

International Fellowship of Christians & Jews, Inc.

Consolidated Financial Report
December 31, 2021

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Independent Auditor's Report

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

Opinion

We have audited the 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, 2021 and 2020, 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).

In our opinion, based on our audits and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the financial position of The Fellowship as of December 31, 2021 and 2020, and the results of their activities and their 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 nonprofit organization, whose statements reflect total assets constituting 15.2% and 20.7%, respectively, of consolidated total assets at December 31, 2021 and 2020, and total revenues constituting 0.1% and 0.8%, respectively, of consolidated total revenues for the 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Fellowship 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Fellowship'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Fellowship'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.

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 activities 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 the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Chicago, Illinois
July 14, 2022

International Fellowship of Christians & Jews, Inc.

Consolidated Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Cash	\$ 52,097,762	\$ 41,252,775
Investments	76,243,379	40,501,667
Accounts and grants receivable	2,624,224	3,386,025
Prepaid expenses	2,012,526	1,417,094
Fixed assets, net	1,706,288	498,345
Assets held for sale	12,281,363	12,281,363
Other	383,936	355,635
	<u>383,936</u>	<u>355,635</u>
Total assets	\$ 147,349,478	\$ 99,692,904
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 8,928,544	\$ 5,298,573
Grant commitments payable	6,184,431	8,435,396
Charitable gift annuities payable	4,526,058	4,493,622
Deferred compensation payable	2,625,076	2,535,963
Deferred rent	33,029	161,307
Total liabilities	22,297,138	20,924,861
Net assets:		
Without donor restrictions	93,268,043	69,291,236
With donor restrictions	31,784,297	9,476,807
Total net assets	125,052,340	78,768,043
Total liabilities and net assets	\$ 147,349,478	\$ 99,692,904

See notes to consolidated financial statements.

International Fellowship of Christians & Jews, Inc.

Consolidated Statement of Activities
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Contributions	\$ 196,750,935	\$ 22,757,536	\$ 219,508,471
Investment return, net of fees	5,246,207	80,522	5,326,729
Contributions from Ministry of Welfare of Israel	4,942,994	-	4,942,994
Other contributions	4,537,036	-	4,537,036
Tours, conferences and other income	299,915	-	299,915
Net assets released from restrictions	530,568	(530,568)	-
Total revenues	212,307,655	22,307,490	234,615,145
Expenses:			
Fellowship	18,057,082	-	18,057,082
Guardians of Israel	80,211,453	-	80,211,453
Isaiah 58	30,075,986	-	30,075,986
On Wings of Eagles	14,065,316	-	14,065,316
Stand For Israel	575,640	-	575,640
Bless the Persecuted	235,468	-	235,468
	143,220,945	-	143,220,945
General and administrative	20,648,854	-	20,648,854
Fundraising	24,711,984	-	24,711,984
Total expenses	188,581,783	-	188,581,783
Increase in net assets before other items	23,725,872	22,307,490	46,033,362
Other items:			
Effects of foreign currency translation	250,935	-	250,935
Total other items	250,935	-	250,935
Increase in net assets	23,976,807	22,307,490	46,284,297
Net assets:			
Beginning of year	69,291,236	9,476,807	78,768,043
End of year	\$ 93,268,043	\$ 31,784,297	\$ 125,052,340

See notes to consolidated financial statements.

International Fellowship of Christians & Jews, Inc.

**Consolidated Statement of Activities
Year Ended December 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Contributions	\$ 150,419,469	\$ 8,119,422	\$ 158,538,891
Investment return, net of fees	4,058,621	65,121	4,123,742
Contributions from Ministry of Welfare of Israel	8,409,483	-	8,409,483
Tours, conferences and other income	71,082	-	71,082
Net assets released from restrictions	5,569,609	(5,569,609)	-
Total revenues	168,528,264	2,614,934	171,143,198
Expenses:			
Fellowship	14,180,383	-	14,180,383
Guardians of Israel	49,044,410	-	49,044,410
Isaiah 58	27,872,757	-	27,872,757
On Wings of Eagles	10,538,740	-	10,538,740
Stand For Israel	318,057	-	318,057
Bless the Persecuted	311,742	-	311,742
	102,266,089	-	102,266,089
General and administrative	17,324,235	-	17,324,235
Fundraising	18,351,836	-	18,351,836
Total expenses	137,942,160	-	137,942,160
Increase in net assets before other items	30,586,104	2,614,934	33,201,038
Other items:			
Impairment loss on assets held for sale	(7,495,711)	-	(7,495,711)
Effects of foreign currency translation	1,386,036	-	1,386,036
Total other items	(6,109,675)	-	(6,109,675)
Increase in net assets	24,476,429	2,614,934	27,091,363
Net assets:			
Beginning of year	44,814,807	6,861,873	51,676,680
End of year	\$ 69,291,236	\$ 9,476,807	\$ 78,768,043

See notes to consolidated financial statements.

