



*(A Division of CRISTA Ministries)*

Combined Financial Statements

For the Years Ended June 30, 2011 and 2010

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***Independent Auditors' Report******To the Board of Trustees  
CRISTA Ministries  
World Concern Development Organization***

We have audited the accompanying combined balance sheets of World Concern (a division of CRISTA Ministries) and World Concern Development Organization (collectively, the "Organization") as of June 30, 2011 and 2010, and the related combined statements of unrestricted activities, changes in net assets, and cash flows for the years then ended. These combined financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2011 and 2010, 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.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated September 8, 2011, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

# CLARK NUBER

Certified Public  
Accountants  
and Consultants

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended June 30, 2011, presented on pages 14 through 16, is presented for additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of the Organization's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Clark Nuber P S*

Certified Public Accountants  
September 8, 2011

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)  
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**  
*Combined Balance Sheets*  
*June 30, 2011 and 2010*  
*(In Thousands)*

	<u>2011</u>	<u>2010</u>
<i>Assets</i>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 3,843	\$ 4,454
Current receivables, net	1,858	2,236
Prepaid expenses and supplies		1
	<u>5,701</u>	<u>6,691</u>
<b>Total Current Assets</b>	<b>5,701</b>	<b>6,691</b>
Investments	7	7
Property and equipment used in current ministries, net	194	142
Development loans receivable, net	3,296	3,360
Long-term pledges receivable, net	83	
Overseas assets	182	236
	<u>9,463</u>	<u>10,436</u>
<b>Total Assets</b>	<b>\$ 9,463</b>	<b>\$ 10,436</b>
<i>Liabilities and Net Assets</i>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 2,208	\$ 2,369
	<u>2,208</u>	<u>2,369</u>
<b>Total Current Liabilities</b>	<b>2,208</b>	<b>2,369</b>
Commitments and contingencies (Note 6)		
<b>Net Assets:</b>		
Unrestricted-		
General	1,403	683
Represented by property and equipment owned by the Organization	194	142
	<u>1,597</u>	<u>825</u>
Temporarily restricted-		
Restricted for program activities	5,658	7,242
	<u>7,255</u>	<u>8,067</u>
<b>Total Net Assets</b>	<b>7,255</b>	<b>8,067</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 9,463</b>	<b>\$ 10,436</b>

See accompanying notes.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)  
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**  
*Combined Statements of Unrestricted Activities*  
*For the Years Ended June 30, 2011 and 2010*  
*(In Thousands)*

	<u>2011</u>	<u>2010</u>
<b>Revenues, Gains and Losses:</b>		
Contributions	\$ 5,810	\$ 4,768
Contributions released from restriction	6,656	7,631
Gifts-in-kind	66,422	61,735
Government grants	8,667	6,673
Income on investments and loans	711	620
Miscellaneous income	<u>16</u>	<u>26</u>
<b>Total Revenues, Gains and Losses</b>	<b>88,282</b>	<b>81,453</b>
<b>Expenses:</b>		
Program services	84,331	77,794
Supporting services-		
Fundraising and promotion	2,336	2,390
Management and general	<u>1,866</u>	<u>1,803</u>
	<u>4,202</u>	<u>4,193</u>
<b>Total Expenses</b>	<b>88,533</b>	<b>81,987</b>
<b>Change in Unrestricted Net Assets</b>	<b><u>\$ (251)</u></b>	<b><u>\$ (534)</u></b>

See accompanying notes.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)  
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**  
*Combined Statements of Changes in Net Assets*  
*For the Years Ended June 30, 2011 and 2010*  
*(In Thousands)*

	<u>2011</u>	<u>2010</u>
<b>Unrestricted Net Assets:</b>		
Total unrestricted revenue and gains	\$ 81,626	\$ 73,822
Contributions released from restrictions	6,656	7,631
Total unrestricted expenses and losses	<u>(88,533)</u>	<u>(81,987)</u>
<b>Change in Unrestricted Net Assets</b>	<b>(251)</b>	<b>(534)</b>
<b>Temporarily Restricted Net Assets:</b>		
Contributions	5,072	9,226
Transfer from Christian Veterinary Mission		20
Contributions released from restrictions	<u>(6,656)</u>	<u>(7,631)</u>
<b>Change in Temporarily Restricted Net Assets</b>	<b><u>(1,584)</u></b>	<b><u>1,615</u></b>
<b>Change in Net Assets Before Transfer</b>	<b>(1,835)</b>	<b>1,081</b>
Transfer from CRISTA Ministries	<u>1,023</u>	<u>8,166</u>
<b>Total Change in Net Assets</b>	<b>(812)</b>	<b>9,247</b>
Beginning of year net assets	<u>8,067</u>	<u>(1,180)</u>
<b>End of Year Net Assets</b>	<b><u>\$ 7,255</u></b>	<b><u>\$ 8,067</u></b>

