

**EURASIAN MISSIONS**

FINANCIAL STATEMENTS

December 31, 2006 and 2005

# EURASIAN MISSIONS

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CAPIN CROUSE LLP  
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

.....  
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We have audited the accompanying statements of financial position of Eurasian Missions as of December 31, 2006 and 2005, and the related statements of activities, cash flows and functional expenses for the years 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 audits.

We conducted our audits in accordance with US generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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, 2006 and 2005, and the changes in its net assets and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Carol Stream, Illinois  
January 25, 2006

# EURASIAN MISSIONS

## Statements of Financial Position

	December 31,	
	<u>2006</u>	<u>2005</u>
ASSETS:		
Cash and cash equivalents	\$ 820,458	\$ 504,457
Prepaid expenses and other assets	9,278	3,000
	<u>\$ 829,736</u>	<u>\$ 507,457</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 175	\$ 117
Unrestricted net assets	<u>829,561</u>	<u>507,340</u>
	<u>\$ 829,736</u>	<u>\$ 507,457</u>

See notes to financial statements

# EURASIAN MISSIONS

## Statements of Activities

	Year Ended December 31,	
	2006	2005
<b>SUPPORT AND REVENUE:</b>		
Contributions from member churches	\$ 1,259,976	\$ 1,165,015
Contributed services	-	50,000
Interest income and other revenue	21,229	8,835
	<u>1,281,205</u>	<u>1,223,850</u>
<b>EXPENSES:</b>		
Program services	929,490	1,299,450
Supporting activities:		
General and administrative	29,494	63,611
	<u>958,984</u>	<u>1,363,061</u>
Change in net assets	322,221	(139,211)
Net assets, beginning of year	<u>507,340</u>	<u>646,551</u>
Net assets, end of year	<u>\$ 829,561</u>	<u>\$ 507,340</u>

See notes to financial statements

# EURASIAN MISSIONS

## Statements of Cash Flows

	Year Ended December 31,	
	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 322,221	\$ (139,211)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Change in operating assets and liabilities:		
Prepaid expenses and other assets	(6,278)	(658)
Accounts payable	58	(25,868)
Net cash provided (used) by operating activities	316,001	(165,737)
Cash and cash equivalents, beginning of year	<u>504,457</u>	<u>670,194</u>
Cash and cash equivalents, end of year	<u>\$ 820,458</u>	<u>\$ 504,457</u>

See notes to financial statements

## EURASIAN MISSIONS

### Statements of Functional Expenses

	Year Ended December 31, 2006		
	Program services	General and administrative	Total
Direct support to Eurasian entities	\$ 886,444	\$ -	\$ 886,444
Missionary salaries and benefits	139	-	139
Travel, meetings and meals	37,504	639	38,143
Communication and office expenses	5,403	1,388	6,791
Professional fees - legal	-	2,244	2,244
Professional fees - audit	-	7,223	7,223
Professional fees - financial services	-	18,000	18,000
	<u>\$ 929,490</u>	<u>\$ 29,494</u>	<u>\$ 958,984</u>

	Year Ended December 31, 2005		
	Program services	General and administrative	Total
Direct support to Eurasian entities	\$ 1,226,620	\$ -	\$ 1,226,620
Contribution to affiliate	25,000	-	25,000
Missionary salaries and benefits	6,155	-	6,155
Contributed services	-	50,000	50,000
Travel, meetings and meals	37,829	1,347	39,176
Communication and office expenses	6,466	1,381	7,847
Professional fees - legal	-	1,664	1,664
Professional fees - audit	-	6,599	6,599
	<u>\$ 1,302,070</u>	<u>\$ 60,991</u>	<u>\$ 1,363,061</u>

See notes to financial statements

# EURASIAN MISSIONS

Notes to Financial Statements  
December 31, 2006 and 2005

## 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. EM was established in October 2003. Members of EM are all churches that participate in the fellowship of the Churches of Christ, subscribe to its Statement of Faith set forth in the bylaws of EM and have a desire to support missions throughout Eurasia.

EM 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. EM is not a private foundation as defined 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, 2006 and 2005

### 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 role of executive director is performed by an individual who is also an employee of a member church. Prior to 2006, these services were contributed to EM and therefore recognized in the statement of activities as they are considered to involve skilled services and meet the criteria for recognition. In 2006, the EM board of directors voted to contract this individual to provide these services. The individual contracted is also an employee of a member church and serves on the EM Board of Directors.

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 by location and percentage of the total are as follows:

	Year Ended December 31,			
	2006		2005	
Chicago Church of Christ - IL	\$ 472,613	37.5%	\$ 461,580	36.6%
Los Angeles Intntl. Church of Christ - CA	364,056	28.9%	302,585	24.0%
Dallas-Fort Worth Church of Christ - TX	140,000	11.1%	150,000	11.9%
Greater Houston Church - TX	74,771	5.9%	63,263	5.0%
St. Louis Church of Christ - MO	58,555	4.6%	50,000	4.0%
Oklahoma City Intntl. Church of Christ - OK	31,380	2.5%	21,000	1.7%
Kansas City Church of Christ - KS	25,000	2.0%	20,000	1.6%
Wichita Church of Christ - KS	21,222	1.7%	23,000	1.8%
Madison Church of Christ - WI	20,400	1.6%	21,100	1.7%
Springfield Church of Christ - IL	14,232	1.1%	15,000	1.2%
Columbia Church of Christ - MO	10,866	0.9%	11,867	0.9%
Lawrence Church of Christ - KS	7,620	0.6%	3,605	0.3%
Springfield Church of Christ - MO	7,561	0.6%	5,000	0.4%
Bloomington/Normal Church of Christ - IL	5,200	0.4%	7,500	0.6%
Tulsa Church of Christ - TX	3,500	0.3%	-	0.0%
Lubbock International Church of Christ - TX	3,000	0.2%	-	0.0%
El Paso Church of Christ - TX	-	0.0%	6,000	0.5%
College Station Church of Christ - TX	-	0.0%	3,515	0.3%
	\$ 1,259,976		\$ 1,165,015	