EVERY CHILD MINISTRIES, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019 and 2018

ROBERT J. RIPP & ASSOCIATES
FRANKFORT, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Every Child Ministries

We have audited the accompanying financial statements of Every Child Ministries (a nonprofit organization) which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Every Child Ministries as of September 30, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of checking and savings accounts on page 17 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

February 21, 2020

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 accountants, 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 designated, 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. Board-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 annually 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 the African Board 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.

Mark Luckey
International Executive Director

Kurt Minko
Board Treasurer

EVERY CHILD MINISTRIES, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2019 and 2018

ASSETS	2019	2018
CURRENT ASSETS		
Cash and cash equivalents - checking (Schedule 1)	$ 720	$ 413
Cash and cash equivalents - savings (Schedule 2)	295,019	268,156
Cash and cash equivalents - Africa	29,009	6,560
TOTAL CURRENT ASSETS	324,748	275,129
PROPERTY AND EQUIPMENT		
Hebron building	193,765	193,765
Furniture & equipment	80,433	80,433
Accumulated depreciation	(153,254)	(148,462)
NET PROPERTY AND EQUIPMENT	120,944	125,736
OTHER ASSETS		
Interest in Designated Endowment Fund	35,038	35,786
Prepaid expenses	73	1,896
TOTAL OTHER ASSETS	35,111	37,682
TOTAL ASSETS	$ 480,803	$ 438,547
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 1,572	$ 11,000
TOTAL CURRENT LIABILITIES	1,572	11,000
TOTAL LIABILITIES	1,572	11,000
NET ASSETS		
Net assets without donor restrictions		
Undesignated	31,417	27,095
Equity in property and equipment	120,944	125,736
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	152,361	152,831
Net assets with donor restrictions	326,870	274,716
TOTAL NET ASSETS	479,231	427,547
TOTAL LIABILITIES AND NET ASSETS	$ 480,803	$ 438,547

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2019 and 2018

	2019	2018
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues, Gains and Other Support		
Contributions	$ 1,222,030	$ 1,164,464
Interest & investment income	691	1,874
Total Revenues, Gains and Other Support	1,222,721	1,166,338
EXPENSES		
Program Services		
Education, training, relief & development	992,723	939,221
Ministry to constituency	84,806	88,844
Support Activities		
Management & general	76,513	58,854
Fund-raising	69,149	50,981
Total Expenses	1,223,191	1,137,900
(Decrease) increase in Net Assets without donor restrictions	(470)	28,438
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	52,154	6,812
Increase in Net Assets with donor restrictions	52,154	6,812
INCREASE IN NET ASSETS	51,684	35,250
NET ASSETS, BEGINNING OF YEAR	427,547	392,297
NET ASSETS, END OF YEAR	$ 479,231	$ 427,547

