

**EVERY CHILD MINISTRIES, INC.**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

**ROBERT J. RIPP & ASSOCIATES**  
**FRANKFORT, ILLINOIS**

## TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT	1
REPORT OF MANAGEMENT	3
FINANCIAL STATEMENTS	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	8
NOTES TO FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
Schedule of Checking, Savings and Certificate of Deposit Accounts	19

## **ROBERT J. RIPP & ASSOCIATES**

Certified Public Accountant & Business Consultants

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### **Independent Auditor's Report**

To the Board of Directors  
Every Child Ministries, Inc.

#### **Opinion**

We have audited the accompanying financial statements of Every Child Ministries, Inc. (a not-for-profit corporation) which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Every Child Ministries, Inc. as of September 30, 2023 and 2022, and the change in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Every Child Ministries, Inc. and to meet other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Every Child Ministries, Inc.'s ability to continue as a going concern within one year after the financial statements are available to be issued.

#### **Auditor's Responsibilities for the Audit of the Financial Statement**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Every Child Ministries, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Every Child Ministries, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of checking, savings and certificate of deposit accounts on page 19 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of 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 audit 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.

*Robert J. Ripp & Associates*

Frankfort, Illinois  
March 7, 2024



## REPORT OF MANAGEMENT

The management of Every Child Ministries, Inc. is responsible for the financial statements and other information contained in this audited statement. The Organization's independent auditors, Robert J. Ripp & Associates, consider the Organization's internal control systems for the purpose of determining the nature, timing and extent of procedures necessary for expressing an independent opinion as to the fairness of the presentation of the financial statements. Their report is enclosed.

The Organization maintains internal controls, policies and procedures designed to provide reasonable assurance that the assets are safeguarded, transactions are executed in accordance with management's authorization and properly recorded. The internal control systems contain self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. Even an effective internal control system, no matter how well designed, has inherent limitations and, therefore, can provide only reasonable assurance with respect to financial statement preparation. The internal control system of Every Child Ministries, Inc. is listed below.


### International Office:

1. Accounting is outsourced to a local Certified Public Accountant.
2. Clear-cut and board-approved division of labor with regard to the finances.
3. Two non-finance employees open the mail together and total the day's donations together. One of them records the donations in the donor database software. This information is then sent to the accountant for entry into the Organization's accounting software.
4. Management-approved percentages for distribution of certain expenses are utilized, based on a time study by the administration.
5. Board receives and approves bi-monthly financial statements.
6. Board sets the salary of staff and approves the annual budget.

### African Field:

1. Full time directors in Congo, Ghana and Uganda visit the sites of projects to verify truthfulness of reports. The International Director, or his designee, also visits the sites of projects periodically for a follow-up evaluation.
2. Field treasurers in each country maintain a daily log and monthly reports, maintaining all project funds separately from others.
3. Field treasurers in each country submit monthly reports and keep receipts of all transactions.
4. Field treasurers answer to Country Directors and the African Boards in their respective countries and to the International Director, or his designee, who visits each country every year for purposes of evaluation.
5. Field treasurers' books are subject to annual inspection by the International Director, or his designee.

  
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Mark Luckey  
International Executive Director

  
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Kurt Minko  
Board Treasurer

EVERY CHILD MINISTRIES, INC.  
STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2023 and 2022

