



***CHRISTIAN
VETERINARY
MISSION***

Financial Statements and
Supplemental Information with
Independent Auditors' Report

June 30, 2008 and 2007

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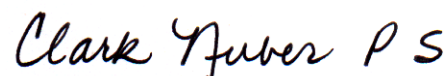
*Independent Auditors' Report**Board of Trustees
CRISTA Ministries
Shoreline, Washington*Certified Public
Accountants
and Consultants

We have audited the accompanying balance sheets of Christian Veterinary Mission ("CVM"), a division of CRISTA Ministries, as of June 30, 2008 and 2007, and the related statements of unrestricted activities, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of CVM's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 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 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 CVM as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements of CVM taken as a whole. The supplemental information presented on page 9 is presented for additional analysis and is not a required part of the basic financial statements. This supplemental information is the responsibility of the Organization's management. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Certified Public Accountants
August 28, 2008

CHRISTIAN VETERINARY MISSION
(A Division of CRISTA Ministries)

Balance Sheets
(In Thousands)

	<i>June 30,</i>	<i>2008</i>	<i>2007</i>
Assets			
Current Assets:			
Cash and cash equivalents	\$	885	\$ 1,081
Accrued interest receivable		4	3
Total Current Assets		889	1,084
Investments		1,991	1,964
Total Assets	\$	2,880	\$ 3,048
Liabilities and Net Assets			
Current Liabilities:			
Accounts payable and accrued expenses	\$	372	\$ 319
Deferred revenue		16	
Total Current Liabilities		388	319
Commitments and contingencies (Note 4)			
Net Assets:			
Unrestricted		(81)	161
Temporarily restricted		2,573	2,568
Total Net Assets		2,492	2,729
Total Liabilities and Net Assets	\$	2,880	\$ 3,048

The accompanying notes are an integral part of the financial statements.

CHRISTIAN VETERINARY MISSION
(A Division of CRISTA Ministries)

Statements of Unrestricted Activities
(In Thousands)

	Years Ended June 30,	2008	2007
Revenues and Gains:			
Contributions		\$ 2,632	\$ 2,343
Contributions released from restrictions		1,250	743
Gifts-in-kind		170	190
Net realized and unrealized gains (losses) on investments		(104)	84
Income on investments		75	72
Fees for service		33	27
Miscellaneous income		6	7
		<u>4,062</u>	<u>3,466</u>
Total Revenues and Gains			
Expenses:			
Program Services:			
Relief and development services		3,644	2,937
Mission and development education		65	74
		<u>3,709</u>	<u>3,011</u>
Supporting services:			
Fundraising and promotion		515	407
Management and general		80	75
		<u>595</u>	<u>482</u>
		<u>4,304</u>	<u>3,493</u>
Total Expenses			
		<u>\$ (242)</u>	<u>\$ (27)</u>
Change in Unrestricted Net Assets			

The accompanying notes are an integral part of the financial statements.

CHRISTIAN VETERINARY MISSION
(A Division of CRISTA Ministries)

Statements of Changes in Net Assets
(In Thousands)

	<i>Years Ended June 30,</i>	<i>2008</i>	<i>2007</i>
Unrestricted Net Assets:			
Total unrestricted revenue and gains		\$ 2,812	\$ 2,723
Contributions released from restriction		1,250	743
Total unrestricted expenses and losses		<u>(4,304)</u>	<u>(3,493)</u>
Change in Unrestricted Net Assets		(242)	(27)
Temporarily Restricted Net Assets:			
Contributions		1,276	1,161
Income on investments		14	6
Net realized and unrealized gains (losses) on investments		(35)	94
Contributions released from restriction		<u>(1,250)</u>	<u>(743)</u>
Change in Temporarily Restricted Net Assets		5	518
Change in Net Assets		(237)	491
Beginning of year net assets		<u>2,729</u>	<u>2,238</u>
End of Year Net Assets		<u>\$ 2,492</u>	<u>\$ 2,729</u>

The accompanying notes are an integral part of the financial statements.