International Fellowship of Christians & Jews, Inc.

**Consolidated Statement of Functional Expenses
Year Ended December 31, 2021**

	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	\$ 155,304	\$ 8,302,000	\$ 20,663,308	\$ 1,000,000	\$ -	\$ -	\$ 30,120,612	\$ -	\$ -	\$ 30,120,612
Program implementation	-	64,974,017	142,166	11,926,957	-	234,218	77,277,358	235,587	-	77,512,945
Television and radio airtime and production	1,322,708	2,200,929	6,592,056	12,505	-	-	10,128,198	414,746	3,891,872	14,434,816
Public education	3,512,030	752,728	52,099	3,992	-	-	4,320,849	140,065	1,539,249	6,000,163
Salaries and benefits	5,141,476	3,036,204	742,302	965,986	12,744	1,132	9,899,844	7,461,219	4,405,875	21,766,938
Consulting and public relations	627,772	-	-	-	-	-	627,772	1,640,681	297,245	2,565,698
Printing and postage	4,508,684	892,349	1,436,042	145,182	561,998	-	7,544,255	4,405,559	10,918,391	22,868,205
Catalog production and merchandise sold	127,881	-	-	-	-	-	127,881	-	19	127,900
Lockbox fees	207,029	12,000	-	-	-	-	219,029	2,743,490	(344)	2,962,175
Telemarketing	362,213	8,495	395,372	307	-	-	766,387	115,227	3,332,774	4,214,388
Occupancy	722,143	27,350	44,038	8,691	748	98	803,068	650,739	211,905	1,665,712
Equipment rental and maintenance	436,858	-	-	-	-	-	436,858	1,462,682	1,800	1,901,340
Office supplies and miscellaneous	203,891	-	-	-	-	-	203,891	363,501	5,401	572,793
Telephone	137,427	2,143	3,427	672	59	8	143,736	640,252	29,660	813,648
Travel and meetings	276,728	-	-	-	-	-	276,728	103,039	33,219	412,986
Accounting and legal	190,039	-	-	-	-	-	190,039	193,419	10	383,468
Depreciation and amortization	124,899	3,238	5,176	1,024	91	12	134,440	78,648	44,908	257,996
	\$ 18,057,082	\$ 80,211,453	\$ 30,075,986	\$ 14,065,316	\$ 575,640	\$ 235,468	\$ 143,220,945	\$ 20,648,854	\$ 24,711,984	\$ 188,581,783

See notes to consolidated financial statements.

International Fellowship of Christians & Jews, Inc.

**Consolidated Statement of Functional Expenses
Year Ended December 31, 2020**

	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	\$ 82,750	\$ 6,308,535	\$ 17,814,603	\$ 500,000	\$ -	\$ -	\$ 24,705,888	\$ -	\$ -	\$ 24,705,888
Program implementation	143	37,039,087	850,000	8,684,946	-	310,000	46,884,176	-	-	46,884,176
Television and radio airtime and production	710,102	1,138,673	6,773,950	-	-	-	8,622,725	196,576	3,336,718	12,156,019
Public education	2,760,325	822,967	-	-	-	-	3,583,292	93,748	909,487	4,586,527
Salaries and benefits	3,656,694	2,349,766	624,196	1,182,081	13,251	1,617	7,827,605	6,780,343	4,023,929	18,631,877
Consulting and public relations	710,449	-	-	-	-	-	710,449	1,592,207	218,824	2,521,480
Printing and postage	4,266,466	1,219,154	1,261,495	151,947	303,610	-	7,202,672	3,901,969	6,646,338	17,750,979
Catalog production and merchandise sold	9,179	-	-	-	-	-	9,179	24	-	9,203
Lockbox fees	143,085	18	-	-	-	-	143,103	1,964,533	-	2,107,636
Telemarketing	173,775	134,233	496,301	2	-	-	804,311	162,073	2,844,365	3,810,749
Occupancy	514,686	26,901	43,613	16,434	999	103	602,736	525,661	226,247	1,354,644
Equipment rental and maintenance	440,614	-	-	-	-	-	440,614	914,926	9,466	1,365,006
Office supplies and miscellaneous	34,761	140	163	-	-	-	35,064	191,932	6,291	233,287
Telephone	108,077	2,211	3,875	1,562	91	10	115,826	518,644	32,573	667,043
Travel and meetings	312,398	-	-	-	-	-	312,398	36,473	54,071	402,942
Accounting and legal	144,453	-	-	-	-	-	144,453	391,665	-	536,118
Depreciation and amortization	112,426	2,725	4,561	1,768	106	12	121,598	53,461	43,527	218,586
	<u>\$ 14,180,383</u>	<u>\$ 49,044,410</u>	<u>\$ 27,872,757</u>	<u>\$ 10,538,740</u>	<u>\$ 318,057</u>	<u>\$ 311,742</u>	<u>\$ 102,266,089</u>	<u>\$ 17,324,235</u>	<u>\$ 18,351,836</u>	<u>\$ 137,942,160</u>

See notes to consolidated financial statements.