ASSETS	2023	2022
<b>CURRENT ASSETS</b>		
Cash and cash equivalents - checking (Schedule 1)	\$ 9,657	\$ 10,597
Cash and cash equivalents - savings (Schedule 2)	254,789	523,394
Cash and cash equivalents - certificates of deposit (Schedule 2)	280,000	-
Cash and cash equivalents - Africa	63,112	56,904
Accounts receivable - ERC	31,935	-
<b>TOTAL CURRENT ASSETS</b>	<b>639,493</b>	<b>590,895</b>
 <b>PROPERTY AND EQUIPMENT</b>		
Hebron building	193,765	193,765
Furniture, equipment & software	117,263	114,524
Right of Use Asset	14,940	18,675
Accumulated depreciation	(186,522)	(172,622)
<b>NET PROPERTY AND EQUIPMENT</b>	<b>139,446</b>	<b>154,342</b>
 <b>OTHER ASSETS</b>		
Interest in Designated Endowment Fund	901	838
<b>TOTAL OTHER ASSETS</b>	<b>901</b>	<b>838</b>
 <b>TOTAL ASSETS</b>	<b>\$ 779,840</b>	<b>\$ 746,075</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 7,838	\$ 4,032
Current portion lease liability	3,635	3,458
<b>TOTAL CURRENT LIABILITIES</b>	<b>11,473</b>	<b>7,490</b>
 <b>LONG-TERM LIABILITIES</b>		
Lease liability	11,581	15,217
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>11,581</b>	<b>15,217</b>
 <b>TOTAL LIABILITIES</b>	<b>23,054</b>	<b>22,707</b>
 <b>NET ASSETS</b>		
Net assets without donor restrictions		
Undesignated	30,350	62,618
Equity in property and equipment	139,446	154,342
<b>TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>169,796</b>	<b>216,960</b>
Net assets with donor restrictions	586,990	506,408
<b>TOTAL NET ASSETS</b>	<b>756,786</b>	<b>723,368</b>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 779,840</b>	<b>\$ 746,075</b>

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES, INC.  
 STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED SEPTEMBER 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Revenues, Gains and Other Support		
Contributions	\$ 1,817,224	\$ 1,814,307
Special events	73,482	65,052
Other support	62,580	-
Interest & investment income	<u>15,542</u>	<u>529</u>
Total Revenues, Gains and Other Support	1,968,828	1,879,888
Net assets released from restrictions	<u>-</u>	<u>61,064</u>
Total	1,968,828	1,940,952
<b>EXPENSES</b>		
Program Services		
Education, evangelism, training, relief & rehabilitation	1,673,311	1,582,199
Ministry to constituency	10,705	9,807
Support Activities		
Management & general	235,539	202,545
Fund-raising	<u>96,437</u>	<u>116,270</u>
Total Expenses	<u>2,015,992</u>	<u>1,910,821</u>
(Decrease) Increase in Net Assets without donor restrictions	<u>(47,164)</u>	<u>30,131</u>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	80,582	-
Net assets released from restrictions	<u>-</u>	<u>(61,064)</u>
Increase (Decrease) in Net Assets with donor restrictions	<u>80,582</u>	<u>(61,064)</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<u>33,418</u>	<u>(30,933)</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>723,368</u>	<u>754,301</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 756,786</u>	<u>\$ 723,368</u>

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Program Services			Supporting Activities		
	Education, Evangelism & Training and Relief & Rehabilitation	Ministry To Constituency	Total	Management and General	Fund-Raising	Total
Salaries	\$ 45,002	\$ 9,474	\$ 54,476	\$ 146,848	\$ 35,528	\$ 236,852
Fringe benefits	3,207	675	3,882	10,466	2,532	16,880
<b>Total Compensation</b>	<b>\$ 48,209</b>	<b>\$ 10,149</b>	<b>\$ 58,358</b>	<b>\$ 157,314</b>	<b>\$ 38,060</b>	<b>\$ 253,732</b>
<b>Programs</b>						
Missionaries	814,549	-	814,549	-	-	814,549
Next Step	103,444	-	103,444	-	-	103,444
Uganda	264,664	-	264,664	-	-	264,664
Ghana	225,341	-	225,341	-	-	225,341
DR Congo	121,590	-	121,590	-	-	121,590
Special initiatives	80,227	-	80,227	-	-	80,227
<b>Office</b>						
Insurance	-	-	-	6,170	325	6,495
Postage	-	-	-	4,418	233	4,651
Repairs & maintenance	-	-	-	4,658	245	4,903
Supplies	-	-	-	4,382	231	4,613
Miscellaneous	-	-	-	1,607	85	1,692
Information Technology	-	-	-	8,446	445	8,891
<b>Administrative</b>						
Bank fees	-	-	-	984	52	1,036
Dues & memberships	-	-	-	1,140	60	1,200
Professional fees	-	-	-	14,488	-	14,488
Miscellaneous	-	-	-	173	9	182
Professional Development	-	-	-	16,129	-	16,129
Recruitment	-	-	-	827	-	827
<b>Utilities</b>						
Internet	-	-	-	1,701	90	1,791
Telephone	-	-	-	1,873	99	1,972
Utilities	-	-	-	2,610	137	2,747
Travel	12,646	-	12,646	-	4,194	16,840
Donor Relations	-	-	-	-	7,604	7,604
<b>Fund-raising</b>						
Events	-	-	-	-	10,472	10,472
Printing & supplies	-	-	-	-	11,911	11,911
Processing fees	-	-	-	-	10,489	10,489
Registration fees	-	-	-	-	2,297	2,297
Software	-	-	-	-	7,314	7,314
Depreciation	2,641	556	3,197	8,619	2,085	13,901
<b>Total Expenses</b>	<b>\$ 1,673,311</b>	<b>\$ 10,705</b>	<b>\$ 1,684,016</b>	<b>\$ 235,539</b>	<b>\$ 96,437</b>	<b>\$ 2,015,992</b>