CHRISTIAN VETERINARY MISSION
(A Division of CRISTA Ministries)

Statements of Cash Flows
(In Thousands)

	<i>Years Ended June 30,</i>	<i>2008</i>	<i>2007</i>
Cash Flows from Operating Activities:			
Change in net assets		\$ (237)	\$ 491
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:			
Net realized and unrealized losses (gains) on investments		139	(178)
Change in operating assets and liabilities:			
Accrued interest receivable		(1)	
Accounts payable and accrued expenses		53	28
Deferred revenue		16	
		<u> </u>	<u> </u>
Net Cash (Used) Provided by Operating Activities		(30)	341
Cash Flows from Investing Activities:			
Purchases of investments		(749)	(388)
Proceeds from the sale of investments		583	40
		<u> </u>	<u> </u>
Net Cash Used by Investing Activities		(166)	(348)
Decrease in Cash and Cash Equivalents		(196)	(7)
Cash and Cash Equivalents:			
Beginning of year		<u>1,081</u>	<u>1,088</u>
End of Year		<u>\$ 885</u>	<u>\$ 1,081</u>

The accompanying notes are an integral part of the financial statements.

CHRISTIAN VETERINARY MISSION
(A Division of CRISTA Ministries)

Notes to Financial Statements

Note 1 - Nature of Operations and Significant Accounting Policies

Business Purpose and Organization - Christian Veterinary Mission ("CVM") is a division of CRISTA Ministries ("CRISTA"), a not-for-profit organization. CVM is involved in mobilizing veterinarians to live out their faith through the profession of veterinary medicine. Ministry activities include long-term and short-term mission service in developing countries, developing and distributing educational and training materials, and establishing and encouraging international fellowship groups, student fellowship ministries, and professional outreach programs.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Cash in excess of daily requirements is invested in interest-bearing instruments with maturities of three months or less. Such investments are considered to be cash equivalents, except for those included in CVM's investment portfolio and subject to its investment policy.

Investments - Investments consist primarily of marketable debt and equity securities as well as other non-marketable securities. Investments in marketable securities are stated at fair value which is determined using quoted market prices. Investments in non-marketable securities are stated at the lower of cost or net realizable value. Net realized and unrealized gains and losses are calculated from the changes in fair value of the investment each year. Realized gains and losses are determined based on the specific identified cost of investments sold.

Concentration of Credit Risk - Financial instruments that potentially subject CVM to concentration of credit risk consist primarily of cash and cash equivalents and investments. Cash and cash equivalents and investments are held with a variety of financial institutions and balances may at times exceed FDIC and SIPC insurance limits.

Basis of Presentation - Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of CVM and changes therein are classified and reported as follows:

Unrestricted Net Assets - Unrestricted net assets include all net assets on which there are no donor-imposed restrictions for use, or such donor-imposed restrictions were temporary and expired or were met during the current or previous years.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed restrictions that will be met either by actions of CVM or the passage of time. Temporarily restricted net assets at June 30, 2008 and 2007 are restricted for program activities.

Permanently Restricted Net Assets - Net assets subject to donor-imposed restrictions that they be maintained permanently by CVM. CVM had no permanently restricted net assets as of June 30, 2008 and 2007.

CHRISTIAN VETERINARY MISSION
(A Division of CRISTA Ministries)

Notes to Financial Statements

Note 1 - Continued

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets.

Revenues and Gains - Fees for services and miscellaneous income consist of revenues earned during the year. Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions also include noncash gifts, which are valued at estimated fair market value at the date of gift.