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Program Services			Supporting Activities		
	Education, Evangelism & Training Ministry and Relief & Rehabilitation	Ministry To Constituency	Total	Management and General	Fund Raising	Total
Salaries	$ 85,319	$ 23,700	$ 109,019	$ 34,760	$ 14,219	$ 157,998
Health and pension	12,673	3,521	16,194	5,163	2,112	23,469
Total Compensation	$ 97,992	$ 27,221	$ 125,213	$ 39,923	$ 16,331	$ 181,467
Advertising	-	-	-	-	4,990	4,990
Africa Mission:						
Haven of Hope Academy - Ghana	37,349	-	37,349	-	-	37,349
Haven of Hope Home - Ghana	79,714	-	79,714	-	-	79,714
National Ministry Center - Ghana	30,548	-	30,548	-	-	30,548
Biriwa Hope Center - Ghana	10,230	-	10,230	-	-	10,230
Christian Education & Evangelism - Ghana	13,754	-	13,754	-	-	13,754
Other Programs & Missions - Ghana	2,649	-	2,649	-	-	2,649
National Ministry Center - DRC	18,756	-	18,756	-	-	18,756
Christian Education & Evangelism - DRC	40,862	-	40,862	-	-	40,862
Other Programs & Missions - DRC	2,801	-	2,801	-	-	2,801
Christian Education & Evangelism - Uganda	3,544	-	3,544	-	-	3,544
National Ministry Center - Uganda	55,742	-	55,742	-	-	55,742
Hope Centers - Uganda	132,200	-	132,200	-	-	132,200
Child Rescue - Uganda	9,315	-	9,315	-	-	9,315
Other Programs & Missions - Uganda	2,541	-	2,541	-	-	2,541
Way Home Project	119,776	-	119,776	-	-	119,776
Missionaries - All	261,202	-	261,202	-	-	261,202
Missionaries - Travel	7,485	-	7,485	-	-	7,485
International Director - Travel	2,407	-	2,407	-	-	2,407
Other Programs	47,295	-	47,295	-	-	47,295
Africa Mission - Other	10,911	-	10,911	-	-	10,911
Bank and exchange fees	-	-	-	1,312	5,750	7,062
Conventions/Meetings	-	-	-	460	4,560	5,020
Depreciation	2,587	719	3,306	1,054	431	4,791
Home Office	-	56,015	56,015	11,308	2,792	70,115
Office supplies	-	-	-	2,472	1,691	4,163
Organ member dues	-	-	-	2,379	2,344	4,723
Outside services	-	-	-	286	-	286
Payroll taxes	3,063	851	3,914	1,248	510	5,672
Postage and printing	-	-	-	4,824	389	5,213
Professional service	-	-	-	4,493	24,074	28,567
Recruitment	-	-	-	1,948	-	1,948
Software and hardware maintenance	-	-	-	4,806	3,581	8,387
Travel	-	-	-	-	1,251	1,251
Web page	-	-	-	-	455	455
Total Expenses	$ 992,723	$ 84,806	$ 1,077,529	$ 76,513	$ 69,149	$ 1,223,191

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Program Services			Supporting Activities		
	Education, Evangelism & Training Ministry and Relief & Rehabilitation	Ministry To Constituency	Total	Management and General	Fund Raising	Total
Salaries	$ 83,558	$ 23,210	$ 106,768	$ 34,041	$ 13,926	$ 154,735
Health and pension	12,343	3,429	15,772	5,028	2,057	22,857
Total Compensation	$ 95,901	$ 26,639	$ 122,540	$ 39,069	$ 15,983	$ 177,592
Advertising	-	-	-	-	23	23
Africa Mission:						
Haven of Hope Academy - Ghana	47,808	-	47,808	-	-	47,808
Public Schools - Ghana	66,582	-	66,582	-	-	66,582
Christian Education & Evangelism - Ghana	10,955	-	10,955	-	-	10,955
Haven of Hope Home - Ghana	84,882	-	84,882	-	-	84,882
OVC Sponsorship - Ghana	16,704	-	16,704	-	-	16,704
Christian Education & Evangelism - DRC	74,193	-	74,193	-	-	74,193
Street Children - DRC	5,108	-	5,108	-	-	5,108
OVC Sponsorship - DRC	6,122	-	6,122	-	-	6,122
Missionaries - Uganda	8,604	-	8,604	-	-	8,604
Afayo Project - Uganda	5,022	-	5,022	-	-	5,022
Way Home for Orphans - Uganda	87,466	-	87,466	-	-	87,466
OVC Sponsorship - Uganda	220,469	-	220,469	-	-	220,469
Child Rescue - Uganda	494	-	494	-	-	494
Missionaries - All	170,282	-	170,282	-	-	170,282
Special Projects	5,795	-	5,795	-	-	5,795
International Director - Travel	14,360	-	14,360	-	-	14,360
Other Programs	767	-	767	-	-	767
Africa Mission - Other	10,870	-	10,870	-	-	10,870
Bank and exchange fees	-	-	-	1,096	-	1,096
Conventions/Meetings	-	-	-	-	3,535	3,535
Depreciation	2,659	739	3,398	1,083	443	4,924
Home Office	-	59,516	59,516	7,576	12,254	79,346
Mission Network News	-	550	550	-	1,543	2,093
Office supplies	-	-	-	-	2,091	2,091
Organ member dues	-	-	-	-	2,856	2,856
Outside services	-	-	-	4,333	-	4,333
Payroll taxes	4,178	1,161	5,339	1,702	696	7,737
Postage and printing	-	239	239	-	726	965
Professional service	-	-	-	3,995	2,996	6,991
Software and hardware maintenance	-	-	-	-	7,101	7,101
Travel	-	-	-	-	235	235
Web page	-	-	-	-	499	499
Total Expenses	$ 939,221	$ 88,844	$ 1,028,065	$ 58,854	$ 50,981	$ 1,137,900