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Program Services			Supporting Activities		
	Education, Evangelism & Training and Relief & Rehabilitation	Ministry To Constituency	Total	Management and General	Fund-Raising	Total
Salaries	\$ 41,118	\$ 8,657	\$ 49,775	\$ 134,176	\$ 32,462	\$ 216,413
Fringe benefits	3,555	749	4,304	11,602	2,807	18,713
Total Compensation	\$ 44,673	\$ 9,406	\$ 54,079	\$ 145,778	\$ 35,269	\$ 235,126
Programs						
Missionaries	798,472	-	798,472	-	-	798,472
Next Step	88,169	-	88,169	-	-	88,169
Uganda	305,674	-	305,674	-	-	305,674
Ghana	209,220	-	209,220	-	-	209,220
DR Congo	96,398	-	96,398	-	-	96,398
Special initiatives	27,890	-	27,890	-	-	27,890
Office						
Insurance	-	-	-	5,536	-	5,536
Postage	-	-	-	3,292	-	3,292
Repairs & maintenance	-	-	-	4,422	-	4,422
Supplies	-	-	-	3,084	-	3,084
Miscellaneous	-	-	-	1,869	-	1,869
Information Technology	-	-	-	6,858	-	6,858
Administrative						
Bank fees	-	-	-	606	-	606
Dues & memberships	-	-	-	1,160	-	1,160
Professional fees	-	-	-	5,405	-	5,405
Miscellaneous	-	-	-	130	-	130
Professional Development	-	-	-	11,812	-	11,812
Recruitment	-	-	-	485	-	485
Utilities						
Internet	-	-	-	1,413	-	1,413
Telephone	-	-	-	1,756	-	1,756
Utilities	-	-	-	2,731	-	2,731
Travel	9,801	-	9,801	-	4,287	14,088
Donor Relations	-	-	-	-	4,053	4,053
Fund-raising						
Events	-	-	-	-	8,372	8,372
Printing & supplies	-	-	-	-	28,950	28,950
Processing fees	-	-	-	-	11,912	11,912
Registration fees	-	-	-	-	2,643	2,643
Software	-	-	-	-	19,282	19,282
Depreciation	1,902	401	2,303	6,208	1,502	10,013
Total Expenses	\$ 1,582,199	\$ 9,807	\$ 1,592,006	\$ 202,545	\$ 116,270	\$ 1,910,821

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from donors	\$ 2,033,868	\$ 1,879,359
Cash received from interest & investment income	15,542	529
Cash disbursed for general supporting & program expenses	<u>(2,029,945)</u>	<u>(1,901,697)</u>
Net Cash Provided (Used) by Operating Activities	<u>19,465</u>	<u>(21,809)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(2,739)	(32,732)
Interest in designated endowment fund	<u>(63)</u>	<u>212</u>
Net Cash (Used) by Investing Activities	<u>(2,802)</u>	<u>(32,520)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,663	(54,329)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>590,895</u>	<u>645,224</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 607,558</u>	<u>\$ 590,895</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 33,418	\$ (30,933)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	13,901	10,013
(Increase) in accounts receivable	(31,935)	-
Decrease in right of use asset	3,735	-
Increase (decrease) in accounts payable	3,805	(889)
(Decrease) in lease liability	<u>(3,459)</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 19,465</u>	<u>\$ (21,809)</u>

See accompanying notes and auditors' report

## 1. Nature of Organization

Every Child Ministries, Inc. (ECM) is a not-for-profit organization dedicated to bringing hope to the world's most vulnerable children. ECM desires to see children transformed, and then those same children bringing the transformational power of the Gospel to their communities and to the world. ECM's mission is to transform lives in Jesus' name by offering hope, help, and dignity to children, families, and communities.

