

EURASIAN MISSIONS

FINANCIAL STATEMENTS

December 31, 2004

EURASIAN MISSIONS

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INDEPENDENT AUDITORS' REPORT

**Board of Directors
Eurasian Missions
Elmhurst, Illinois**

We have audited the accompanying statement of financial position of Eurasian Missions as of December 31, 2004 and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eurasian Missions as of December 31, 2004, and the changes in its net assets and cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Carol Stream, Illinois
January 25, 2005

EURASIAN MISSIONS

Statement of Financial Position

December 31, 2004

ASSETS:

Cash and cash equivalents	\$ 670,194
Prepaid expenses and other assets	<u>2,342</u>
	<u>\$ 672,536</u>

LIABILITIES AND NET ASSETS:

Liabilities:

Accounts payable	\$ 25,985
Unrestricted net assets	<u>646,551</u>
	<u>\$ 672,536</u>

See notes to financial statements

EURASIAN MISSIONS

Statement of Activities

Year Ended December 31, 2004

	<u>Unrestricted</u>
SUPPORT AND REVENUE:	
Contributions from member churches	\$ 1,081,334
Contributed services	75,000
Interest income and other revenue	<u>3,670</u>
 Total support and revenue	 <u>1,160,004</u>
 EXPENSES:	
Program services	1,335,194
Supporting activities:	
General and administrative	<u>82,448</u>
 Total expenses	 <u>1,417,642</u>
 Change in net assets	 (257,638)
Net assets, beginning of year	<u>904,189</u>
 Net assets, end of year	 <u>\$ 646,551</u>

See notes to financial statements

EURASIAN MISSIONS

Statement of Cash Flows

Year Ended December 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (257,638)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Collection of pledges receivable	556,346
Change in operating assets and liabilities:	
Prepaid expenses and other assets	(2,342)
Accounts payable	<u>25,985</u>
Net cash provided by operating activities	322,351
Cash and cash equivalents, beginning of year	<u>347,843</u>
Cash and cash equivalents, end of year	<u><u>\$ 670,194</u></u>

See notes to financial statements

EURASIAN MISSIONS

Statement of Functional Expenses

Year Ended December 31, 2004

	<u>Program services</u>	<u>General and administrative</u>	<u>Total</u>
Direct support to Eurasian entities	\$ 1,195,478	\$ -	\$ 1,195,478
Missionary salaries and benefits	114,454	-	114,454
Contributed services	-	75,000	75,000
Travel, meetings and meals	21,627	2,361	23,988
Communication and office expenses	3,635	1,154	4,789
Professional fees	-	3,933	3,933
	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 1,335,194</u>	<u>\$ 82,448</u>	<u>\$ 1,417,642</u>

See notes to financial statements

EURASIAN MISSIONS

Notes to Financial Statements

December 31, 2004

1. NATURE OF ORGANIZATION:

Eurasian Missions (EM) is an Illinois nonprofit corporation dedicated to spreading the Gospel through developing and maintaining Christian programs designed to facilitate spiritual and material support of churches throughout the continent generally described as Eurasia. Eurasian Missions was established in October 2003. Members of Eurasian Missions are all incorporated churches that participate in the fellowship of the Churches of Christ, subscribe to its Statement of Faith set forth in the bylaws of Eurasian Missions and have a desire to support missions throughout Eurasia.

Eurasian Missions has received a favorable determination letter from the Internal Revenue Service stating that it is exempt from income tax under Section 501(a) of the U.S. Internal Revenue Code (Code) as an organization described in Section 501(c)(3), and contributions to EM are tax deductible within the limitations prescribed by the Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of EM are prepared on the accrual basis of accounting. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from these estimates. The significant accounting policies followed are described below.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking and other depository accounts with maturities of less than one year. From time to time, these accounts may exceed federally insured limits; however, EM has not experienced any losses on these accounts as a result and does not feel it is subject to credit risk related to these accounts.

CLASSES OF NET ASSETS

The financial statements report amounts separately by classes of net assets:

Unrestricted Net Assets

Unrestricted net assets are those available at the discretion of the Board to be used to further the exempt purposes of EM.

REVENUES AND EXPENSES

Contributions are recognized when made. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the cash or donated assets.

EURASIAN MISSIONS

Notes to Financial Statements

December 31, 2004

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CONTRIBUTED SERVICES

A substantial number of unpaid volunteers have made significant contributions of their time to EM. These volunteers have a significant impact on making the ministry effective. The roles of executive director and controller are performed by employees of a member church. EM does not have any paid administrative staff. Because these roles are considered to involve skilled services and meet the criteria for recording, EM has reflected the value of these services in the statement of activities. Certain other contributed services are not reflected in the financial statements because they do not meet the definition of donated services required to be recorded.

3. CONTRIBUTIONS FROM MEMBER CHURCHES:

Contributions from member churches during 2004 and percentage of the total are as follows:

Chicago Church of Christ - Chicago, IL	\$	364,846	33.7%
Los Angeles International Church of Christ - Los Angeles, CA		314,796	29.1%
Dallas-Fort Worth Church of Christ - Dallas-Fort Worth, TX		150,000	13.9%
St. Louis Church of Christ - St. Louis, MO		49,143	4.5%
Greater Houston Church - Houston, TX		40,232	3.7%
Champaign Church of Christ - Champaign, IL		40,000	3.7%
Madison Church of Christ - Madison, WI		20,000	1.8%
Oklahoma City Intntl. Church of Christ - Oklahoma City, OK		19,000	1.8%
Springfield Church of Christ - Springfield, IL		17,018	1.6%
Austin International Church of Christ - Austin, TX		14,000	1.3%
Columbia Church of Christ - Columbia, MO		12,565	1.2%
Wichita Church of Christ - Wichita, KS		11,000	1.0%
Bloomington/Normal Church of Christ - Bloomington/Normal, IL		10,030	0.9%
Lawrence Church of Christ - Lawrence, KS		6,704	0.6%
Amarillo International Church of Christ - Amarillo, TX		6,000	0.6%
Springfield Church of Christ - Springfield, MO		5,000	0.5%
Lubbock International Church of Christ - Lubbock, TX		1,000	0.1%
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	\$	1,081,334	