accompanying consolidated statement of financial position.

Grant Commitments Payable

This amount represents unconditional grants that were approved to be funded prior to December 31, 2024, by The Fellowship, the Amutah and IFCJ Korea. Any inter-entity grants are eliminated upon consolidation.

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. 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.

Contributions

Unconditional contributions are recognized as revenue in the period received. Contributions are considered to be available without restrictions on use unless specifically restricted by the donor.

In 2022, the Amutah signed an agreement with the Ministry of Welfare for the joint funding of a project to provide material assistance to tens of thousands of households in Israel. The Ministry of Welfare reimburses the Amutah for 50% of the program. The revenue and receivable are recognized as the expenses are incurred. The total revenue from the Ministry of Welfare in 2024 and 2023 was approximately \$11.5 million and \$9.2 million, respectively.

Tours, Conferences and Other Income

Revenue is recognized at a point in time when the related tour or event takes place. These contracts have distinct performance obligations and do not consist of multiple transactions. There were no outstanding receivables arising from these contracts at December 31, 2024 and 2023, and there were no incremental costs of obtaining these contracts. There were no significant changes in the judgments affecting the determination of the amount and timing of revenue from these arrangements.

International Fellowship of Christians & Jews, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. Operating expenses directly identified with a functional area are charged to that area. Those expenses, which affect more than one area, are allocated to the respective areas on the basis of ratios (including estimates of headcount) as determined by management.

Joint Allocation of Expenses

The Fellowship incurs program service, general and administrative and fundraising expenses in conducting its mission through the following activities: television and radio, production and airtime, printed materials and postage, and the activities of certain personnel. As provided by the applicable nonprofit accounting principles concerning fundraising activities, these joint activities have been allocated as follows for the years ended December 31, 2024 and 2023:

	2024	2023
Program services	\$ 38,858,789	\$ 39,921,405
General and administrative	9,193,271	10,064,028
Fundraising	23,881,232	30,905,624
	\$ 71,933,292	\$ 80,891,057

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 consolidated 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 and the Foundation file Form 990 in the U.S. federal jurisdiction and a related return in the state of Illinois. For the years ended December 31, 2024 and 2023, 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.

The Amutah files Form 5471 in the U.S. federal jurisdiction and related appropriate tax filings in their respective countries. For the years ended December 31, 2024 and 2023, 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.

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, and the South Korean Won, are translated into United States dollars using the rate of exchange in effect at the end of the year, except fixed assets and deferred lease expense, which are 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 are translated into United States Dollars at the average exchange rates in effect at the transaction date. Any gain or loss

International Fellowship of Christians & Jews, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
December 31, 2024 and 2023

resulting from foreign currency transactions are recognized in the consolidated financial statements when incurred.

Use of Estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Subsequent Events

The Fellowship has evaluated subsequent events for potential recognition and/or disclosure through July 21, 2025, the date the consolidated financial statements were available to be issued.

NOTE 2 - LIQUIDITY

The Fellowship 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.
- 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 an internal reserve to cover significant future contract and grant commitments. To achieve this, The Fellowship forecasts its future cash flows and monitors its liquidity monthly.

International Fellowship of Christians & Jews, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

The table below represents financial assets available for general expenditures within one year of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 83,622,409	\$ 85,924,469
Investments	141,718,420	89,106,985
Accounts and grants receivable	<u>5,894,393</u>	<u>7,516,362</u>
 Total financial assets available at year end	 231,235,222	 182,547,816
 Less: amounts not available to be used within one year:		
Endowment funds to be held in perpetuity	497,223	497,223
Board-designated funds for The Fellowship	113,852,647	69,023,925
Assets restricted to cover charitable gift annuity obligations	4,682,604	4,621,000
Deferred compensation distributions to be paid	<u>170,172</u>	<u>170,172</u>
 Financial assets not available to be used within one year	 <u>119,202,646</u>	 <u>74,312,320</u>
 Financial assets available to meet general expenditures within one year	 <u>\$ 112,032,576</u>	 <u>\$ 108,235,496</u>

The Fellowship held a line of credit with an approximate lendable value of \$9 million secured by investment assets. The line of credit was terminated as of January 18, 2023.

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.