Every Child Ministries maintains two basic kinds of program services—Education, Evangelism & Training Ministry, and Relief & Rehabilitation. While these are distinguished from one another on the organization's functional allocation sheets to meet standard labeling procedures for charitable organizations, it must be remembered that they are very tightly intertwined and mutually supportive. All the organization's relief and rehabilitation programs contain large elements of education and training. Likewise, the organization's education, evangelism and training programs also have elements of relief and rehabilitation. In reality, the organization aims at a comprehensive and holistic approach to the needs of children.

### **Educational, Evangelism & Training programs:**

- **Haven of Hope Academy (Ghana):** A Christian school designed to meet both the needs of those who have been educationally deprived because of homelessness or other debilitating situations, and community families wishing a Christian education for their children. Haven of Hope Academy employs numerous full-time and part-time teachers, as well as drivers and other staff. All are Ghanaian. The school has four permanent buildings and shares a dining hall with the home. It owns two school buses.
- **Teaching for Africa website (Worldwide):** The organization maintained the website, [www.teachingforafrica.com](http://www.teachingforafrica.com), to provide free downloadable teaching and training resources to African churches, teachers and missionaries in a variety of languages used in Africa.
- **St. Paul Primary School (Uganda):** ECM works closely with this primary school in rural eastern Uganda, providing teacher training, financial support for advanced teacher certification, and school registration requirements.
- **Next Step (Ghana and Uganda):** This program equips our sponsored children for adult life so that they are fully prepared to live on their own once their sponsorship is complete. The young adults (age 18-22) may choose to attend university, start a business, or choose vocational training or apprenticeship to enter a trade. In 2022-23, ECM helped over 50 young adults move from sponsorship to independence.
- **Sunday School Development (DR Congo):** ECM partners with local churches to start Sunday school programs. ECM trains teachers so that they are equipped to start the programs in their churches.

• **1. Nature of Organization – Continued**

- **Teacher Training (Ghana and Uganda):** ECM supports the training of schoolteachers in two ways. First, it provides financial support for selected teachers so that they can attend training programs to advance their knowledge and skills. Second, ECM organizes teams of US teachers to visit selected schools and provide personalized training for its teachers.
- **The Mwindia Project (DR Congo):** Writing directly in the Kituba language, an ECM missionary writes and arranges for the printing and distribution of Bible lessons aimed at children and youth. These lessons utilize teaching methods learned in ECM training programs and emphasize truths of God's Word.
- **Vocational Education (Ghana and Uganda):** Vocational training for "hands on" careers is a part of many of ECM's programs for street youth, orphans & vulnerable youth, and victims of ritual servitude. Some youth are enrolled in vocational schools. Other learn by being apprenticed to a master worker in a trade they want to learn. Skills that our youth have learned are automotive body work, baking & catering, carpentry, dressmaking, electrical, hair dressing, and mechanical.

**Relief & Rehabilitation Programs:**

- **Street children (Ghana, DR Congo, Uganda):** ECM's programs for street children in Ghana and DR Congo consist of Bible teaching, vocational training, evangelism, counseling, direct aid for basic needs, hot meals once or twice a week, and in some locations, literacy, sports and gardening. The Karamajong Kampala (Uganda) project takes beggar children off the street in Kampala and places them into boarding schools.
- **Haven of Hope Children's Home (Ghana):** Haven of Hope Children's Home provides a safe shelter or haven and a loving substitute family for children rescued from desperate, dangerous and debilitating situations. Haven of Hope Boarding provides shelter to many children, many between the ages of 3 and 15. Of these, many were formerly homeless street children, some were children from devastating situations brought to us by the Ghana Social Welfare Department, and others were victims of ritual servitude in traditional shrines, and victims of child sacrifice who were left for dead. Others were placed at Haven of Hope because of abusive and dangerous family situations. The home provides complete care for the children including supervision, medical and dental care, counseling, recreational and developmental activities. The home employs a supervisor, as well as cooks, housemothers, a home father, and a driver.