Federal Income Taxes - The Internal Revenue Service has determined that operations of CVM, as a division of CRISTA Ministries, are exempt from income taxes under Section 501(c)(3) and 509(a)(1) of the Internal Revenue Code.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents consisted of the following as of June 30:

	<u>2008</u>	<u>2007</u>
	<i>(In Thousands)</i>	
Money market	\$ 600	\$ 600
Due from CRISTA	<u>285</u>	<u>481</u>
	<u>\$ 885</u>	<u>\$ 1,081</u>

The amounts due from CRISTA represent CRISTA's investments of excess cash of CVM in interest bearing instruments with maturities of three months or less. Interest income earned on these investments is allocated to CVM.

Note 3 - Investments

Investments consisted of the following as of June 30:

	<u>2008</u>	<u>2007</u>
	<i>(In Thousands)</i>	
Cash	\$ 68	\$ 85
Equity securities	1,337	1,504
Marketable debt securities	513	309
Non-marketable debt securities	<u>73</u>	<u>66</u>
	<u>\$ 1,991</u>	<u>\$ 1,964</u>

CHRISTIAN VETERINARY MISSION
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Notes to Financial Statements

Note 4 - Commitments and Contingencies

Employee Retirement Benefits - CRISTA offers a Section 403(b) savings plan to eligible employees, including employees of CVM. Employees may contribute amounts from their salaries to the plan up to the limits specified by the Internal Revenue Service. CVM contributes 3% of the employee's earnings annually to each eligible employee's account. CVM matches up to 4% additional contributions to an eligible employee's account based upon years of service to CRISTA. Employer provided funds are vested to the employee at 20% per year until fully vested after five years. Total employer contributions for CVM employees for the years ended June 30, 2008 and 2007, were \$54,000 and \$43,000, respectively.

Contingencies - In the normal course of business, CVM has various claims in process, matters in litigation, and other contingencies. In management's opinion, the outcome from these matters will not materially impact CVM's financial position or results of activities.

Note 5 - Intra-Organization Transactions

In the normal course of business, CVM enters into transactions with CRISTA to maximize operating efficiency. Expenses related to these transactions are determined based upon actual costs related to the services provided. The following is a summary of income and expenses of intra-organization transactions with CRISTA as of June 30:

	<u>2008</u>	<u>2007</u>
	<i>(In Thousands)</i>	
Revenues:		
Contributions	\$ 100	\$ -
Interest	<u>6</u>	<u>7</u>
	<u>\$ 106</u>	<u>\$ 7</u>
Expenses:		
Fundraising	\$ 193	\$ 147
Management services	52	47
Accounting, donation receipting, and auditing	45	41
Computer services	28	33
Office space	27	26
Mail service	26	24
Personnel/legal services	24	19
Telephone	10	10
Other	<u>19</u>	<u>7</u>
	<u>\$ 424</u>	<u>\$ 354</u>

SUPPLEMENTAL INFORMATION

CHRISTIAN VETERINARY MISSION
(A Division of CRISTA Ministries)
Statement of Functional Expenses
Year Ended June 30, 2008
(With Comparative Totals for 2007)
(In Thousands)

	<i>Program Services</i>			<i>Supporting Services</i>			<i>Total 2008</i>	<i>Total 2007</i>
	<i>Relief and Development Services</i>	<i>Mission and Development Education</i>	<i>Total</i>	<i>Fundraising and Promotion</i>	<i>Management and General</i>	<i>Total</i>		
Salaries and benefits	\$ 1,389	\$ 2	\$ 1,391	\$ 118	\$ -	\$ 118	\$ 1,509	\$ 1,292
Supplies	27		27	40		40	67	73
Contracted services	76	1	77	233	80	313	390	327
Travel	51		51	1		1	52	69
Employee education	40		40				40	38
Advertising and promotion	7		7	13		13	20	22
Printing	6	62	68	109		109	177	153
Telephone and utilities	10		10	1		1	11	9
Insurance	88		88				88	48
Rent	27		27				27	26
Field project supplies	1,923		1,923				1,923	1,436
	\$ 3,644	\$ 65	\$ 3,709	\$ 515	\$ 80	\$ 595	\$ 4,304	\$ 3,493

See independent auditors' report.