International Fellowship of Christians & Jews, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

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, exchange traded funds and U.S. government and municipal 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 investments in alternative funds of \$5,313,206 and \$4,532,968 as of December 31, 2024 and 2023, respectively, are measured at fair value using the net asset value (NAV) per share practical expedient and have 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.

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 statement of activities.

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, 2024 and 2023:

	2024				
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Value Using Net Asset Value ⁽¹⁾	Total
Assets:					
Corporate bonds	\$ -	\$ 13,199,101	\$ -	\$ -	\$ 13,199,101
Common stocks	2,345,636		-	-	2,345,636
Equity mutual funds	18,270,111	-	-	-	18,270,111
Fixed-income mutual funds	2,679,253	-	-	-	2,679,253
Real estate investment trusts	407,673	-	-	-	407,673
Exchange-traded index funds	35,568,034	-	-	-	35,568,034
Exchange-traded fixed income funds	9,312,113	-	-	-	9,312,113
U.S. Government bonds	21,944,419	-	-	-	21,944,419
Municipal bonds	-	1,886,168	-	-	1,886,168
Investments in alternative funds ⁽¹⁾	-	-	-	5,313,206	5,313,206
	<u>\$ 90,527,239</u>	<u>\$ 15,085,269</u>	<u>\$ -</u>	<u>\$ 5,313,206</u>	
Money market funds					<u>30,792,706</u>
					<u>\$141,718,420</u>

International Fellowship of Christians & Jews, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

	2023				Total
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Value Using Net Asset Value ⁽¹⁾	
Assets:					
Corporate bonds	\$ -	\$ 13,358,279	\$ -	\$ -	\$ 13,358,279
Common stocks	2,025,081	-	-	-	2,025,081
Equity mutual funds	16,988,603	-	-	-	16,988,603
Fixed-income mutual funds	379,574	-	-	-	379,574
Real estate investment trusts	194,827	-	-	-	194,827
Exchange-traded index funds	17,493,015	-	-	-	17,493,015
Exchange-traded fixed income funds	8,157,929	-	-	-	8,157,929
U.S. Government bonds	21,432,141	-	-	-	21,432,141
Municipal bonds	-	1,778,072	-	-	1,778,072
Investments in alternative funds ⁽¹⁾	-	-	-	4,532,968	4,532,968
	<u>\$ 66,671,170</u>	<u>\$ 15,136,351</u>	<u>\$ -</u>	<u>\$ 4,532,968</u>	
Money market funds					2,766,496
					<u>\$ 89,106,985</u>

⁽¹⁾ Certain investments that are measured at fair value using the NAV 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 statement of financial position.

The Fellowship maintains a portion of its investment portfolio in a separate account as a reserve for its charitable gift annuities. This reserve totaled \$8,140,617 and \$7,849,079 at December 31, 2024 and 2023, respectively, which exceeds the projected current liability.

The tables below represents The Fellowship's ability to redeem an investment in underlying funds valued at NAV or their equivalent at December 31, 2024 and 2023, and include the underlying investment entities' redemption frequency and redemption notice period. The table also includes a summary of the significant categories of such investments measured at NAV, their attributes and investment strategies as of December 31, 2024 and 2023:

	2024			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Developed international equity ^(a)	\$ 5,313,206	\$ -	Monthly	30 days
	<u>\$ 5,313,206</u>	<u>\$ -</u>		

International Fellowship of Christians & Jews, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

	2023			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Developed international equity ^(a)	\$ 4,532,968	\$ -	Monthly	30 days
	<u>\$ 4,532,968</u>	<u>\$ -</u>		

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

Net investment return consists of the following as of December 31, 2024 and 2023:

	2024	2023
Interest and dividends	\$ 4,760,745	\$ 2,080,886
Realized gain/(loss) on sales of investments	1,555,245	(801,888)
Unrealized gain relating to assets still held at year end	4,637,604	7,884,081
Investment fees	(373,826)	(289,904)
Net investment return	<u>\$ 10,579,768</u>	<u>\$ 8,873,175</u>

NOTE 4 - FIXED ASSETS

Fixed assets are summarized by major classification, net of accumulated depreciation and amortization, for the years ended December 31, 2024 and 2023:

	2024	2023
Furniture and equipment	\$ 1,402,917	\$ 1,717,589
Leasehold improvement	7,187,482	7,023,056
Computers and related equipment	1,126,892	1,613,010
Software	1,909,223	-
	11,626,514	10,353,655
Less: accumulated depreciation and amortization	2,410,868	1,699,216
	<u>\$ 9,215,646</u>	<u>\$ 8,654,439</u>

Depreciation and amortization expense for 2024 and 2023 totaled \$778,839 and \$774,137, respectively.