See accompanying notes.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)  
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**  
*Combined Statements of Cash Flows*  
*For the Years Ended June 30, 2011 and 2010*  
*(In Thousands)*

	<u>2011</u>	<u>2010</u>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (812)	\$ 9,247
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities-		
Depreciation	9	10
Non-cash transfer of net assets from CRISTA Ministries		(8,166)
Changes in operating assets and liabilities:		
Receivables	378	(686)
Prepaid expenses and supplies	1	
Development loans receivable	64	(312)
Long-term pledges receivable	(83)	
Overseas assets	54	46
Accounts payable and accrued expenses	(161)	139
Due to CRISTA		536
	<u>(550)</u>	<u>814</u>
<b>Net Cash (Used) Provided by Operating Activities</b>	<b>(550)</b>	<b>814</b>
<b>Cash Flows from Investing Activities:</b>		
Purchase of investments		(7)
Building additions	(61)	
	<u>(61)</u>	<u>(7)</u>
<b>Net Cash Used by Investing Activities</b>	<b>(61)</b>	<b>(7)</b>
<b>(Decrease) Increase in Cash and Cash Equivalents</b>	<b>(611)</b>	<b>807</b>
<b>Cash and Cash Equivalents:</b>		
Beginning of year	<u>4,454</u>	<u>3,647</u>
<b>End of Year</b>	<b><u>\$ 3,843</u></b>	<b><u>\$ 4,454</u></b>

See accompanying notes.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)  
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**

**Notes to Combined Financial Statements**

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**Note 1 - Nature of Operations and Significant Accounting Policies**

**Business Purpose and Organization** - World Concern, a division of CRISTA Ministries ("CRISTA"), a not-for-profit organization, is an international disaster response and development agency working with people in need around the world. World Concern's purpose is to bring life, opportunity and hope to the poor (in body and spirit) by working with them in the developing world to transform lives, strengthen families, and build sustainability.

World Concern Development Organization ("WCDO") is the non-ecclesiastical arm of World Concern and shares common facilities and management with World Concern. WCDO is a not-for-profit organization responsible for administering government and other grants.

**Principles of Combination** - The combined financial statements include the accounts of World Concern and WCDO (collectively, the "Organization"). All significant interorganization transactions have been eliminated in the combination.

**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 the Organization's investment portfolio and subject to its investment policy.

**Receivables** - Receivables consist of accounts and pledges receivable and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. The allowance for doubtful accounts was \$585,000 and \$137,000 at June 30, 2011 and 2010, respectively.

**Overseas Assets** - Overseas assets consist of prepaid expenses, deposits and miscellaneous receivables of the overseas offices.

**Inventory** - Noncash gifts of medicine, clothing, agricultural supplies, medical supplies, and other commodities are donated to World Concern for distribution to overseas development projects. Such gifts are recorded, at estimated fair values (Note 5), as inventory and revenue at the time received and as a reduction of inventory and as relief and development expense when the distributing agency has received the goods. There was no gift-in-kind inventory on hand at June 30, 2011 and 2010.

**Property and Depreciation** - The Organization capitalizes assets with a cost greater than \$5,000 and an estimated useful life of three or more years. Equipment is recorded at cost if purchased or at estimated fair value at the date of gift if donated. Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful lives of the assets. Buildings are depreciated over twenty years and equipment is depreciated over three to ten years.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)  
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**

**Notes to Combined Financial Statements**

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**Note 1 - Continued**

**Investments** - Investments consist of mutual funds. Investments are stated at fair value based on quoted market prices.

**Concentration of Credit Risk** - Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash and cash equivalents and investments. Cash and cash equivalents are held with banks located in and outside of the United States. As of June 30, 2011 and 2010, 74% and 61%, respectively, of cash and cash equivalents were held in banks outside of the United States. Investments are held with a variety of financial institutions. Cash, cash equivalents, and investment balances may at times exceed FDIC and SIPC insurance limits.

**Development Loans Receivable** - Development loans receivable represent loans outstanding under the Micro-enterprise Loan Program ("MLP") in the countries of Bangladesh, Haiti and Bolivia. The purpose of the MLP is to assist impoverished persons to become self-reliant, successful entrepreneurs. The MLP is administered in accordance with guidelines published by World Concern and is tailored to specific conditions of the host country. The average loan size was \$228 and \$295 at June 30, 2011 and 2010, respectively. Maturities on MLP loans range from two months to two years. The loans are reported on the combined balance sheet at net realizable value. Management records a loan loss reserve based on an analysis of collectability of individual loans. The loan loss reserve totaled \$243,000 and \$260,000 at June 30, 2011 and 2010, respectively.

