

**LIGHTHOUSE FOR CHRIST MISSION  
TYLER, TEXAS**

**Financial Statements  
(with Independent Auditors' Report thereon)**

**December 31, 2008**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Lighthouse for Christ Mission  
Tyler, Texas

We have audited the accompanying statement of financial position of Lighthouse for Christ Mission as of December 31, 2008, and the related statements of activity and cash flows for the year then ended. These financial statements are the responsibility of the management of Lighthouse for Christ Mission. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 audit provides 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 Lighthouse for Christ Mission as of December 31, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of changes in temporarily restricted net assets is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit 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.

ACKER & COMPANY  
Certified Public Accountants  
March 3, 2009

**LIGHTHOUSE FOR CHRIST MISSION  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2008**

**ASSETS**

Cash and Cash Equivalents		\$ 120,887
Fixed Assets	637	
Less: Accumulated Depreciation	<u>(220)</u>	<u>417</u>
 TOTAL ASSETS		 <u><u>\$ 121,304</u></u>

**LIABILITIES AND NET ASSETS**

Current Liabilities:

Payroll Taxes Payable		\$ <u>2,349</u>
Total Current Liabilities		<u>2,349</u>

Net Assets:

Unrestricted		
Designated	39,734	
Undesignated	<u>28,153</u>	
		67,887
Temporarily Restricted		<u>51,068</u>
 Total Net Assets		 <u>118,955</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>		 <u><u>\$ 121,304</u></u>

See accompanying notes to financial statements.

**LIGHTHOUSE FOR CHRIST MISSION**  
**STATEMENT OF ACTIVITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Changes in Net Assets:			
Public Support and Revenues:			
Public Support	\$ 223,118	\$ 344,180	\$ 567,298
In-Kind Gifts	352,201	-	352,201
Interest Income	498	-	498
Loss on Investments	(6,300)		(6,300)
Net Assets Released from Restrictions	325,204	(325,204)	-
Total Public Support and Revenues	894,721	18,976	913,697
Operating Expenses:			
Missionaries and Staff:			
Salaries	110,111	-	110,111
Payroll Taxes	10,074	-	10,074
Medical Insurance	23,569	-	23,569
Reimbursable Costs	25,370	-	25,370
Travel	20,602	-	20,602
Total Missionaries and Staff	189,726	-	189,726
Kenya Mission Support:			
Medical Supplies	376,156	-	376,156
Medical Equipment	46,219	-	46,219
Mission Support	246,005	-	246,005
Mission Support - Other	-	-	-
Total Kenya Mission Support	668,380	-	668,380
General and Administrative:			
Accounting	7,195	-	7,195
Advertising	1,426	-	1,426
Bank Charges	3,222	-	3,222
Business Meals	1,613	-	1,613
Contract Labor	1,250	-	1,250
Depreciation	91	-	91
Freight	3,231	-	3,231
Insurance	1,909	-	1,909
Legal Expense	3,559	-	3,559
Meetings and Conventions	1,600	-	1,600
Membership Fees	750	-	750
Office Expense	6,102	-	6,102
Postage	5,130	-	5,130
Rent	210	-	210
Repairs	1,970	-	1,970
Subscriptions	638	-	638
Telephone	4,195	-	4,195
Travel	2,926	-	2,926
Total General and Administrative	47,017	-	47,017
Fund Raising	23,538	-	23,538
Total Operating Expenses	928,661	-	928,661
Increase (Decrease) in Net Assets	(33,940)	18,976	(14,964)
Net Assets, Beginning of Year	101,827	32,092	133,919
Net Assets, End of Year	\$ 67,887	\$ 51,068	\$ 118,955

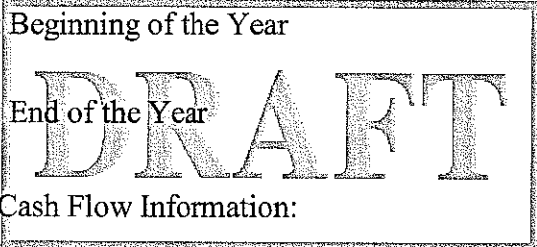
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See accompanying notes to financial statements.