International Fellowship of Christians & Jews, Inc.

Consolidated Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Increase in net assets	\$ 46,284,297	\$ 27,091,363
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	257,996	218,586
Realized and unrealized gain on investments	(3,751,319)	(3,322,743)
Write-off of deferred lease expense	-	5,629,519
Changes in:		
Accounts and grants receivable	761,801	(3,358,870)
Prepaid expenses	(595,432)	23,429
Other assets	(28,301)	679,194
Accounts payable and accrued expenses	3,629,971	(4,033,233)
Grant commitments payable	(2,250,965)	3,435,396
Charitable gift annuities payable	32,436	399,809
Deferred compensation payable	89,113	(995,861)
Deferred rent	(128,278)	(113,025)
Deferred revenue	-	(580,000)
Net cash provided by operating activities	44,301,319	25,073,564
Cash flows from investing activities:		
Purchase of investments	(51,561,197)	(11,224,458)
Proceeds from sale of investments	19,570,804	13,966,830
Purchase of fixed assets	(949,947)	(1,686,485)
Net cash (used in) provided by investing activities	(32,940,340)	1,055,887
Effects of foreign exchange rates on cash and cash equivalents	(515,992)	(437,172)
Net change in cash and cash equivalents	10,844,987	25,692,279
Cash and cash equivalents:		
Beginning of year	41,252,775	15,560,496
End of year	\$ 52,097,762	\$ 41,252,775

See notes to consolidated financial statements.

International Fellowship of Christians & Jews, Inc.

Notes to Consolidated 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 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 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. Upon sale of the related property, the Amutah is planning to dissolve this subsidiary (see Note 3).

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): 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): IFCJ Brazil was established to promote fellowship between Christians in Brazil and Jews in Israel and around the world, as well as to support aliyah activities in Brazil. IFCJ Brazil had a separate Board of Directors, whose members were appointed by The Fellowship, and was substantially supported by The Fellowship. IFCJ Brazil was recognized as a nonprofit organization by the government of Brazil. IFCJ Brazil ceased operations and was dissolved in 2020.

International Fellowship of Christians & Jews, Inc.

Notes to Consolidated 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 cities throughout Israel providing food, clothing, shelter, medical care, emergency funds and other resources to those in desperate need. With more than 21% of Israel's total population living below the poverty line, and the Israeli government unable to fully 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. In both 2020 and 2021, The Fellowship expanded its operations to assist the elderly, families and hospitals during the COVID-19 pandemic.

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. In both 2020 and 2021, The Fellowship contributed additional aid in response to the COVID-19 pandemic.

On Wings of Eagles: Assists needy Jews in making aliyah (immigrating to Israel) from 30 countries in the former Soviet Union, South America, Europe, 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 social media presence, Stand For Israel keeps people informed about events affecting Israel, the Middle East and the U.S.-Israel relationship, and trains them to become informed, engaged supporters of Israel 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 in the U.S. evangelical Christian community; coordinate the efforts of pro-Israel Christians in the United States to give tangible expression to Christian solidarity with Israel.

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, 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 Consolidated Financial Statements

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

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, IFCJ Korea and IFCJ Brazil (dissolved in 2020). 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 had previously allocated estate gifts without donor restrictions to fund the design and building of Beit Yedidut (Fellowship House). As of December 31, 2020, approximately \$5,329,000 was reserved as board-designated for that purpose. However, construction of the Fellowship House ceased in 2020 and, consequently, the Board of Directors released these funds from designation in 2021. The amount designated for this purpose as of December 31, 2021, is \$0.

The Fellowship's Board of Directors also created a new board-designated fund in 2020. This new fund (the Joseph Fund) is meant to function as a quasi-endowment fund. The fund's year-end surpluses and designated gifts 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. As of December 31, 2021, the Board modified the Joseph Fund and reallocated the surpluses to The Fellowship's new Urgent Program Fund. The original board designation allowed for the allocation of funds in times of crisis or emergency (with required approval from the Board of Directors for amounts over \$1,000,000). As of December 31, 2021, the original Joseph Fund had a balance of \$1,000,000 from its original seeding, and the new Fellowship Urgent Program Fund had a balance of approximately, \$23,432,000. The Amutah's Board of Directors has additionally designated approximately \$16,104,000 and \$15,095,000 at December 31, 2021 and 2020, respectively, related to the implementation of strategic plan initiatives in both years. These amounts are included within net assets without donor restrictions on the consolidated statements of financial position.

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 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.