The home has two permanent structures for housing children, plus two housing units for staff and guests, several garages and storage buildings, and a playground. It shares a dining hall with the academy. The home owns a van. A cement security wall topped with barbed wire, a metal gate and guardhouse protect the organization's 8 acres of property. An advisory board of Ghanaians supervises Haven of Hope Home and Academy.



### 1. Nature of Organization – Continued

- **Initiative for Orphans & Vulnerable Children (Uganda):** The organization's Child & Family Advocate intervened in several cases of children in trouble. She has been especially effective in intervening on behalf of runaways and in counseling the families of children facing parental rejection for various reasons. Children with AIDS and cancer are helped, as well as those with albinism and various disabilities.
- **Sponsorship Programs (Uganda):** Eight sponsorship programs, called Hope Centers, enable over 200 children to attend school and upgrade their standards of living--Gayaza in Wakiso District, Kamwokya Kampala, Karamojong children in Katwe & Kisenyi Kampala, Masaka in Lwengo District, Tegot Atoo resettlement area in Gulu District, Tororo, Napak in Karamoja District, and Naigobya in Luuka District.

Weekly or bi-weekly sponsorship clubs were held for the sponsored children, involving Bible teaching, health and other practical matters, sports and other activities and a nutritious meal. A program of weekly family visitation takes place in all projects and is much appreciated by all the families involved.

- **Family Empowerment (Uganda and Ghana):** ECM operates the Family Empowerment Program, in which entire families are helped to reach a level of sustainability through training, education, and financial assistance. Six families in Uganda will complete the two-year training in December 2023. Five families began the program in Ghana in February 2023.
- **Sponsorship Programs (Ghana):** One sponsorship program (Hope Center) serving 15 children is located in Biriwa. A second Hope Center serving 13 children is located in Sogakope. Many of the children in Sogakope have albinism. In both centers, children are given assistance to attend school. Weekly Bible instruction is given. Assistance is also given to families to operate businesses that promote sustainability. ECM owns a building in Biriwa in which the meetings are held.
- **The Way Home Project (Uganda):** The Way Home project is based in Jinja, Uganda. The work is done by national staff led by a missionary who now lives primarily in the United States. The project provides safe, permanent houses with toilets for very poor widows who are raising grandchildren whose parents died. This work enables families to stay together.

The project teaches seminars on Farming God's Way, an agricultural method that can easily be implemented in villages and results in an increase in production of 3 to 10 times other common methods of farming. The project follows those who complete the course for three years to ensure that they find success. The project's Discipleship Village specializes in holistic Bible teaching.

- **Beautiful Blessings (DR Congo):** Beautiful Blessings is a ministry of an ECM missionary in Democratic Republic of Congo. It is a safe place where babies and young children are cared for while their mothers are learning a trade to lift themselves out of poverty.

### 1. Nature of Organization – Continued

- **In His Care Program (Uganda):** The missionary led project ministers in a variety of ways, including tailoring and shoemaking programs, provision of hats, sunglasses and other items to those with albinism, Christian radio, and a medical clinic.
- **Door of Hope (Uganda):** This project focuses on the spiritual and physical needs of the men, women, and children in the village of Gaba, Uganda and is led by a missionary couple.
- **Shining the Light (Uganda):** This project, led by a missionary, focuses on teaching sewing and other practical skills to vulnerable children, especially the deaf, those with albinism, and the disabled.
- **Resettlement of Internally Displaced Children (Uganda):** One American missionary served in Gulu District during the year. A registered nurse in both the U.S. and in Uganda, she has been helping families with health issues and conducting a weekly clinic in conjunction with Gulu Bible Church.
- **Ministry to Children with Albinism (Ghana, Uganda, and DR Congo):** Children with the genetic condition called albinism are often rejected, ostracized, ridiculed and feared. In East Africa, they are in danger of being sought out and even killed by traditional shrines who believe that their body parts make powerful medicine. In addition, they face health challenges such as very poor eyesight (which often becomes an educational challenge as well), and tendency toward skin cancer. The project was continued this year in all three countries where the organization works—Ghana, Uganda, and DR Congo. ECM uses educational materials developed by ECM to instruct school, church, and community leadership in how to combat prejudice against albinism.

