

**EVERY CHILD MINISTRIES, INC.**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

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

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**ROBERT J. RIPP & ASSOCIATES**

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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, 2020 and 2019, 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, 2020 and 2019, 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 18 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*

March 20, 2021



## 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.

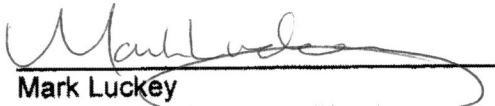
The Organization maintains internal controls, policies and procedures designed to provide reasonable assurance that the assets are safeguarded, transactions are executed in accordance with management's authorization and properly recorded. The internal control systems contain self-monitoring mechanisms, 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.

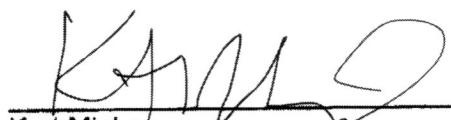
### International Office:

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, 2020 and 2019

ASSETS	2020	2019
<b>CURRENT ASSETS</b>		
Cash and cash equivalents - checking (Schedule 1)	\$ 41,110	\$ 720
Cash and cash equivalents - savings (Schedule 2)	307,211	295,019
Cash and cash equivalents - Africa	58,811	29,009
<b>TOTAL CURRENT ASSETS</b>	<u>407,132</u>	<u>324,748</u>
<b>PROPERTY AND EQUIPMENT</b>		
Hebron building	193,765	193,765
Furniture & equipment	80,433	80,433
Accumulated depreciation	(157,937)	(153,254)
<b>NET PROPERTY AND EQUIPMENT</b>	<u>116,261</u>	<u>120,944</u>
<b>OTHER ASSETS</b>		
Interest in Designated Endowment Fund	849	880
Prepaid expenses	60	73
<b>TOTAL OTHER ASSETS</b>	<u>909</u>	<u>953</u>
<b>TOTAL ASSETS</b>	<u>\$ 524,302</u>	<u>\$ 446,645</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 4,145	\$ 1,572
<b>TOTAL CURRENT LIABILITIES</b>	<u>4,145</u>	<u>1,572</u>
<b>LONG-TERM LIABILITIES</b>		
Note Payable - PPP	29,000	-
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>29,000</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>33,145</u>	<u>1,572</u>
<b>NET ASSETS</b>		
Net assets without donor restrictions		
Undesignated	9,892	13,319
Equity in property and equipment	116,261	120,944
<b>TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>126,153</u>	<u>134,263</u>
Net assets with donor restrictions	365,004	310,810
<b>TOTAL NET ASSETS</b>	<u>491,157</u>	<u>445,073</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 524,302</u>	<u>\$ 446,645</u>

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED SEPTEMBER 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues, Gains and Other Support		
Contributions	\$ 1,187,402	\$ 1,222,030
Interest & investment income	<u>2,103</u>	<u>691</u>
Total Revenues, Gains and Other Support	1,189,505	1,222,721
EXPENSES		
Program Services		
Education, evangelism, training, relief & rehabilitation	889,179	992,723
Ministry to constituency	44,003	84,806
Support Activities		
Management & general	182,724	76,513
Fund-raising	<u>81,709</u>	<u>69,149</u>
Total Expenses	<u>1,197,615</u>	<u>1,223,191</u>
Increase (decrease) in Net Assets without donor restrictions	<u>(8,110)</u>	<u>(470)</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	<u>54,194</u>	<u>52,154</u>
Increase in Net Assets with donor restrictions	<u>54,194</u>	<u>52,154</u>
INCREASE IN NET ASSETS	<u>46,084</u>	<u>51,684</u>
NET ASSETS, BEGINNING OF YEAR	<u>445,073</u>	<u>427,547</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>(34,158)</u>
NET ASSETS, END OF YEAR	<u>\$ 491,157</u>	<u>\$ 445,073</u>

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Program Services			Supporting Activities		
	Education, Evangelism & Training and Relief & Rehabilitation	Ministry To Constituency	Total	Management and General	Fund Raising	Total
Salaries	\$ 31,551	\$ 7,047	\$ 38,598	\$ 101,371	\$ 24,701	\$ 164,670
Fringe benefits	2,718	1,359	4,077	19,028	4,077	27,182
Total Compensation	\$ 34,269	\$ 8,406	\$ 42,675	\$ 120,399	\$ 28,778	\$ 191,852
Advertising	-	-	-	-	8,154	8,154
Africa Mission:						
Haven of Hope Academy - Ghana	29,585	-	29,585	-	-	29,585
Haven of Hope Home - Ghana	83,427	-	83,427	-	-	83,427
National Ministry Center - Ghana	25,959	-	25,959	-	-	25,959
Biriwa Hope Center - Ghana	9,078	-	9,078	-	-	9,078
Christian Education & Evangelism - Ghana	12,192	-	12,192	-	-	12,192
Other Programs & Missions - Ghana	2,242	-	2,242	-	-	2,242
National Ministry Center - DRC	19,272	-	19,272	-	-	19,272
Christian Education & Evangelism - DRC	41,348	-	41,348	-	-	41,348
Other Programs & Missions - DRC	3,906	-	3,906	-	-	3,906
National Ministry Center - Uganda	68,281	-	68,281	-	-	68,281
Hope Centers - Uganda	98,509	-	98,509	-	-	98,509
Child Rescue - Uganda	9,954	-	9,954	-	-	9,954
Other Programs & Missions - Uganda	1,614	-	1,614	-	-	1,614
Way Home Project	119,373	-	119,373	-	-	119,373
Missionaries - All	261,734	-	261,734	-	-	261,734
Missionaries - Travel	55	-	55	-	-	55
International Director - Travel	898	-	898	-	-	898
Other Programs	46,718	-	46,718	-	-	46,718
Africa Mission - Other	19,727	-	19,727	-	-	19,727
Bank and exchange fees	-	-	-	1,679	6,817	8,496
Conventions/Meetings	-	-	-	2,178	4,731	6,909
Depreciation	468	234	702	3,278	703	4,683
Home Office	-	35,078	35,078	17,559	681	53,318
Office supplies	-	-	-	827	3,788	4,615
Organ member dues	-	-	-	1,244	4,284	5,528
Outside services	-	-	-	243	-	243
Payroll taxes	570	285	855	3,988	855	5,698
Postage and printing	-	-	-	5,203	386	5,589
Professional service	-	-	-	22,458	17,529	39,987
Recruitment	-	-	-	188	-	188
Software and hardware maintenance	-	-	-	3,480	2,689	6,169
Travel	-	-	-	-	954	954
Web page	-	-	-	-	1,360	1,360
Total Expenses	\$ 889,179	\$ 44,003	\$ 933,182	\$ 182,724	\$ 81,709	\$ 1,197,615

