

EURASIAN MISSIONS

FINANCIAL STATEMENTS

December 31, 2007 and 2006

EURASIAN MISSIONS

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of Eurasian Missions as of December 31, 2007 and 2006, 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, 2007 and 2006, 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
March 6, 2008

EURASIAN MISSIONS

Statements of Financial Position

	December 31,	
	<u>2007</u>	<u>2006</u>
ASSETS:		
Cash and cash equivalents	\$ 922,094	\$ 820,458
Prepaid expenses and other assets	-	9,278
Grants receivable	248,136	-
	<u>\$ 1,170,230</u>	<u>\$ 829,736</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ -	\$ 175
Unrestricted net assets	898,361	829,561
Temporarily restricted net assets	271,869	-
	<u>\$ 1,170,230</u>	<u>\$ 829,736</u>

See notes to financial statements

EURASIAN MISSIONS

Statements of Activities

	Year Ended December 31,					
	2007			2006		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Contributions from member churches	\$ 1,301,114	\$ -	\$ 1,301,114	\$ 1,259,976	\$ -	\$ 1,259,976
Contributions from grants	-	296,615	296,615	-	-	-
Interest income and other revenue	31,940	-	31,940	21,229	-	21,229
	1,333,054	296,615	1,629,669	1,281,205	-	1,281,205
RECLASSIFICATIONS:						
Net assets released by satisfaction of purpose and timing restrictions	24,746	(24,746)	-	-	-	-
EXPENSES:						
Program services	1,255,046	-	1,255,046	929,490	-	929,490
Supporting activities:						
General and administrative	33,954	-	33,954	29,494	-	29,494
	1,289,000	-	1,289,000	958,984	-	958,984
Change in net assets	68,800	271,869	340,669	322,221	-	322,221
Net assets, beginning of year	829,561	-	829,561	507,340	-	507,340
Net assets, end of year	\$ 898,361	\$ 271,869	\$ 1,170,230	\$ 829,561	\$ -	\$ 829,561

See notes to financial statements

EURASIAN MISSIONS

Statements of Cash Flows

	Year Ended December 31,	
	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 340,669	\$ 322,221
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in operating assets and liabilities:		
Prepaid expenses and other assets	9,278	(6,278)
Grants receivable	(248,136)	-
Accounts payable	(175)	58
Net cash provided by operating activities	101,636	316,001
Cash and cash equivalents, beginning of year	<u>820,458</u>	<u>504,457</u>
Cash and cash equivalents, end of year	<u>\$ 922,094</u>	<u>\$ 820,458</u>

See notes to financial statements

EURASIAN MISSIONS

Statements of Functional Expenses

	Year Ended December 31, 2007		
	Program services	General and administrative	Total
Direct support to Eurasian entities	\$ 1,192,742	\$ -	\$ 1,192,742
Salary and payroll taxes	-	19,377	19,377
Travel, meetings and meals	57,226	2,709	59,935
Communication and office expenses	5,078	2,846	7,924
Professional fees - legal	-	1,154	1,154
Professional fees - audit	-	7,868	7,868
Total expenses	\$ 1,255,046	\$ 33,954	\$ 1,289,000

	Year Ended December 31, 2006		
	Program services	General and administrative	Total
Direct support to Eurasian entities	\$ 886,444	\$ -	\$ 886,444
Missionary salary 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
Total expenses	\$ 929,490	\$ 29,494	\$ 958,984

See notes to financial statements

EURASIAN MISSIONS

Notes to Financial Statements
December 31, 2007 and 2006

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.

GRANTS RECEIVABLE

Unconditional promises to give to EM are recognized as income and grants receivable when made and recorded at fair value based upon estimated future cash flows. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk free interest rates applicable to the years in which the promises are received. This discount rate is based on yields of the various U.S. Treasury Bills corresponding to the timing of the promise to give. Amortization of the discounts is included in support and revenue (see note 3).

EURASIAN MISSIONS

Notes to Financial Statements
December 31, 2007 and 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS

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

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

Temporarily Restricted Net Assets include amounts for which timing restrictions related to contributions receivable have not been met.

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.

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 value of these contributed services is not reflected in the financial statements because they do not meet the definition of donated services required to be recorded.

3. GRANTS RECEIVABLE

During 2007, EM received the Mission Plan of the Moscow Group of Churches Grant for a three-year period. EM expects to receive \$302,619 during the period beginning July 1, 2007, and ending June 30, 2010. Management believes the grant is fully collectible; therefore, no reserve for uncollectible amounts has been recorded. The grant receivable is expected to mature as follows for the year ended December 31, 2007:

Amounts due in:	
Less than one year	\$ 98,898
One to five years	155,242
Estimated future cash flows of contributions receivable	<u>254,140</u>
Less unamortized discount	(6,004)
Net present value of contributions receivable	<u><u>\$ 248,136</u></u>

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4. CONTRIBUTIONS FROM MEMBER CHURCHES:

Contributions from member churches by location and percentage of the total are as follows:

	Year Ended December 31,			
	2007		2006	
Chicago Church of Christ - IL	\$ 500,351	38.5%	\$ 472,613	37.5%
Los Angeles Intntl. Church of Christ - CA	375,987	28.9%	364,056	28.9%
Dallas-Fort Worth Church of Christ - TX	141,000	10.8%	140,000	11.1%
Greater Houston Church - TX	65,000	5.0%	74,771	5.9%
St. Louis Church of Christ - MO	47,599	3.7%	58,555	4.6%
Oklahoma City Intntl. Church of Christ - OK	32,000	2.5%	31,380	2.5%
Wichita Church of Christ - KS	29,000	2.2%	21,222	1.7%
Kansas City Church of Christ - KS	25,000	1.9%	25,000	2.0%
Madison Church of Christ - WI	20,000	1.5%	20,400	1.6%
Columbia Church of Christ - MO	12,000	0.9%	10,866	0.9%
Bloomington/Normal Church of Christ - IL	10,000	0.8%	5,200	0.4%
Springfield Church of Christ - MO	9,353	0.7%	7,561	0.6%
Lawrence Church of Christ - KS	8,912	0.7%	7,620	0.6%
Springfield Church of Christ - IL	8,752	0.7%	14,232	1.1%
St. Paul Church of Christ - MN	5,918	0.5%	-	0.0%
Omaha Church of Christ - NE	4,842	0.4%	-	0.0%
Tulsa Church of Christ - TX	3,500	0.3%	3,500	0.3%
Amarillo Intntl. Church of Christ - TX	1,000	0.1%	-	0.0%
Osage Christian Church - KS	500	0.0%	-	0.0%
NW Arkansas Intntl. Church of Christ - AR	400	0.0%	-	0.0%
Lubbock International Church of Christ - TX	-	0.0%	3,000	0.2%
	\$ 1,301,114		\$ 1,259,976	

5. RELATED PARTY TRANSACTION:

The role of Executive Director is performed by an individual who is also an employee of a member church and serves on the EM Board of Directors.