Children with albinism from all over the country are helped with skin protection, hats, sunglasses, and lip balms. The project regularly participates in radio programs and other events promoting the needs of children with albinism.

- **Village Rescue Program (Ghana):** This program is administered by a missionary couple in Biriwa. It focuses on assistance for families, particularly those headed by single women, to help them start and develop income generating businesses for sustainability. The community has a high percentage of children who are trafficked.
- **Koforidua Outreach (Ghana):** ECM ministers to street boys in this Ghanaian city who work in the local markets as load porters. These boys meet with ECM staff on Sunday mornings for worship as well as other opportunities for spiritual and life skills teaching throughout the week.
- **Medical Outreach (Ghana, Uganda and DR Congo):** From eye exams and eyeglasses to surgeries, medical equipment, and even nutritional supplements, ECM strives to provide these physical needs to show the love of Jesus in practical ways.

**1. Nature of Organization – Continued**

- **Definition & Ministry of the International Office:** The International Office acts as a Mission Mobilization Center and a hub of operations supporting all the African ministries. Many activities are performed at the International Office for the benefit of the organization's ministry programs, including development and production of African literature and teaching materials, sorting and packing supplies for African ministries, enlistment of supporters and child sponsors, gift receipting and processing, and communicating with the organization's constituency and with African staff and volunteer workers.
- **Missionaries:** The organization serves as a recruiting and sending organization for missionaries. Both career and short-term missionaries are recruited through the organization's website, through speaking engagements, through mission conferences and contacts at colleges. Missionaries raise their own support and work as volunteers alongside African staff and volunteers on the various projects the organization supports. Oversight, training and emotional support is provided by the organization, sometimes in cooperative effort with other organizations.

Currently, the organization has on staff one couple in Ghana, three women and two couples in Uganda, and one woman in DR Congo. Another missionary oversees The Way Home project from the US, and a second US based missionary served as a fundraising ambassador for the organization during part of the year.

- **Volunteers:**  
The organization relies on the efforts of many volunteers serving at the International Office, from their homes, in a virtual capacity, and in small groups. This year, just shy of 800 hours of volunteer labor were logged.

Volunteers serve in many capacities, such as preparing for special events, helping with periodic fundraisers, preparing mailings, representing the mission at conventions, compiling research results, translating literature, sewing, and creating teaching aids and gifts to encourage students.

The organization recognizes that it is only through the efforts of its many partners and friends volunteering a part of their lives that administrative and fundraising costs are able to be kept so low and so much ministry is able to be accomplished with so little.

- **Oversight/development of African ministry:**  
The International Director or his designee visits each of the African field projects each year for purposes of supervision, evaluation, reporting, and prayer.

In addition to these annual visits, the International Director receives quarterly reports by e-mail. The Director or his designee is in frequent communication with national leadership (generally on a bi-weekly basis) by e-mail, phone, and video conferencing.

- **Websites:** In addition to the specialized educational websites already mentioned, the organization maintains [www.ecmafrica.org](http://www.ecmafrica.org) as its main website.

## **1. Nature of Organization – Continued**

- **Memberships:**

The organization is a member in good standing of the Evangelical Council for Financial Accountability since 1988 and meets all their accountability standards. Every Child Ministries is recognized legally in each of its three major African centers: DR Congo, Ghana, and Uganda.

- **Tax Exempt Status:**

The organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable state law, and contributions to it are tax deductible within the limitation prescribed by the code. The organization has been classified as a publicly supported organization, which is not a private foundation under Section 509 (a) of the code.

## **2. Significant Accounting Policies**

### **Estimates**

The financial statements have been prepared on the accrual basis. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from these estimates.

### **Fair Value of Financial Instruments**

The carrying amounts of financial instruments including cash and cash equivalents, certificates of deposit and accounts payable approximate their fair values because of the relatively short maturity of these instruments.