**LIGHTHOUSE FOR CHRIST MISSION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase (Decrease) in Net Assets	\$ (14,964)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation Expense	91
Increase (Decrease) in Payroll Taxes Payable	<u>(2,450)</u>
Net Cash Provided (Used) by Operating Activities	<u>(17,323)</u>
Increase (Decrease) in Cash and Cash Equivalents	(17,323)
Cash and Cash Equivalents at Beginning of the Year	<u>138,210</u>
Cash and Cash Equivalents at End of the Year	<u>\$ 120,887</u>
Supplemental Disclosures of Cash Flow Information:	
Interest Paid	\$ -
Income Taxes Paid	\$ -



See accompanying notes to financial statements.

**LIGHTHOUSE FOR CHRIST MISSION**  
**SCHEDULE OF CHANGES IN TEMPORARILY RESTRICTED NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	Designated Projects Fund	Ghrist Fund	Josh & Maggie Ghrist Fund	Little 2008	Smiddy Fund	Capital Fund	Medical Director Fund	Blind Children Fund	Staff Education	DeHaven Fund	Temporarily Restricted Net Assets	Eloise McDougal Estate Fund	General Fund
<b>Contributions:</b>													
Public Support	\$ 49,013	\$ 114,108	\$ 56,406	\$ 1,200	\$ 1,335	\$ 60,635	\$ 1,800	\$ 48,487	\$ 10,400	\$ 797	\$ 344,180	\$ -	\$ 223,118
Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	(5,803)
<b>Expenses:</b>													
<b>Missionaries and Staff</b>													
Salaries	-	41,244	27,849	-	-	-	-	-	-	-	69,093	-	40,904
Payroll Taxes	-	4,814	2,130	-	-	-	-	-	-	-	6,945	-	3,244
Medical Insurance	-	10,154	13,415	-	-	-	-	-	-	-	23,569	-	-
Reimbursable Costs	-	14,598	1,216	-	9,556	-	-	-	-	-	25,370	-	-
Travel	8,604	4,283	7,396	-	-	-	-	135	-	-	20,418	-	182
<b>Total</b>	<b>8,604</b>	<b>75,093</b>	<b>52,007</b>	<b>-</b>	<b>9,556</b>	<b>-</b>	<b>-</b>	<b>135</b>	<b>-</b>	<b>-</b>	<b>145,395</b>	<b>-</b>	<b>44,331</b>
<b>Kenya Mission Costs:</b>													
Medical Supplies	-	-	-	-	-	5,329	-	19,560	-	-	24,889	-	66
Mission Equipment	-	-	-	-	-	45,653	-	4,500	-	-	45,653	-	566
Mission Support	35,255	36,555	10,005	-	-	4,245	-	4,500	10,370	801	101,731	-	144,274
Kenya Mission - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>35,255</b>	<b>36,555</b>	<b>10,005</b>	<b>-</b>	<b>-</b>	<b>55,227</b>	<b>-</b>	<b>24,060</b>	<b>10,370</b>	<b>801</b>	<b>172,273</b>	<b>-</b>	<b>144,906</b>
<b>General and Administrative:</b>													
Accounting	-	-	-	-	-	-	-	-	-	-	-	-	7,196
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	1,426
Bank Charges	-	-	45	-	-	-	-	-	45	-	90	-	3,132
Business Meals	-	-	-	-	-	-	-	-	-	-	-	-	1,613
Contract Labor	-	-	-	-	-	-	-	400	-	-	400	-	850
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	1,909
Freight	-	-	-	-	-	-	-	-	-	-	3,110	-	121
Legal Fees	-	-	-	-	-	3,110	-	-	-	-	-	-	3,559
Meetings and Conventions	-	-	-	-	-	-	-	-	-	-	-	-	1,600
Memberships Fees	-	-	-	-	-	-	-	-	-	-	-	-	750
Office Expense	-	-	-	-	-	195	-	-	-	-	195	-	5,907
Postage	-	-	-	-	6	92	-	412	-	-	504	-	4,619
Rent	-	-	-	-	-	-	-	-	-	-	-	-	210
Other	-	-	-	-	-	1,950	-	-	-	-	1,951	-	111
Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	638
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	4,195
Travel	-	-	-	-	-	-	-	-	-	-	-	-	2,926
<b>Total</b>	<b>-</b>	<b>45</b>	<b>45</b>	<b>-</b>	<b>6</b>	<b>5,346</b>	<b>-</b>	<b>812</b>	<b>-</b>	<b>45</b>	<b>6,249</b>	<b>-</b>	<b>40,761</b>
<b>Fund Raising</b>													
Total Expenses	43,859	111,648	62,057	-	9,562	60,573	-	29,290	10,370	846	328,199	-	248,256
Increase (Decrease)	5,154	2,460	(5,651)	1,200	(8,227)	62	1,800	19,197	30	(49)	15,976	-	(30,941)
Interfund Transfers	-	-	-	-	-	-	3,000	-	-	-	3,000	39,734	(42,734)
Increase (Decrease) in Net Assets	5,154	2,460	(5,651)	1,200	(8,227)	62	4,800	19,197	30	(49)	18,976	39,734	(73,675)
Net Assets at Beginning of Year	(1,335)	(2,079)	6,908	1,868	15,298	15,032	(9,501)	1,788	370	3,743	32,092	-	101,827
Net Assets at End of Year	\$ 3,819	\$ 381	\$ 1,257	\$ 3,068	\$ 7,071	\$ 15,094	\$ (4,701)	\$ 20,985	\$ 400	\$ 3,694	\$ 51,068	\$ 39,734	\$ 28,152