International Fellowship of Christians & Jews, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE 5 - CHARITABLE GIFT ANNUITIES

During the years ended December 31, 2024 and 2023, the value of assets (primarily cash) received by The Fellowship in connection with the issuance of charitable gift annuities totaled \$672,900 and \$342,550, respectively. The Fellowship records a liability and revenue at time of receipt, which were as follows at December 31, 2024 and 2023:

	2024	2023
Liability portion (actuarial value of estimated future payments due to annuitant)	\$ 368,495	\$ 173,223
Gift portion (recorded as revenue)	304,405	169,327
Total assets received	\$ 672,900	\$ 342,550

The gift and liability portion of each annuity is computed at inception using the Charitable Federal Midterm Rate (CFMR) established by the Internal Revenue Service. The CFMR rates used range from 0.4% to 6.2%. The difference between the amount received and the computed liability, representing the gift portion, is recorded as contribution revenue.

The Fellowship offers charitable gift annuities based on annuity rates published by the American Council on Gift Annuities and are in amounts ranging from 4.0% 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 6 - 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 \$172,556 and \$123,160 of unspent investment earnings as of December 31, 2024 and 2023, respectively.

Donors have imposed restrictions on donations for specific purposes. Net assets with donor restrictions at December 31, 2024 and 2023, were available for the following purposes:

	2024	2023
Poverty (related to the FSU)	\$ 29,580,720	\$ 37,223,946
Aliyah	669,779	620,383
Crisis Fund	-	23,476,621
Amutah	723,205	2,313,862
IFCJ Korea	-	417,500
	\$ 30,973,704	\$ 64,052,312

The Crisis Fund is restricted to assist Israel in response the needs related to the ongoing conflict.

International Fellowship of Christians & Jews, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE 7 - LEASES

As of December 31, 2024 and 2023, The Fellowship's primary leasing activities were related to office space and equipment. The Fellowship leases office space in Chicago, Illinois under an operating lease agreement, which expires in September 2037. The lease provides for a rent abatement period through February of 2024. In addition, The Fellowship has operating leases for three pieces of equipment that expire on various dates through February 2027 and a storage space that expires in March 2037.

Future undiscounted lease payments for The Fellowship's operating lease liabilities (excluding the Amutah) are as follows as of December 31, 2024:

<u>Years Ending December 31,</u>	
2025	\$ 911,831
2026	888,619
2027	833,864
2028	837,062
2029	846,091
Thereafter	<u>7,221,776</u>
 Total minimum lease payments	 11,539,243
 Less: present value discount	 <u>(1,770,406)</u>
 Present value of future minimum lease payments	 <u>\$ 9,768,837</u>

	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term (in years)	12.51	13.32
Weighted-average discount rate	2.48%	2.48%
 Cash paid for amounts included in the measurement of lease liabilities	 \$ 838,605	 \$ 212,257
Operating lease liabilities arising from obtaining ROU assets	\$ -	\$ -

In 2021, the Amutah entered into a five-year lease for office space in the city of Modiin, Israel through August 2026. The lease has options to extend for an additional 10 years and the Amutah expects to exercise the option for both extension periods. The lease payments are monthly and are linked to the Consumer Price Index.

The Amutah uses its incremental borrowing rate based on information available at the commencement date in determining the present value of lease payments.