The Organization is subject to certain business risks that could affect net assets. These risks include the geographic concentration in the following developing countries which represent 15% or more of the total development loans receivable as of June 30:

<u>Country</u>	<u>2011</u>	<u>2010</u>
Bangladesh	79%	75%
Haiti	20%	18%

The majority of these loans mature in one to two years. Based on management's intent and ability to reinvest collected amounts in the MLP in those countries, the balance has been classified as a long-term receivable.

**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 the Organization 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 the Organization or the passage of time. Temporarily restricted net assets at June 30, 2011 and 2010, are restricted for program activities.

Permanently Restricted Net Assets - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. The Organization had no permanently restricted net assets as of June 30, 2011 and 2010.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)  
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**

**Notes to Combined Financial Statements**

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**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** - Earned revenues during the year consist of fees for services, government grants, and miscellaneous income. 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 value at the date of gift.

**Functional Allocation of Expenses** - The cost of providing program, fundraising and promotion, and management and general services of the Organization has been summarized on a functional basis in a supplemental schedule to the financial statements. Accordingly, certain costs have been allocated between program services, fundraising and promotion, and management and general expenses based on usage, square footage, or direct identification.

**Federal Income Taxes** - The Internal Revenue Service has determined that the operations of World Concern, as a division of CRISTA Ministries, and WCDO are exempt from income taxes under Section 501(c)(3) and 509(a)(1) of the Internal Revenue Code. Accordingly, no provision has been made for federal income tax in the accompanying combined financial statements. There are open tax years that are subject to IRS review; however, management has determined that no provision for uncertain tax positions is required at June 30, 2011 and 2010.

**Foreign Currency Translation** - The functional currency of World Concern's field offices is the local currency in which the office is located. Assets and liabilities of the office have been translated into U.S. dollars at year-end exchange rates. Revenues and expenses have been translated at average monthly exchange rates. The foreign currency translation loss for the year ended June 30, 2011 totaled \$239,000 and is included in the combined statements of unrestricted activities. The translation adjustment for the year ended June 30, 2010 was immaterial.

**Subsequent Events** - The Organization has evaluated subsequent events through September 8, 2011, the date on which the financial statements were available to be issued.

**Note 2 - Cash and Cash Equivalents**

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

	<i>(In Thousands)</i>	
	<u>2011</u>	<u>2010</u>
Cash	\$ 2,854	\$ 2,732
Money market	989	1,722
<b>Total Cash and Cash Equivalents</b>	<b>\$ 3,843</b>	<b>\$ 4,454</b>

Cash and cash equivalents include \$2,854,000 and \$2,732,000 at June 30, 2011 and 2010, respectively, of funds on deposit in banks in foreign countries.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)  
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**

**Notes to Combined Financial Statements**

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**Note 3 - Investments and Fair Value Measurements**

Accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described as follows:

Level 1 - Unadjusted quoted prices available in active markets for identical assets or liabilities;

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3 - Unobservable inputs that are significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. These financial instruments were valued using a market approach.

Investments held by the Organization at June 30, 2011 and 2010, consisted of mutual funds that are valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held at year-end. These investments are classified as Level 1.

**Note 4 - Property and Equipment Used in Current Ministries**

Property and equipment consisted of the following as of June 30:

	<i>(In Thousands)</i>	
	<u>2011</u>	<u>2010</u>
Buildings and improvements	\$ 234	\$ 173
Less accumulated depreciation	<u>(40)</u>	<u>(31)</u>
<b>Property and Equipment, Net</b>	<b><u>\$ 194</u></b>	<b><u>\$ 142</u></b>

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)  
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**

**Notes to Combined Financial Statements**

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**Note 5 - Gifts-In-Kind**

Gifts-in-kind (GIK) received through private donations are recorded in accordance with industry standards, referred to as the *Interagency GIK Standards*, as developed by an interagency taskforce appointed by Accord, (formerly the Association of Evangelical Relief and Development Organizations, AERDO). World Concern receives donations of medicine, clothing, agricultural supplies, medical supplies and other commodities for use in relief and development programs. These gifts are recorded at their fair value based on product like-kind analysis and current estimated wholesale prices when available. Gifts in kind are recorded in accordance with generally accepted accounting principles and in consideration of Accord GIK Interagency Standards. Such Standards are subject to review and adjustment and, therefore, estimates of fair value of donated commodities may vary in the future. Such gifts are recorded as inventory and revenue at the time received and as a reduction of inventory and as program services expense when the distributing agency has received the goods.