International Fellowship of Christians & Jews, Inc.

Notes to Consolidated Financial Statements

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

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. Both 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.

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 will be amortized over the lesser of the term of the related lease or the useful life upon completion of related construction.

Asset held for sale: Asset held for sale is recorded at the lower of its carrying amount or fair value less costs to sell (see Note 3).

Grant commitments payable: This balance represents unconditional grants that were approved to be funded prior to either December 31, 2021 or 2020, 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 (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 rental expense paid is recorded as a deferred rent liability.

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.

An unconditional contribution of approximately \$8,400,000 was received by the Amutah in 2020, from the Ministry of Welfare of Israel, to respond to the ongoing crisis of COVID-19, both in Israel and around the world. Due to the immediate need, these funds were spent quickly after receipt in 2020. During 2021, an additional approximate \$4,900,000 was awarded to the Amutah to continue the program. Of this amount, approximately \$1,917,500 was receivable from the Ministry at December 31, 2021, and included within accounts and grants receivable on the consolidated statements of financial position. Other contributions in the amount of \$4,537,036, recorded in 2021, represent contributions received from outside entities.

International Fellowship of Christians & Jews, Inc.

Notes to Consolidated Financial Statements

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

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, 2021 or 2020, 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.

Functional allocation of expenses: The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements 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. As provided by the applicable nonprofit accounting principles concerning fundraising activities, these joint activities have been allocated as follows as of December 31, 2021 and 2020.

	2021	2020
Program services	\$23,276,059	\$20,751,839
General and administrative	6,967,790	6,119,677
Fundraising	22,656,390	16,648,940
	<u>\$52,900,239</u>	<u>\$43,520,456</u>

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 files Form 990 in the U.S. federal jurisdiction and a related return in the state of Illinois. For the years ended December 31, 2021 and 2020, 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 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. IFCJ Brazil filed their final returns in 2020. For the years ended December 31, 2021 and 2020, 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.

International Fellowship of Christians & Jews, Inc.

Notes to Consolidated Financial Statements

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

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 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 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 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.

Reclassification: Certain 2020 balances have been reclassified to conform to the current year presentation, without any effect on previously reported net assets or total changes in net assets.

COVID-19: The COVID-19 outbreak and actions taken to mitigate the spread of it have had, and are expected to continue to have, an impact on The Fellowship's operations. The Fellowship has adjusted their programming to be responsive to those vulnerable to and affected by COVID-19. The Fellowship's services and outreach are especially important in these times as the public continues to deal with uncertainty. The Fellowship has developed tailored COVID-19 action plans specific to its wide range of programming. The majority of The Fellowship's funding sources, including private contributions, have maintained and, in some areas, significantly exceeded pre-pandemic funding levels.

Recent accounting pronouncement: The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (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 statement of financial position 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 the statement of activities. The new standard is effective for The Fellowship in 2022. The Fellowship is currently evaluating the impact of this standard on their consolidated financial statements.

Subsequent events: The Fellowship has evaluated subsequent events for potential recognition and/or disclosure through July 14, 2022, the date the consolidated financial statements were available to be issued.

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.
- 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.

International Fellowship of Christians & Jews, Inc.

Notes to Consolidated Financial Statements

Note 2. Liquidity and Available Funds (Continued)

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.

The table below represents financial assets available for general expenditures within one year of December 31, 2021 and 2020, respectively:

	2021	2020
Cash and cash equivalents	\$52,097,762	\$41,252,775
Investments	76,243,379	40,501,667
Accounts and grants receivable	2,624,224	3,386,025
Total financial assets available at year-end	<u>130,965,365</u>	<u>85,140,467</u>
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	(24,432,000)	(1,101,000)
Assets restricted to cover charitable gift annuity obligations	(4,526,058)	(4,493,622)
Deferred compensation distributions to be paid in 2022 and 2021	(170,172)	(170,172)
Cash required for leasehold build-out	(4,914,640)	-
Financial assets not available to be used within one year	<u>(34,540,093)</u>	<u>(6,262,017)</u>
Financial assets available to meet general expenditures within one year	<u>\$96,425,272</u>	<u>\$78,878,450</u>

The cash required for leasehold build-out costs, above, represent budgeted 2022 commitments that The Fellowship has with various contractors related to their leased space in both Chicago and Israel.

The Fellowship also holds a line of credit with an approximate lendable value of \$9,800,000 secured by investment assets. No outstanding draws at December 31, 2021 or 2020.

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.

International Fellowship of Christians & Jews, Inc.