International Fellowship of Christians & Jews, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

Future undiscounted lease payments for the Amutah's operating lease liabilities are as follows as of December 31, 2024:

<u>Years Ending December 31,</u>		
2025	\$	327,392
2026		338,086
2027		353,441
2028		353,441
2029		353,441
Thereafter		<u>2,468,330</u>
Total minimum lease payments		4,194,131
Less: present value discount		<u>(769,753)</u>
Present value of future minimum lease payments	\$	<u>3,424,378</u>

	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term (in years)	11.60	12.60
Weighted-average discount rate	3.75%	3.75%
Cash paid for amounts included in the measurement of lease liabilities	\$ 325,480	\$ 4,738,500
Operating lease liabilities arising from obtaining ROU assets	\$ -	\$ 3,788,004

Total lease expenses related to these agreements was approximately \$325,000 for the years ended December 31, 2024 and 2023, respectively.

NOTE 8 - EMPLOYEE BENEFIT PLANS

The Fellowship sponsors a defined-contribution retirement plan (qualified under Section 403(b) of the Code) which covers substantially all full-time employees. The Fellowship matches employee contributions on a dollar-for-dollar basis up to a maximum deferral of 5% of annual salary. The Fellowship contributed \$454,651 and \$446,575 to the plan during the years ended December 31, 2024 and 2023, respectively.

In addition, The Fellowship sponsors a fully employer-funded defined-contribution plan (qualified under Section 401(a) of the 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. The Fellowship accrued \$686,927 and \$641,570 at December 31, 2024 and 2023, respectively, to fund its contribution to the plan for each respective plan year. This amount is included in accounts payable and accrued expenses on the consolidated statement of financial position at December 31, 2024 and 2023.

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 statement of financial position. The liability that is not covered by insurance is presented in the consolidated statement of financial position as severance funds. The estimated net liability recorded

International Fellowship of Christians & Jews, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

by the Amutah for severance payments totaled \$214,758 and \$185,585 at December 31, 2024 and 2023, 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.

NOTE 9 - DEFERRED COMPENSATION

The Fellowship established a retirement plan (nonqualified deferred-compensation plan) for the former president with a benefit to his beneficiary in the case of his death. The former president passed away in February 2019. Under the agreement, in the case of death, the widowed spouse is to receive fixed monthly payments for 10 years. The Fellowship had been fully funding the future liability. As of December 31, 2024 and 2023, \$834,496 and \$1,004,668, respectively, have been accrued, as part of the deferred compensation liability, on the consolidated statement of financial position.

The Fellowship funded the expected liability into a Rabbi Trust. As of December 31, 2024 and 2023, the Rabbi Trust held investments of \$4,267,225 and \$4,091,668, respectively.

SUPPLEMENTARY INFORMATION

International Fellowship of Christians & Jews, Inc.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2024

	<u>IFCJ</u>	<u>Foundation</u>	<u>Amutah</u>	<u>IFCJ Korea</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 73,287,432	\$ 44,289	\$ 9,294,310	\$ 996,378	\$ -	\$ 83,622,409
Investments	137,218,361	-	4,235,444	264,615	-	141,718,420
Accounts and grants receivable	164,453	-	5,655,496	74,444	-	5,894,393
Intercompany Advances	4,186,789	-	-	-	(4,186,789)	-
Prepaid expenses	6,148,856	-	-	18,357	-	6,167,213
Fixed assets, net	6,606,687	-	2,576,521	32,438	-	9,215,646
Operating lease right-of-use assets	4,796,354	-	3,325,809	-	-	8,122,163
Other	569,685	-	-	-	-	569,685
	<u>\$ 232,978,617</u>	<u>\$ 44,289</u>	<u>\$ 25,087,580</u>	<u>\$ 1,386,232</u>	<u>\$ (4,186,789)</u>	<u>\$ 255,309,929</u>
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued expenses	\$ 7,335,201	\$ 3,000	\$ 1,082,612	\$ 67,417	\$ -	\$ 8,488,230
Grant commitments payable	2,120,255	-	6,254,597	-	(4,186,789)	4,188,063
Charitable gift annuities payable	4,682,604	-	-	-	-	4,682,604
Deferred compensation payable	834,496	-	1,354,980	-	-	2,189,476
Operating lease liabilities	9,768,837	-	3,424,378	-	-	13,193,215
	<u>24,741,393</u>	<u>3,000</u>	<u>12,116,567</u>	<u>67,417</u>	<u>(4,186,789)</u>	<u>32,741,588</u>
Net assets						
Without donor restrictions	177,986,725	41,289	12,247,808	1,318,815	-	191,594,637
With donor restrictions	30,250,499	-	723,205	-	-	30,973,704
	<u>208,237,224</u>	<u>41,289</u>	<u>12,971,013</u>	<u>1,318,815</u>	<u>-</u>	<u>222,568,341</u>
Total liabilities and net assets	<u>\$ 232,978,617</u>	<u>\$ 44,289</u>	<u>\$ 25,087,580</u>	<u>\$ 1,386,232</u>	<u>\$ (4,186,789)</u>	<u>\$ 255,309,929</u>