Gifts of \$56,212,000 and \$15,934,000 for the years ended June 30, 2011 and 2010, respectively, relate to GIK received through private donations, and \$10,210,000 and \$45,801,000 for the years ended June 30, 2011 and 2010, respectively, were received from other not-for-profit organizations. Of the total gifts for the years ended June 30, 2011 and 2010, 84% and 74%, respectively, came from a single source, although the single source was different in each year.

GIK distributed to World Concern projects amounted to \$11,559,000 and \$4,335,000 for the years ended June 30, 2011 and 2010, respectively. The remaining \$54,863,000 and \$57,400,000 for the years ended June 30, 2011 and 2010, respectively, were distributed through other organizations. Of the amounts distributed through other organizations, \$23,000 and \$26,282,000 for the years ended June 30, 2011 and 2010, respectively, were delivered to World Concern before being distributed. The remaining amounts of \$54,840,000 and \$31,118,000 for the years ended June 30, 2011 and 2010, respectively, were shipped directly from the donor to other organizations.

World Concern did not facilitate unrecorded GIK to be used by other not-for-profits. World Concern only records the value of GIK for which World Concern was the original recipient of the gift, was the end use agency, was involved in partnership with another organization for distribution internationally, or used the GIK in its own programs.

A summary of GIK revenue for the years ended June 30 is as follows:

	<i>(In Thousands)</i>	
	<u>2011</u>	<u>2010</u>
Medicines and medical supplies	\$ 63,203	\$ 60,970
Agricultural supplies	2,502	378
Clothing	187	5
Other	530	382
<b>Total Gifts-In-Kind</b>	<b><u>\$ 66,422</u></b>	<b><u>\$ 61,735</u></b>

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)  
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**

**Notes to Combined Financial Statements**

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**Note 6 - Commitments and Contingencies**

**Leases** - The Organization is obligated under various operating leases for office equipment. Lease expense for the years ended June 30, 2011 and 2010, was \$10,000 each year. Future minimum payments for operating leases that have initial or remaining noncancellable lease terms in excess of one year are as follows for the years ending June 30 (in thousands):

	<u>(In Thousands)</u>
2012	\$ 6
2013	6
2014	6
2015	6
2016	6
	<u>        </u>
	<u><u>\$ 30</u></u>

**Employee Retirement Benefits** - CRISTA offers a Section 403(b) savings plan to eligible employees, including employees of the Organization. Employees may contribute amounts from their salaries to the plan up to the limits specified by the Internal Revenue Service. The Organization contributes 3% of the employee's earnings annually to each eligible employee's account. The Organization 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 the Organization's employees for the years ended June 30, 2011 and 2010, were \$67,000 and \$51,000, respectively.

**Contingencies** - Amounts received under federal grant-in-aid programs are subject to audit and adjustment by the granting agency. Any adjusted amounts, including funds already received, may constitute a liability of the Organization. Management believes adjustments required, if any, as a result of audits will not have a material effect on the Organization's financial position or results of activities.

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

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)  
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**

**Notes to Combined Financial Statements**

**Note 7 - Intra-Organization Transactions**

In the normal course of business, the Organization 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 expenses of intra-organization transactions with CRISTA as of June 30:

	<i>(In Thousands)</i>	
	<u>2011</u>	<u>2010</u>
Expenses-		
Fundraising services	\$ 543	\$ 442
Management services	168	323
Accounting, donation receipting, and auditing	282	263
Office space	119	103
Interest		81
Computer services	63	62
Personnel/legal services	44	47
Mailroom services	24	16
Broadcast	41	28
Marketing	42	49
Other	17	18
<b>Total Expenses</b>	<b><u>\$ 1,343</u></b>	<b><u>\$ 1,432</u></b>

**Contributions from Christian Veterinary Mission** - Funds are raised in Christian Veterinary Mission that, at times, are more effectively used through World Concern. Therefore, contributions are occasionally transferred for use by World Concern. These amounts are reflected on the combined statement of changes in net assets. There were no such transfers for the year ended June 30, 2011. Transfers totaled \$20,000 for the year ended June 30, 2010.