Notes to Consolidated Financial Statements

Note 3. Fair Value Disclosures and Investments (Continued)

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, 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 \$4,080,368 and \$3,341,399 as of December 31, 2021 and 2020, 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 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 Consolidated 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, 2021 and 2020:

	2021				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	\$ 3,353,998	\$ -	\$ -	\$ -	\$ 3,353,998
Common stocks	2,903,867	-	-	-	2,903,867
Equity mutual funds	12,097,345	-	-	-	12,097,345
Fixed-income mutual funds	12,735,845	-	-	-	12,735,845
Real estate investment trusts	235,759	-	-	-	235,759
Exchange-traded index funds	26,757,667	-	-	-	26,757,667
Exchange-traded fixed income funds	5,061,353	-	-	-	5,061,353
U.S. Government bonds	881,864	-	-	-	881,864
Municipal bonds	1,884,452	-	-	-	1,884,452
Investments in alternative funds ⁽¹⁾	-	-	-	4,080,368	4,080,368
	<u>\$ 65,912,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,080,368</u>	<u>69,992,518</u>
Money market funds					6,250,861
					<u>\$ 76,243,379</u>
Assets held for sale	\$ 12,281,363	\$ -	\$ -	\$ -	\$ 12,281,363
Charitable gift annuities payable	\$ -	\$ -	\$ (4,526,058)	\$ -	\$ (4,526,058)
2020					
	Quoted Prices	Significant	Significant	Value Using	Total
	in Active	Other	Unobservable	Net Asset	
	Markets for	Observable	Inputs	Value (1)	
	Identical Assets	Inputs	Level 3		
	Level 1	Level 2			
Assets:					
Corporate bonds	\$ 3,317,644	\$ -	\$ -	\$ -	\$ 3,317,644
Common stocks	4,058,468	-	-	-	4,058,468
Equity mutual funds	4,362,367	-	-	-	4,362,367
Fixed-income mutual funds	9,647,458	-	-	-	9,647,458
Real estate investment trusts	179,780	-	-	-	179,780
Exchange-traded index funds	9,530,276	-	-	-	9,530,276
Exchange-traded fixed income funds	299,856	-	-	-	299,856
U.S. Government bonds	970,785	-	-	-	970,785
Municipal bonds	1,953,099	-	-	-	1,953,099
Investments in alternative funds ⁽¹⁾	-	-	-	3,341,399	3,341,399
	<u>\$ 34,319,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,341,399</u>	<u>37,661,132</u>
Money market funds					2,840,535
					<u>\$ 40,501,667</u>
Assets held for sale	\$ 12,281,363	\$ -	\$ -	\$ -	\$ 12,281,363
Charitable gift annuities payable	\$ -	\$ -	\$ (4,493,622)	\$ -	\$ (4,493,622)

International Fellowship of Christians & Jews, Inc.

Notes to Consolidated Financial Statements

Note 3. Fair Value Disclosures and Investments (Continued)

(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 statements 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 \$8,661,428 and \$8,126,171 at December 31, 2021 and 2020, respectively, which exceeds the projected current liability.

The tables below represent The Fellowship's ability to redeem an investment in underlying funds valued at NAV or their equivalent at December 31, 2021 and 2020, 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 NAV, their attributes and investment strategies as of December 31, 2021 and 2020:

		December 31, 2021			
		Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity:					
Developed international equity (a)		\$ 4,080,368	\$ -	Monthly	30 days
		<u>\$ 4,080,368</u>	<u>\$ -</u>		
		December 31, 2020			
		Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity:					
Developed international equity (a)		\$ 3,341,399	\$ -	Monthly	30 days
		<u>\$ 3,341,399</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, 2021 and 2020:

	2021	2020
Interest and dividends	\$ 1,863,957	\$ 985,555
Realized gain on sales of investments	1,217,082	275,883
Change in unrealized gain relating to assets still held at year-end	2,534,237	3,046,860
Investment fees	(288,547)	(184,556)
Net investment return	<u>\$ 5,326,729</u>	<u>\$ 4,123,742</u>

International Fellowship of Christians & Jews, Inc.

Notes to Consolidated Financial Statements

Note 3. Fair Value Disclosures and Investments (Continued)

Other nonrecurring assets reported at fair value:

Assets held for sale: In 2020, The Fellowship's Board decided to cease construction on property they held in Israel and in, June 2020, The Fellowship began marketing the property for sale. Amortization on the related assets ceased as of this date. The assets were reclassified from fixed assets to assets held for sale at \$12,281,363, their fair value at the time, less costs to sell. The fair value of the assets were determined using a third-party appraisal. An impairment loss has been recognized on the 2020 consolidated statement of activities in the amount of \$7,495,711. Due to unforeseen circumstances, the property is still held for sale at December 31, 2021, and is still actively marketed. The Fellowship expects to sell this property in 2022. A third-party appraisal was obtained in 2021 and indicated that there is no need for an additional impairment loss in 2021.