International Fellowship of Christians & Jews, Inc.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2023

	<u>IFCJ</u>	<u>Foundation</u>	<u>Amutah</u>	<u>IFCJ Korea</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 67,037,432	\$ 44,267	\$ 18,101,007	\$ 741,763	\$ -	\$ 85,924,469
Investments	87,725,606	-	963,879	417,500	-	89,106,985
Accounts and grants receivable	90,245	-	8,689,887	1,623	(1,265,393)	7,516,362
Prepaid expenses	5,928,888	-	-	40	-	5,928,928
Fixed assets, net	5,810,716	-	2,772,707	71,016	-	8,654,439
Operating lease right-of-use assets	5,360,349	-	3,579,765	-	-	8,940,114
Other	485,735	-	15,765	-	-	501,500
	<u>\$ 172,438,971</u>	<u>\$ 44,267</u>	<u>\$ 34,123,010</u>	<u>\$ 1,231,942</u>	<u>\$ (1,265,393)</u>	<u>\$ 206,572,797</u>
Total assets						
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued expenses	\$ 4,928,049	\$ 3,000	\$ 1,582,629	\$ 130,228	\$ -	\$ 6,643,906
Grant commitments payable	3,120,255	-	6,947,395	-	-	10,067,650
Charitable gift annuities payable	4,621,000	-	-	-	-	4,621,000
Deferred compensation payable	1,004,668	-	1,166,612	-	-	2,171,280
Intercompany	1,265,393	-	-	-	(1,265,393)	-
Operating lease liabilities	10,500,907	-	3,650,016	-	-	14,150,923
	<u>25,440,272</u>	<u>3,000</u>	<u>13,346,652</u>	<u>130,228</u>	<u>(1,265,393)</u>	<u>37,654,759</u>
Total liabilities						
Net assets						
Without donor restrictions	85,677,749	41,267	18,462,496	684,214	-	104,865,726
With donor restrictions	61,320,950	-	2,313,862	417,500	-	64,052,312
	<u>146,998,699</u>	<u>41,267</u>	<u>20,776,358</u>	<u>1,101,714</u>	<u>-</u>	<u>168,918,038</u>
Total net assets						
Total liabilities and net assets	<u>\$ 172,438,971</u>	<u>\$ 44,267</u>	<u>\$ 34,123,010</u>	<u>\$ 1,231,942</u>	<u>\$ (1,265,393)</u>	<u>\$ 206,572,797</u>

International Fellowship of Christians & Jews, Inc.

