



CHRISTIAN
VETERINARY
MISSION

Financial Statements and
Supplemental Information with
Independent Auditors' Report

June 30, 2007 and 2006

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CLARK NUBER

Independent Auditors' Report

***Board of Trustees
CRISTA Ministries
Shoreline, Washington***

We have audited the accompanying balance sheets of Christian Veterinary Mission, a division of CRISTA Ministries, ("CVM") as of June 30, 2007 and 2006, 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, 2007 and 2006, 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.

Clark Nuber P S

Certified Public Accountants
Bellevue, Washington
August 30, 2007

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CHRISTIAN VETERINARY MISSION
(A Division of CRISTA Ministries)

Balance Sheets
(In Thousands)

	<i>June 30,</i>	<i>2007</i>	<i>2006</i>
Assets			
Current Assets:			
Cash and cash equivalents	\$	1,081	\$ 1,088
Accrued interest receivable		<u>3</u>	<u>3</u>
Total Current Assets		1,084	1,091
Investments		<u>1,964</u>	<u>1,438</u>
Total Assets	\$	<u>3,048</u>	<u>\$ 2,529</u>
 Liabilities and Net Assets			
Current Liabilities:			
Accounts payable and accrued expenses	\$	<u>319</u>	<u>\$ 291</u>
Total Current Liabilities		319	291
Commitments and contingencies (Note 4)			
Net Assets:			
Unrestricted		161	188
Temporarily restricted		<u>2,568</u>	<u>2,050</u>
Total Net Assets		<u>2,729</u>	<u>2,238</u>
Total Liabilities and Net Assets	\$	<u>3,048</u>	<u>\$ 2,529</u>

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)

	<i>Years Ended June 30,</i>	
	<i>2007</i>	<i>2006</i>
Revenues and Gains:		
Contributions	\$ 2,343	\$ 2,053
Contributions released from restrictions	743	612
Gifts-in-kind	190	113
Net realized and unrealized gains on investments	84	46
Income on investments	72	46
Fees for service	27	32
Miscellaneous income	7	32
	<u>3,466</u>	<u>2,934</u>
Total Revenues and Gains		
Expenses:		
Program Services:		
Relief and development services	2,937	2,443
Mission and development education	74	62
	<u>3,011</u>	<u>2,505</u>
Supporting services:		
Fundraising and promotion	407	299
Management and general	75	69
	<u>482</u>	<u>368</u>
	<u>3,493</u>	<u>2,873</u>
Total Expenses		
Change in Unrestricted Net Assets	<u><u>\$ (27)</u></u>	<u><u>\$ 61</u></u>

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>2007</i>	<i>2006</i>
Unrestricted Net Assets:			
Total unrestricted revenue and gains		\$ 2,723	\$ 2,322
Contributions released from restriction		743	612
Total unrestricted expenses and losses		<u>(3,493)</u>	<u>(2,873)</u>
Change in Unrestricted Net Assets		(27)	61
Temporarily Restricted Net Assets:			
Contributions		1,161	1,004
Income on investments		6	7
Net realized and unrealized gains on investments		94	42
Transfer to World Concern			(22)
Contributions released from restriction		<u>(743)</u>	<u>(612)</u>
Change in Temporarily Restricted Net Assets		<u>518</u>	<u>419</u>
Change in Net Assets		491	480
Beginning of year net assets		<u>2,238</u>	<u>1,758</u>
End of Year Net Assets		<u>\$ 2,729</u>	<u>\$ 2,238</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>2007</i>	<i>2006</i>
Cash Flows from Operating Activities:		
Change in net assets	\$ 491	\$ 480
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized gains on investments	(178)	(88)
Transfer to World Concern		22
Change in operating assets and liabilities:		
Prepaid expenses		2
Accounts payable and accrued expenses	28	58
	<u>341</u>	<u>474</u>
Net Cash Provided by Operating Activities	341	474
Cash Flows from Investing Activities:		
Purchases of investments	(388)	(352)
Proceeds from the sale of investments	40	47
	<u>(348)</u>	<u>(305)</u>
Net Cash Used by Investing Activities	(348)	(305)
Cash Flows from Financing Activities:		
Transfer to World Concern		(22)
	<u>-</u>	<u>(22)</u>
Net Cash Used by Financing Activities	-	(22)
(Decrease) Increase in Cash and Cash Equivalents	(7)	147
Cash and Cash Equivalents:		
Beginning of year	1,088	941
End of Year	<u>\$ 1,081</u>	<u>\$ 1,088</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.

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, 2007 and 2006 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, 2007 and 2006.

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>2007</u>	<u>2006</u>
	<i>(In Thousands)</i>	
Money market	\$ 600	\$ 600
Due from CRISTA	<u>481</u>	<u>488</u>
	<u>\$ 1,081</u>	<u>\$ 1,088</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>2007</u>	<u>2006</u>
	<i>(In Thousands)</i>	
Cash	\$ 85	\$ 11
Equity securities	1,504	1,218
Marketable debt securities	309	149
Non-marketable debt securities	<u>66</u>	<u>60</u>
	<u>\$ 1,964</u>	<u>\$ 1,438</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 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 year ended June 30, 2007 were \$43,000. There were no employer contributions in 2006 since the plan's inception date was July 1, 2006.

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>2007</u>	<u>2006</u>
	<i>(In Thousands)</i>	
Revenues:		
Interest	<u>\$ 7</u>	<u>\$ 7</u>
Expenses:		
Fundraising	\$ 147	\$ 32
Management services	47	45
Accounting, donation receipting, and auditing	41	37
Computer services	33	32
Office space	26	23
Mail service	24	19
Personnel/legal services	19	14
Telephone	10	8
Other	<u>7</u>	<u>10</u>
	<u>\$ 354</u>	<u>\$ 220</u>

In addition to the above transactions with CRISTA, CVM made cash transfers to World Concern, another division of CRISTA, totaling \$22,000 for the year ended June 30, 2006. There were no similar transfers during the year ended June 30, 2007.

SUPPLEMENTAL INFORMATION

CHRISTIAN VETERINARY MISSION
(A Division of CRISTA Ministries)
Statement of Functional Expenses
Year Ended June 30, 2007
(With Comparative Totals for 2006)
(In Thousands)

	<i>Program Services</i>			<i>Supporting Services</i>			<i>Total 2007</i>	<i>Total 2006</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	\$ 1,181	\$ 2	\$ 1,183	\$ 109	\$ -	\$ 109	\$ 1,292	\$ 1,170
Supplies	25		25	48		48	73	60
Contracted services	73	2	75	177	75	252	327	201
Travel	68		68	1		1	69	79
Employee education	38		38				38	26
Advertising and promotion	11		11	11		11	22	51
Printing	23	70	93	60		60	153	115
Telephone and utilities	8		8	1		1	9	9
Insurance	48		48				48	46
Rent	26		26				26	23
Field project supplies	1,436		1,436				1,436	1,093
	\$ 2,937	\$ 74	\$ 3,011	\$ 407	\$ 75	\$ 482	\$ 3,493	\$ 2,873

See auditors' report.