### **Income Taxes**

The Organization follows the accounting standard regarding "Accounting for Uncertain Tax Positions". This accounting standard provides detailed guidance for financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the Organization's financial statements. It requires an entity to recognize the financial statement benefit of a tax position when it is more likely than not that the position will be sustained upon examination. The Organization does not have any uncertain tax positions that are material to the financial statements. The Organization files informational tax returns in the U.S. federal and State of Indiana jurisdictions. These returns are subject to examination by taxing authorities, generally for three years after they are filed.

### **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash held in checking, savings, and money market accounts. Cash and cash equivalents for the purpose of the statements of cash flows include all instruments with an original maturity of three months or less. The Organization maintained demand deposits in a financial institution in excess of the amount insured by the Federal Depository Insurance Corporation (FDIC) in the amount of \$0 and \$278,297 as of September 30, 2023 and 2022, respectively.

## **2. Significant Accounting Policies – Continued**

### **Certificates of Deposit**

Certificates of deposit with an original maturity greater than three months are carried at cost which approximates fair market value. The certificates of deposit balances were \$280,000 and \$0, as September 30, 2023 and 2022, respectively. The certificates of deposit have original maturities ranging from 9 to 12 months and are insured by the FDIC.

### **Classification of Net Assets**

The financial statement reports amounts separately by class of net assets.

- a) Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Ministry. These assets may be used at the discretion of the Ministry's management and the board of directors.
- b) Net assets with donor restrictions: Net assets subject to stipulations imposed by donors. These stipulations by donors are for specific operating purposes or for the acquisition of property and equipment.

### **Property and Equipment**

Expenditures for property and equipment in excess on \$1,000 are capitalized at cost. The cost of maintenance and repairs is charged to operations as incurred. Donated assets to be used in the ministry are capitalized at fair market value on the date of the gift. Depreciation of buildings, equipment, and software is computed on the straight-line method over the estimated useful lives of the assets (39 years for buildings, 7 years for furniture and equipment, 5 years for computer equipment and software).

### **Revenues and Expenses**

Contributions are recognized as increases to net assets without donor restrictions or net assets with donor restrictions when received, depending on the existence and nature of donor restrictions. When restrictions are satisfied, revenues are reclassified and reported as net assets released from restrictions. If the restriction is satisfied in the same period the contribution is received, the contribution is reported as an increase to net assets without donor restrictions.

**2. Significant Accounting Policies – Continued**

**Contributed Services**

A substantial number of unpaid volunteers have made significant contributions of their time and effort to help at the International Office. Their services include word processing, preparing mailings, printing envelopes, preparing prayer updates, producing and packing materials for African Teachers' Resource Library, sorting and filing pictures for African teachers, printing and assembling literature for the African ministry, cleaning and maintaining the building and grounds, and many other tasks. Other volunteers serve as Board members, help with periodic fundraisers, with ECM's translation of literature, and teach as short-term volunteers in Africa. Yet others have produced materials needed for the African Sunday Schools in their homes or in groups. Typically, over 1,000 hours of volunteer labor are registered each year. No amounts have been reflected in the financial statements for these donated services since the volunteer's time does not meet the criteria for recognition under generally accepted accounting principles.

**New Accounting Standard**

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which requires the recognition of a "right-of-use" asset and a lease liability, initially measured at the present value of the lease payments, on all of the Organization's lease obligations. The Organization adopted this standard effective for the fiscal year ended September 30, 2023 using the modified retrospective transition method, which recognizes operating lease right-of-use assets and liabilities for operating leases based on the present value of lease payments over the lease term.

The Organization calculates its operating lease right-of-use asset and operating lease liability using its incremental borrowing rate and terms under the lease agreements. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized. The Organization amortizes the operating lease right-of-use asset over the lease term.

**3. Net Assets with Donor Restrictions**

Net assets with donor restrictions at September 30, 2023 and 2022 are restricted for the following purposes:

	<u>2023</u>	<u>2022</u>
Hope Centers	\$ 22,203	\$ 24,303
Next Step	32,548	38,477
Staff Support	19,941	17,969
Short Term Missionaries	1,933	5,496
Long Term Missionaries	415,875	309,076
Projects & missions	94,490	111,087
	<u>\$ 586,990</u>	<u>\$ 506,408</u>

**4. Date of Management's Review**

The Organization has evaluated subsequent events through March 7, 2024, the date that the financial statements were available to be issued.