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended December 31, 2024

	IFCJ	Foundation	Amutah	IFCJ Korea	Eliminations	Total
Revenues						
Contributions	\$ 307,494,912	\$ -	\$ 103,056,740	\$ 2,985,604	\$ (104,226,779)	\$ 309,310,477
Contributions from Ministry of Welfare of Israel	-	-	11,475,788	-	-	11,475,788
Tours, conferences and other income	749,611	-	7,775,813	27,818	-	8,553,242
Investment return, net	10,569,121	22	-	10,625	-	10,579,768
Total revenues	<u>318,813,644</u>	<u>22</u>	<u>122,308,341</u>	<u>3,024,047</u>	<u>(104,226,779)</u>	<u>339,919,275</u>
Expenses						
Fellowship	31,651,490	-	8,514,294	174,967	-	40,340,751
Poverty	47,506,871	-	80,874,720	2,156,974	-	130,538,565
Security	11,762,521	-	23,078,035	212,061	-	35,052,617
Aliyah	2,021,953	-	6,478,808	17,262	-	8,518,023
Emergency response	7,575,018	-	-	-	-	7,575,018
Total program	<u>100,517,853</u>	<u>-</u>	<u>118,945,857</u>	<u>2,561,264</u>	<u>-</u>	<u>222,024,974</u>
General and administrative	28,441,010	-	-	-	-	28,441,010
Fundraising	39,585,475	-	-	-	-	39,585,475
Total expenses	<u>168,544,338</u>	<u>-</u>	<u>118,945,857</u>	<u>2,561,264</u>	<u>-</u>	<u>290,051,459</u>
Increase (decrease) in net assets before other items	<u>150,269,306</u>	<u>22</u>	<u>3,362,484</u>	<u>462,783</u>	<u>(104,226,779)</u>	<u>49,867,816</u>
Other items						
Other gains	(68,362)	-	-	(2,876)	-	(71,238)
Effects of foreign currency translation	3,748,045	-	348,486	(242,806)	-	3,853,725
Return of funds- transfer between affiliates	11,516,315	-	(11,516,315)	-	-	-
Transfers between affiliates	(104,226,779)	-	-	-	104,226,779	-
Total other items	<u>(89,030,781)</u>	<u>-</u>	<u>(11,167,829)</u>	<u>(245,682)</u>	<u>104,226,779</u>	<u>3,782,487</u>
(DECREASE) INCREASE IN NET ASSETS	<u>61,238,525</u>	<u>22</u>	<u>(7,805,345)</u>	<u>217,101</u>	<u>-</u>	<u>53,650,303</u>
Net assets						
Beginning of year	<u>146,998,699</u>	<u>41,267</u>	<u>20,776,358</u>	<u>1,101,714</u>	<u>-</u>	<u>168,918,038</u>
End of year	<u>\$ 208,237,224</u>	<u>\$ 41,289</u>	<u>\$ 12,971,013</u>	<u>\$ 1,318,815</u>	<u>\$ -</u>	<u>\$ 222,568,341</u>

International Fellowship of Christians & Jews, Inc.

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended December 31, 2023

	IFCJ	Foundation	Amutah	IFCJ Korea	Eliminations	Total
Revenues						
Contributions	\$ 271,606,565	\$ -	\$ 74,728,924	\$ 2,744,685	\$ (76,930,885)	\$ 272,149,289
Contributions from Ministry of Welfare of Israel	-	-	9,221,188	-	-	9,221,188
Tours, conferences and other income	13,737	-	6,132,353	11,619	-	6,157,709
Investment return, net	8,864,079	23	-	9,073	-	8,873,175
Total revenues	280,484,381	23	90,082,465	2,765,377	(76,930,885)	296,401,361
Expenses						
Fellowship	32,642,403	-	9,114,003	165,930	-	41,922,336
Poverty	49,547,879	-	68,185,560	2,512,487	-	120,245,926
Security	6,131,092	-	11,970,829	-	-	18,101,921
Aliyah	1,764,897	-	5,652,869	37,746	-	7,455,512
Bless the persecuted	-	-	-	34,531	-	34,531
Emergency response	3,428,307	-	-	-	-	3,428,307
Total program	93,514,578	-	94,923,261	2,750,694	-	191,188,533
General and administrative	25,576,567	-	-	-	-	25,576,567
Fundraising	33,643,725	-	-	-	-	33,643,725
Total expenses	152,734,870	-	94,923,261	2,750,694	-	250,408,825
Increase (decrease) in net assets before other items	127,749,511	23	(4,840,796)	14,683	(76,930,885)	45,992,536
Other items						
Other gains	1,787	-	69,016	-	-	70,803
Capital gain from sale of property	-	-	2,818,837	-	-	2,818,837
Effects of foreign currency translation	1,395,871	-	(1,082,755)	11,593	-	324,709
Transfers between affiliates	(76,930,885)	-	-	-	76,930,885	-
Total other items	(75,533,227)	-	1,805,098	11,593	76,930,885	3,214,349
(DECREASE) INCREASE IN NET ASSETS	52,216,284	23	(3,035,698)	26,276	-	49,206,885
Net assets						
Beginning of year	94,782,415	41,244	23,812,056	1,075,438	-	119,711,153
End of year	\$ 146,998,699	\$ 41,267	\$ 20,776,358	\$ 1,101,714	\$ -	\$ 168,918,038