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from donors	$ 1,274,184	$ 1,171,276
Cash received from interest & investment income	691	1,874
Cash disbursed for general supporting & program expenses	(1,226,005)	(1,130,545)
Net Cash Provided by Operating Activities	48,870	42,605
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest in designated endowment fund	749	(32,513)
Net Cash Provided (Used) by Investing Activities	749	(32,513)
NET INCREASE IN CASH AND CASH EQUIVALENTS	49,619	10,092
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	275,129	265,037
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 324,748	$ 275,129
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Increase in Net Assets	$ 51,684	$ 35,250
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	4,791	4,924
Decrease (increase) in prepaid expenses	1,823	(1,897)
(Decrease) increase in accounts payable	(9,428)	4,328
Net Cash Provided by Operating Activities	$ 48,870	$ 42,605

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 forgotten children of Africa." Believing that children are Africa's greatest resource, a precious treasure from God, we envision and work toward an Africa where all children live lives of hope and dignity as people created in the image of God. ECM's mission is to offer hope, practical help and dignity to African children and their families in the name of Jesus, with special emphasis on those who are broken or outcast for any reason—"the forgotten children of Africa."

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 Africa's 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.

- **Teachers for Teachers Mission Trips**:
  ECM sponsors mission trips each year to Africa, with the purpose of encouraging, training, and mentoring African teachers. US teachers travel to African schools where they interact closely with local teachers, model new teaching techniques, learn Africa culture, and develop new relationships.

- **African Leadership Training Centers, DR Congo:** This year ECM operated a center in Congo where "Teachers of Teachers" are developed in a nine-month intensive program. The center is located in the interior of the country, far from the capital city of Kinshasa, where the need is the greatest.

1. **Nature of Organization – Continued**

- **Teaching for Africa website (Worldwide):**
  The organization maintained the website, 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.

- **Anti-Slavery websites:** The organization maintained websites dedicated to disseminating information and influencing public opinion concerning the practice of ritual servitude. These included:
  - www.trokosidictionary.com,
  - www.truthforafricalovers.com,
  - www.esclavagemodern.com (in French).

Relief & Rehabilitation Programs:

- **Ending Child Trafficking: Ghana, Uganda:** The organization is involved in initiatives to end the practice of child trafficking, including sex trafficking. This program strengthens families and communities, reducing the need for children and families to look elsewhere to have their needs met.

- **Street children, Ghana, DR Congo, Uganda**: ECM's programs for street children in Ghana and DR Congo consist of Bible teaching, vocational training, friendship evangelism, counseling, direct aid for basic needs, hot meals once or twice a week, and in some locations, literacy, sports and gardening. The Karimajong Kampala (Uganda) project takes beggar children off the street in Kampala and places them into boarding schools.

- **Restore a Family Project, DR Congo:** The "Restore a Family" Project began as an outgrowth of the street ministry in Congo. The success of the programs put on by the street youth in local churches led us to expand that program. It can be said that virtually every time the street youth show the realities of street life in the churches, parents in the congregation who have their own children on the streets are touched and motivated to seek them out and to work harder to work through family problems that led the youth out to the streets.

- **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, house-mothers, a home father, and a driver.

1. Nature of Organization – Continued

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 truck and 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.

- **Orphan Project, DR Congo:** Eleven children are being assisted in the Kikwit area (Bandundu Province). The assistance consists of educational assistance (paying school fees), high-protein supplemental feeding and character-building teaching once a week. The program is supported through child sponsorship.

- **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 various disabilities.

- **Sponsorship Programs, Uganda:** Nine sponsorship programs, called Hope Centers, enable over 230 children to attend school and upgrade their standards of living--Gayaza in Wakiso District, Kamwokya Kampala, Karimojong children in Katwe & Kisenyi Kampala, Kyengera Mugongo Kampala, Masaka in Lwengo District, Tegot Atoo resettlement area in Gulu District, Tororo, and Karamoja. In addition, a new sponsorship program was started in 2019 in Naigobya. 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.