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**LIGHTHOUSE FOR CHRIST MISSION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 1 – THE ORGANIZATION**

Lighthouse for Christ Mission is an independent, evangelical, nondenominational organization established to minister to people's physical and spiritual needs.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

Financial statement presentation follows the recommendations of the American Institute of Certified Public Accountants' Industry Audit Guide, Not-For-Profit Organizations.

The Mission has adopted Statement of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made" (SFAS No. 116). The Mission also adopted Statement of Financial Accounting Standards No. 117, "Financial Statements for Not-For-Profit Organizations"

Under these provisions, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Mission and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor imposed stipulations that will be met by actions of the Mission. Temporarily restricted funds are used internally to track funds given for the ministry of a particular missionary or project, and are not the personal ownership of the missionaries.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on deposit, cash on hand and balances maintained in money market funds.

Fixed Assets

The Mission's policy is to record fixed assets at cost. Depreciation expense is calculated on the straight-line method over the estimated useful lives of the assets.

**LIGHTHOUSE FOR CHRIST MISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Public Support, Revenue and Pledges

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recorded as income as received.

Donated Materials and Services

The Mission records the value of donated goods or services in accordance with the provisions of Statement of Financial Accounting Standards 116. Donated materials are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. During the year ended December 31, 2008, medical supplies valued at \$352,201 have been recorded as in-kind contributions and medical supplies expense.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tax Status

The Lighthouse for Christ Mission is a non-profit organization exempt from federal income taxes under Section 501(C)(3) of the Internal Revenue Code. The Mission has been classified as a publicly supported charitable organization and qualifies for the maximum charitable contribution deduction by donors.

**NOTE 3 – RELATED PARTY TRANSACTIONS**

The Mission provides oversight and financial support to the Lighthouse for Christ Mission in Mombassa, Kenya. The Kenya Mission operates an eye clinic and surgical center which services the east coast of Africa.

**LIGHTHOUSE FOR CHRIST MISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 3 – RELATED PARTY TRANSACTIONS (continued)**

During the year ended December 31, 2008 the Mission provided the following financial support to the Kenya Mission:

Missionaries' Salaries and Other Costs	\$ 189,726
Medical Supplies	376,156
Medical Equipment	46,219
Mission Support - General	<u>246,005</u>
	<u>\$ 858,106</u>

The Kenya Mission is a separate entity whose financial statements are audited by other auditors

**NOTE 4 – ENDOWMENT**

During the year ended December 31, 2008, the Mission transferred \$30,000 to the East Texas Communities Foundation to create the Eloise McDougal Estate Fund. The money is invested in a "Moderate" portfolio. Investment return on the fund during 2008 was as follows:

Interest Earned	645
Fees	(196)
Realized and unrealized	<u>(6,315)</u>
Gains/(losses)	<u>(5,866)</u>