Note 4. Fixed Assets

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

	2021	2020
Furniture and equipment	\$ 1,363,594	\$ 381,500
Leasehold improvement	399,695	140,589
Computers and related equipment	1,634,146	1,576,555
	<u>3,397,435</u>	<u>2,098,644</u>
Less accumulated depreciation and amortization	(1,691,147)	(1,600,299)
	<u>\$ 1,706,288</u>	<u>\$ 498,345</u>

Depreciation and amortization expense for 2021 and 2020 totaled \$257,996 and \$218,586, 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. In 2019, The Fellowship's Board decided to cease construction on the related land and, in 2020, The Fellowship began marketing the land for sale. The land is still actively marketed for sale as of December 31, 2021. The related deferred lease expense was written off in conjunction with the reclassification of the related fixed assets to assets held for sale in 2020.

International Fellowship of Christians & Jews, Inc.

Notes to Consolidated Financial Statements

Note 6. Charitable Gift Annuities

During the years ended December 31, 2021 and 2020, the value of assets (primarily cash) received by The Fellowship in connection with the issuance of charitable gift annuities totaled \$623,800 and \$902,500, respectively. The Fellowship records a liability and revenue at time of receipt, which were as follows at December 31, 2021 and 2020:

	2021	2020
Liability portion (actuarial value of estimated future payments due to annuitant)	\$ 409,543	\$ 631,222
Gift portion (recorded as revenue)	214,257	271,278
Total assets received	<u>\$ 623,800</u>	<u>\$ 902,500</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 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's fixed payments to annuitants 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 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 \$185,085 and \$129,874 of unspent investment earnings as of December 31, 2021 and 2020, respectively.

Donors have imposed restrictions on donations for specific purposes. Net assets with donor restrictions at December 31, 2021 and 2020, were available for the following purposes:

	2021	2020
Isaiah 58	\$28,505,186	\$ 6,052,975
On Wings of Eagles	682,308	721,167
Guardians	-	250,000
Stand for Israel	141,499	286,135
Bless the Persecuted	-	16,602
Amutah	2,455,304	2,149,928
	<u>\$31,784,297</u>	<u>\$ 9,476,807</u>

Net assets restricted at December 31, 2021, for the Isaiah 58 fund above, will be available to meet urgent needs related to the ongoing crisis in Ukraine in 2022 and beyond.

International Fellowship of Christians & Jews, Inc.

Notes to Consolidated Financial Statements

Note 8. Leases

The Fellowship leased office space in Chicago, Illinois under an operating lease agreement, which expired in March of 2022. A lease for new office space was executed in 2021, and will commence in October 2022. The lease provides for early occupation (free of charge) beginning in March 2022, prior to the lease commencement date, as well as an additional rent abatement period through February of 2024.

Approximate future minimum lease payments (exclusive of operating expenses) at December 31, 2021, are as follows:

2022	\$ 157,000
2023	-
2024	687,000
2025	764,000
2026	780,000
Thereafter	9,437,000
	<u>\$11,825,000</u>

In 2014, the Amutah entered into a three-year lease for office space in the city of Jerusalem, Israel. The Amutah extended the agreement through December 2022.

In 2021, the Amutah entered into a new five-year lease for office space in the city of Modiin, Israel through August of 2026. The lease has options to extend for an additional 10 years. The Amutah expects to occupy the space after construction is complete in October 2022.

Approximate future minimum lease payments (exclusive of operating expenses) at December 31, 2021, are as follows:

2022	\$ 639,000
2023	384,000
2024	384,000
2025	384,000
2026	256,000
	<u>\$ 2,047,000</u>

Total expenses related to these agreements was approximately \$1,861,000 and \$1,355,000 for the years ended December 31, 2021 and 2020, 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 matches employee contributions on a dollar-for-dollar basis up to a maximum deferral of 5% of annual salary. The Fellowship contributed \$403,728 and \$353,539 to the plan during the years ended December 31, 2021 and 2020, respectively.

International Fellowship of Christians & Jews, Inc.

Notes to Consolidated Financial Statements

Note 9. Employee Benefit Plans (Continued)

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. The Fellowship accrued \$564,312 and \$478,145 at December 31, 2021 and 2020, 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 statements of financial position at December 31, 2021 and 2020.

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 consolidated statements of financial position as severance funds. The estimated net liability recorded by the Amutah for severance payments totaled \$203,859 and \$105,469 at December 31, 2021 and 2020, 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 10. 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 former president's beneficiary is to receive fixed monthly payments for ten years. The Fellowship had been fully funding the future liability. In 2020, The Fellowship made a one-time tax payment to the Israel Tax Authority to pay for the present value of future payments made to the beneficiary. As of December 31, 2021 and 2020, \$1,345,012 and \$1,515,184, respectively, have been accrued, as part of the deferred compensation 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, 2021 and 2020, the Rabbi Trust held investments of \$4,613,264 and \$4,395,470, 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. As of December 31, 2021, the lendable available credit is \$9,800,000. Interest is payable at a variable rate equal to LIBOR plus 1.50%, totaling 1.573% at December 31, 2021. There have been no borrowings against this line since its inception. The agreement will mature in January 2023.