**5. Interest in Designated Endowment Fund**

The Organization established a designated endowment fund with the Porter County Community Foundation, Inc. (PCCF) in which Every Child Ministries is the beneficiary. The terms of the designated endowment fund agreement give PCCF variance power to change the terms of any gift if continued adherence to any condition or restriction is in the judgement of the PCCF Board is unnecessary, incapable of fulfillment, or inconsistent with the charitable or other exempt purposes or the needs of the community served by PCCF. Distributions from the PCCF designated endowment fund are subject to the distribution policy of PCCF. The carrying value of the designated endowment fund held by the PCCF was \$901 and \$838 as of September 30, 2023 and 2022, respectively.

**6. Analysis of Functional and Natural Expenses**

The expenses of the Organization are reported in the statements of functional expenses by their functional and natural classifications. Functional classification is a method of reporting expenses according to the purpose for which the costs are incurred. Natural classification is a method of grouping expenses according to the kinds of economic benefits received in incurring those expenses. Some of the Ministries expenses can be directly assigned to their functional classifications while other expenses must be allocated based on employee time because they benefit more than one functional classification.

**7. Liquidity and Availability of Resources**

The following represents the Association's financial assets as of September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	<u>\$ 607,558</u>	<u>\$ 590,895</u>
Total financial assets	<u>607,558</u>	<u>590,895</u>
Less: amounts not available to be used within one year	<u>0</u>	<u>0</u>
Financial assets to meet general expenditures within one year	<u>\$ 607,558</u>	<u>\$ 590,895</u>

The Ministry is principally supported by contributions from donors. The Ministries goal is to maintain sufficient financial assets to meet its future operating expenses.



**8. Employee Retirement Plan**

The Organization sponsors a non-ERISA 403(b) retirement plan that is available to all eligible employees. Participants in the plan are allowed to contribute elective deferrals up to the maximum allowed by law on an annual basis. The plan does not involve employer contributions.

**9. Leasing Agreements**

The Organization leases a copier under a lease dated September 12, 2022. The lease requires monthly payments of \$359 for 60 months. The Organization calculated its operating right-of-use asset and operating lease liability over the remaining term of the lease using its incremental borrowing rate of 5%.

The following summarizes the line items in the statements of financial position, which include amounts for operating leases as of September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Operating lease right-of-use asset, net of amortization	\$ 14,940	\$ 18,675
Current portion of operating lease liability	3,635	3,458
Operating lease liability	<u>11,581</u>	<u>15,217</u>
Total operating lease liability	<u>\$ 15,216</u>	<u>\$ 18,675</u>

**10. Employee Retention Credit**

Laws and regulations concerning government programs, including the Employee Retention Credit (ERC) established by the Coronavirus Aid, Relief and Economic Security (CARES) Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Organization. The Organization made claims totaling \$62,500 under the ERC Program. For the year ended September 30, 2023, the amount received was \$30,565 and \$31,935 remains receivable at September 30, 2023.

**11. Reclassifications**

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation with no effect on previously reported total net assets or the change in net assets for the year ended September 30, 2022.



**SUPPLEMENTARY INFORMATION**

EVERY CHILD MINISTRIES, INC.  
 SCHEDULE OF CHECKING, SAVINGS AND CERTIFICATE OF DEPOSIT ACCOUNTS  
 SEPTEMBER 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Schedule 1 - Checking Accounts		
General	\$ 9,657	\$ 10,597
Total Checking Accounts	<u>\$ 9,657</u>	<u>\$ 10,597</u>
Schedule 2 - Savings & Certificates of Deposit Accounts		
Without Donor Restrictions		
Development	\$ 1,197	\$ 1,197
Information Technology	-	266
The Hope, Admin & Emergency Funds	11,813	74,969
With Donor Restrictions		
Hope Centers	22,203	24,303
Projects	29,279	51,641
Next Step	32,548	38,477
Staff Support	19,941	17,969
Short Term Missionary	1,933	5,496
Long Term Missionary	<u>415,875</u>	<u>309,076</u>
Total Savings & Certificates of Deposit Balance	<u>\$ 534,789</u>	<u>\$ 523,394</u>