**Due to CRISTA and Transfer from CRISTA Ministries** - During the year ended June 30, 2010, CRISTA went through a strategic planning process that, as one of its goals, focused on the "One Mission" pillar upon which CRISTA is based. The Board and executives of CRISTA decided that to truly function as One Mission, it was appropriate to eliminate the due to/from balances and recognize that all of CRISTA's resources belong to CRISTA Ministries as a whole and not to one individual operating unit or particular ministry. Therefore, funds provided either to or from the Organization are reflected as transfers on the combined statement of changes in net assets beginning in the year ended June 30, 2010. These transfers totaled \$1,023,000 and \$8,166,000 for the years ended June 30, 2011 and 2010, respectively.

***SUPPLEMENTARY INFORMATION***

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)  
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**  
*Combined Schedule of Functional Expenses*  
*For the Year Ended June 30, 2011*  
*(With Comparative Totals for 2010)*  
*(In Thousands)*

	<i>Relief and Development Services</i>	<i>Fundraising and Promotion</i>	<i>Management and General</i>	<i>2011 Total</i>	<i>2010 Total</i>
Salaries	\$ 4,626	\$ 535	\$ 663	\$ 5,824	\$ 5,390
Payroll taxes	194	33	45	272	266
Employee benefits	822	73	95	990	937
Professional services	151	38	124	313	225
Advertising and promotion	1	1	3	5	11
Office expenses	673	110	54	837	607
Information technology	152		7	159	78
Occupancy	588	1	123	712	588
Travel	1,907	42	102	2,051	1,292
Conferences and training	780	24	20	824	1,135
Interest					81
Depreciation	9			9	10
Insurance	17		59	76	103
Dues and fees	70		35	105	81
Purchased services	236	1,387	526	2,149	2,580
Program supplies	73,865	92	10	73,967	68,514
Exchange losses	240			240	89
	<b>\$ 84,331</b>	<b>\$ 2,336</b>	<b>\$ 1,866</b>	<b>\$ 88,533</b>	<b>\$ 81,987</b>

See independent auditors' report.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)  
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**

**Combining Statement of Activities  
For the Year Ended June 30, 2011  
(In Thousands)**

	<i>World Concern</i>	<i>World Concern Development Organization</i>	<i>2011 Total</i>
<b>Revenues and Gains:</b>			
Contributions	\$ 5,389	\$ 421	\$ 5,810
Contributions released from restrictions	6,656		6,656
Gifts-in-kind	66,422		66,422
Government grants		8,667	8,667
Income on investments and loans	711		711
Miscellaneous income	16		16
<b>Total Revenues and Gains</b>	<b>79,194</b>	<b>9,088</b>	<b>88,282</b>
<b>Expenses:</b>			
Program services	76,392	7,939	84,331
Supporting services -			
Fundraising and promotion	2,336		2,336
Management and general	712	1,154	1,866
	3,048	1,154	4,202
<b>Total Expenses</b>	<b>79,440</b>	<b>9,093</b>	<b>88,533</b>
<b>Change in Unrestricted Net Assets</b>	<b>(246)</b>	<b>(5)</b>	<b>(251)</b>
<b>Change in Temporarily Restricted Net Assets</b>	<b>(1,580)</b>	<b>(4)</b>	<b>(1,584)</b>
<b>Change in Net Assets Before Transfer</b>	<b>(1,826)</b>	<b>(9)</b>	<b>(1,835)</b>
Transfer of net assets from CRISTA Ministries	1,023		1,023
<b>Total Change in Net Assets</b>	<b>(803)</b>	<b>(9)</b>	<b>(812)</b>
Beginning of year net assets	8,047	20	8,067
<b>End of Year Net Assets</b>	<b>\$ 7,244</b>	<b>\$ 11</b>	<b>\$ 7,255</b>

See independent auditors' report.

**WORLD CONCERN DEVELOPMENT ORGANIZATION**

***Schedule of Functional Expenses  
For the Year Ended June 30, 2011  
(In Thousands)***

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	<i>Relief and Development Services</i>	<i>Management and General</i>	<i>2011 Total</i>
Salaries	\$ 1,503	\$ 441	\$ 1,944
Payroll taxes	54	8	62
Employee benefits	170	16	186
Professional services	43	116	159
Office expenses	248	38	286
Information technology	24	3	27
Occupancy	201	14	215
Travel	488	86	574
Conferences and training	70	18	88
Insurance	4	11	15
Dues and fees	9	32	41
Purchased services	141	371	512
Program supplies	4,984		4,984
	<u>\$ 7,939</u>	<u>\$ 1,154</u>	<u>\$ 9,093</u>

**Indirect Cost Rate:**

For the year ended June 30, 2011, the indirect cost rate, defined by management and general expenses as a percentage of allowable relief and development services amounted to 15.00%.