Note 12. Commitments and Litigation Contingencies

The Fellowship was a party to litigation and claims incidental to its operations in 2021. These claims were settled without any penalty or payment in 2021.

Supplementary Information

International Fellowship of Christians & Jews, Inc.

Consolidating Statement of Financial Position
December 31, 2021

	IFCJ	Foundation	Amutah	IFCJ Korea	Eliminations	Total
Assets						
Cash	\$ 42,971,497	\$ 44,223	\$ 8,196,141	\$ 885,901	\$ -	\$ 52,097,762
Investments	74,843,149	-	1,307,395	92,835	-	76,243,379
Accounts and grants receivable	2,237,673	-	2,500,322	-	(2,113,771)	2,624,224
Prepaid expenses	2,011,211	-	-	1,315	-	2,012,526
Fixed assets, net	1,494,385	-	199,678	12,225	-	1,706,288
Assets held for sale	-	-	12,281,363	-	-	12,281,363
Other	279,793	-	73,312	30,831	-	383,936
Total assets	\$ 123,837,708	\$ 44,223	\$ 24,558,211	\$ 1,023,107	\$ (2,113,771)	\$ 147,349,478
Liabilities and Net Assets						
Liabilities:						
Accounts payable and accrued expenses	\$ 7,726,247	\$ 3,000	\$ 1,034,727	\$ 164,570	\$ -	\$ 8,928,544
Grant commitments payable	4,245,255	-	3,357,556	695,391	(2,113,771)	6,184,431
Charitable gift annuities payable	4,526,058	-	-	-	-	4,526,058
Deferred compensation payable	1,345,012	-	1,280,064	-	-	2,625,076
Deferred rent	33,029	-	-	-	-	33,029
Total liabilities	17,875,601	3,000	5,672,347	859,961	(2,113,771)	22,297,138
Net assets:						
Without donor restrictions	76,633,115	41,223	16,430,559	163,146	-	93,268,043
With donor restrictions	29,328,992	-	2,455,305	-	-	31,784,297
Total net assets	105,962,107	41,223	18,885,864	163,146	-	125,052,340
Total liabilities and net assets	\$ 123,837,708	\$ 44,223	\$ 24,558,211	\$ 1,023,107	\$ (2,113,771)	\$ 147,349,478

International Fellowship of Christians & Jews, Inc.

Consolidating Statement of Financial Position
December 31, 2020

	IFCJ	Foundation	Amutah	IFCJ Korea	Eliminations	Total
Assets						
Cash	\$ 35,721,314	\$ 44,201	\$ 4,719,975	\$ 767,285	\$ -	\$ 41,252,775
Investments	39,040,633	-	1,000,556	460,478	-	40,501,667
Accounts and grants receivable	1,069,498	-	5,520,171	-	(3,203,644)	3,386,025
Prepaid expenses	1,378,375	-	37,956	763	-	1,417,094
Fixed assets, net	351,636	-	142,492	4,217	-	498,345
Assets held for sale	-	-	12,281,363	-	-	12,281,363
Other	203,498	-	152,137	-	-	355,635
Total assets	\$ 77,764,954	\$ 44,201	\$ 23,854,650	\$ 1,232,743	\$ (3,203,644)	\$ 99,692,904
Liabilities and Net Assets						
Liabilities:						
Accounts payable and accrued expenses	\$ 4,552,405	\$ 3,000	\$ 852,153	\$ 866,721	\$ (975,706)	\$ 5,298,573
Grants payable to affiliate	2,227,938	-	-	-	(2,227,938)	-
Grant commitments payable	4,245,255	-	4,190,141	-	-	8,435,396
Charitable gift annuities payable	4,493,622	-	-	-	-	4,493,622
Deferred compensation payable	1,515,184	-	1,020,779	-	-	2,535,963
Deferred rent	161,307	-	-	-	-	161,307
Total liabilities	17,195,711	3,000	6,063,073	866,721	(3,203,644)	20,924,861
Net assets:						
Without donor restrictions	53,242,364	41,201	15,641,649	366,022	-	69,291,236
With donor restrictions	7,326,879	-	2,149,928	-	-	9,476,807
Total net assets	60,569,243	41,201	17,791,577	366,022	-	78,768,043
Total liabilities and net assets	\$ 77,764,954	\$ 44,201	\$ 23,854,650	\$ 1,232,743	\$ (3,203,644)	\$ 99,692,904

International Fellowship of Christians & Jews, Inc.