- **Sponsorship Program, Ghana:** One sponsorship program (Hope Center) serving approximately 20 children is located in Biriwa. Children are given assistance to attend school. Weekly Bible instruction is given in a building owned by the ministry. Assistance is also given to families to operate businesses that promote sustainability.

- **The Way Home for AIDS Orphans Project, Uganda:** The Way Home project is based in Jinja, Uganda, led by a missionary couple living part-time in Uganda and part-time in the United States. The project provides safe, permanent houses with toilets for very poor widows who are raising grandchildren whose parents died of AIDS. 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.

1. Nature of Organization – Continued

- **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.

- **Project in Support of Children with Albinism (Ghana, Uganda, 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.

- **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 Mission Central 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, two women and one couple in Uganda, and one woman in DR Congo. Another couple travels to Uganda for about one third of the year.

1. Nature of Organization – Continued

- **Volunteers:**
  The organization relies on the efforts of many volunteers serving at Mission Central, from their homes, in a virtual capacity, and in small groups. Typically, over 1000 hours of volunteer labor are registered each year.

  Volunteers serve in many capacities at the International Office in Hebron, IN, such as preparing for special events, organizing garage sales, 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 communication with national leadership on a monthly basis by e-mail, phone, and video conferencing.

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

- **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 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

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. The fair value of financial instruments approximates their carrying value. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

2. Significant Accounting Policies – Continued

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.

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.

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.

Land, Buildings, Equipment and Depreciation

Expenditures for land, building, and equipment in excess on $1,000 are capitalized at cost. Donated assets to be used in the ministry are capitalized at fair market value on the date of the gift. Depreciation of buildings and equipment 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 vehicles).

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 the semi-annual garage sales, 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. 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.

Recently Issued Accounting Standards

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The Ministry adopted the provisions of this new standard during the year ended September 30, 2019. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and availability of resources, and disclosures related to functional allocation of expenses were expended.

3. Tax-Deferred Annuity Plan

Every Child Ministries, Inc. has a tax-deferred annuity plan qualified under Section 403(b) of the internal Revenue Code. The plan covers full time employees of Every Child Ministries, Inc. For the years ended September 30, 2019 and 2018, the company contributed $16,995 and $16,176 respectively to the tax-deferred annuity plan.

4. Date of Management's Review

The Organization has evaluated subsequent events through February 21, 2020, the date which the financial statements were available to be issued.

5. Net Assets with Donor Restrictions

Temporarily restricted net assets available for the Organization's Africa mission were $326,870 and $274,716 as of September 30, 2019 and 2018, respectively.

6. Interest in Designated Endowment Fund

The Organization established a designated endowment fund with the Porter County Community Foundation, Inc. in which Every Child Ministries is the beneficiary. The fair market value of the Organization's remainder share of the endowment fund assets was $35,038 and $35,786 as of September 30, 2019 and 2018, respectively.

7. 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 change in net assets.

8. 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 because they benefit more than one functional classification.

9. Liquidity and Availability of Resources

The following represents the Association's financial assets as of September 30, 2019 and 2018:

	2019	2018
Cash and cash equivalents	$ 324,748	$ 275,129
Total financial assets	324,748	275,129
Less: amounts not available to be used within one year	0	0
Financial assets to meet general expenditures over the next twelve months	$ 324,748	$ 275,129

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

SUPPLEMENTARY INFORMATION

EVERY CHILD MINISTRIES, INC.
SCHEDULE OF CHECKING AND SAVINGS ACCOUNTS
SEPTEMBER 30, 2019 and 2018

	2019	2018
Schedule 1 - Checking Accounts		
General Checking	$ 570	$ 334
A F Checking	150	79
Total Checking Accounts	$ 720	$ 413
Schedule 2 - Savings Accounts		
Unrestricted		
Development	$ 14,098	$ 20,117
Where Needed Most	-	4,066
Temporarily Restricted		
Garage Sale	226	1,719
Banquets	-	1,191
Short Term Missionary	1,851	3,736
Long Term Missionary	207,721	169,314
Mission Central	83	250
Sunday Schools	23	-
Sunshine	-	72
Transportation	1,350	750
African Infrastructure	2,005	1,229
Congo Fund	11,401	11,376
Ghana Fund	28,132	23,331
Uganda Fund	22,324	25,672
Miscellaneous	5,805	5,333
Total Savings Balance	$ 295,019	$ 268,156