**Consolidating Statement of Activities
Year Ended December 31, 2021**

	IFCJ	Foundation	Amutah	IFCJ Korea	Eliminations	Total
Revenues:						
Contributions	\$ 218,844,459	\$ -	\$ 70,047,486	\$ 1,314,288	\$ (70,697,762)	\$ 219,508,471
Investment return, net of fees	5,326,707	22	-	-	-	5,326,729
Contributions from the Ministry of Welfare of Israel	4,522,472	-	4,942,994	-	(4,522,472)	4,942,994
Other contributions	4,891,900	-	4,537,036	-	(4,891,900)	4,537,036
Tours, conferences and other income	299,915	-	-	19,248	(19,248)	299,915
Total revenues	233,885,453	22	79,527,516	1,333,536	(80,131,382)	234,615,145
Expenses:						
Fellowship	17,723,048	-	22,198,850	1,381,108	(23,245,924)	18,057,082
Guardians of Israel	80,211,453	-	45,073,601	155,304	(45,228,905)	80,211,453
Isaiah 58	30,075,986	-	62,683	-	(62,683)	30,075,986
On Wings of Eagles	14,065,316	-	11,422,516	-	(11,422,516)	14,065,316
Stand For Israel	575,640	-	28	-	(28)	575,640
Bless the Persecuted	235,468	-	171,326	-	(171,326)	235,468
	142,886,911	-	78,929,004	1,536,412	(80,131,382)	143,220,945
General and administrative	20,648,854	-	-	-	-	20,648,854
Fundraising	24,711,984	-	-	-	-	24,711,984
Total expenses	188,247,749	-	78,929,004	1,536,412	(80,131,382)	188,581,783
Increase (decrease) in net assets before other items	45,637,704	22	598,512	(202,876)	-	46,033,362
Other items:						
Effects of foreign currency translation	28,310	-	222,625	-	-	250,935
Transfers between affiliates	(273,150)	-	273,150	-	-	-
	(244,840)	-	495,775	-	-	250,935
Increase (decrease) in net assets	45,392,864	22	1,094,287	(202,876)	-	46,284,297
Net assets:						
Beginning of year	60,569,243	41,201	17,791,577	366,022	-	78,768,043
End of year	\$ 105,962,107	\$ 41,223	\$ 18,885,864	\$ 163,146	\$ -	\$ 125,052,340

International Fellowship of Christians & Jews, Inc.

**Consolidating Statement of Activities
Year Ended December 31, 2020**

	IFCJ	Foundation	Amutah	IFCJ Korea	IFCJ Brazil	Eliminations	Total
Revenues:							
Contributions	\$ 157,013,071	\$ -	\$ 48,693,741	\$ 114,354	\$ 68	\$ (47,282,343)	\$ 158,538,891
Investment (loss) return, net of fees	4,123,712	30	-	-	-	-	4,123,742
Contributions from the Ministry of Welfare of Israel	8,409,483	-	8,409,483	-	-	(8,409,483)	8,409,483
Tours, conferences and other income	71,082	-	-	-	-	-	71,082
Total revenues	169,617,348	30	57,103,224	114,354	68	(55,691,826)	171,143,198
Expenses:							
Fellowship	14,180,383	-	3,920,980	179,110	2,922	(4,103,012)	14,180,383
Guardians of Israel	49,044,410	-	38,615,462	-	-	(38,615,462)	49,044,410
Isaiah 58	27,872,757	-	867,012	-	-	(867,012)	27,872,757
On Wings of Eagles	10,538,740	-	8,992,421	-	-	(8,992,421)	10,538,740
Stand For Israel	318,057	-	-	-	-	-	318,057
Bless the Persecuted	311,742	-	317,603	-	-	(317,603)	311,742
	102,266,089	-	52,713,478	179,110	2,922	(52,895,510)	102,266,089
General and administrative	17,324,235	-	-	-	-	-	17,324,235
Fundraising	18,351,836	-	-	-	-	-	18,351,836
Total expenses	137,942,160	-	52,713,478	179,110	2,922	(52,895,510)	137,942,160
Increase (decrease) in net assets before other items	31,675,188	30	4,389,746	(64,756)	(2,854)	(2,796,316)	33,201,038
Other items:							
Impairment loss on assets held for sale	-	-	(7,495,711)	-	-	-	(7,495,711)
Effects of foreign currency translation	7,876	-	1,365,934	11,833	393	-	1,386,036
Transfers between affiliates	(2,796,316)	-	-	-	-	2,796,316	-
	(2,788,440)	-	(6,129,777)	11,833	393	2,796,316	(6,109,675)
Increase (decrease) in net assets	28,886,748	30	(1,740,031)	(52,923)	(2,461)	-	27,091,363
Net assets:							
Beginning of year	31,682,495	41,171	19,531,608	418,945	2,461	-	51,676,680
End of year	\$ 60,569,243	\$ 41,201	\$ 17,791,577	\$ 366,022	\$ -	\$ -	\$ 78,768,043