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 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
Fringe benefits	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, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from donors	\$ 1,241,596	\$ 1,274,184
Cash received from interest & investment income	2,103	691
Cash disbursed for general supporting & program expenses	<u>(1,190,346)</u>	<u>(1,226,005)</u>
Net Cash Provided by Operating Activities	53,353	48,870
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest in designated endowment fund	<u>31</u>	<u>749</u>
Net Cash (Used) Provided by Investing Activities	31	749
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	<u>29,000</u>	<u>-</u>
Net Cash Provided by Financing Activities	<u>29,000</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	82,384	49,619
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>324,748</u>	<u>275,129</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 407,132</u>	<u>\$ 324,748</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Increase in Net Assets	\$ 46,084	\$ 51,684
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	4,683	4,791
Decrease in prepaid expenses	13	1,823
Increase (decrease) in accounts payable	<u>2,573</u>	<u>(9,428)</u>
Net Cash Provided by Operating Activities	<u>\$ 53,353</u>	<u>\$ 48,870</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 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.

### **Education, 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 most years 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.
- **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.
- **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](http://www.trokosidictionary.com),
  - [www.truthforafricalovers.com](http://www.truthforafricalovers.com),
  - [www.esclavagemodern.com](http://www.esclavagemodern.com) (in French).

**1. Nature of Organization – Continued**

- **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.

**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, 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.
- **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.

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.

- **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:** Nine sponsorship programs, called Hope Centers, enable over 210 children to attend school and upgrade their standards of living-- Gayaza in Wakiso District, Kamwokya Kampala, Karimajong 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.



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

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. 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.

- **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.

- **Beautiful Blessings Childcare (DR Congo):** This missionary run daycare center in Kinshasa provides child care for young mothers who are in training to learn a trade. The program has its own facility and staff.

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

- **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.
- **In His Care Program (Uganda):** This program is administered by a missionary couple in Kampala. It focuses on teaching life and vocational skills for disadvantaged children and youth, especially those with albinism.
- **Shining the Light Program (Uganda):** This program is run by a missionary in Nakifuma. Craft making skills are highlighted, with special outreach to children with disabilities and albinism. School fees are provided for those most vulnerable.
- **Next Step Program:** This program is designed to assist young people in the transition from sponsorship to independence. It operates primarily in Ghana and Uganda. An appointed coordinator heads up the program in each country, working closely with coordinators from all Hope Centers. The program focuses on providing youth with the necessary education and training to be successful later in life, as well as on providing mentoring, counseling, and training for kids who are preparing to or have completed secondary school and/or the general sponsorship program.
- **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 from the US for about one third of the year.

- **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.

**1. Nature of Organization – Continued**

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](http://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. The Organization had demand deposits in a financial institution in excess of the amount insured by the Federal Depository Insurance Corporation (FDIC) in the amount of \$101,086 as of September 30, 2020.

### **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.

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

The Organization has evaluated subsequent events through March 20, 2021, the date that the financial statements were available to be issued.

**4. Net Assets with Donor Restrictions**

Temporarily restricted net assets available for the Organization's Africa mission were \$365,004 and \$310,810 as of September 30, 2020 and 2019, respectively.

**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 \$849 and \$880 as of September 30, 2020 and 2019, respectively. See Note 10 – Prior Period Adjustment.

**6. 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.

## 7. 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.

## 8. Liquidity and Availability of Resources

The following represents the Association's financial assets as of September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 407,132	\$ 324,748
Total financial assets	<u>407,132</u>	<u>324,748</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>\$ 407,132</u>	<u>\$ 324,748</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.

## 9. Paycheck Protection Program

The Organization received a loan from Centier Bank in the amount of \$29,000 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated April 25, 2020 and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. As of September 30, 2020 no determination was made as to whether the Company would be eligible for forgiveness, in whole or in part. The loan bears interest at a rate of 1% and is payable in monthly installments of principal and interest over 24 months beginning 6 months from the date of the note. The loan may be repaid at any time with no prepayment penalty.

Subsequent to the Organization's year end, on December 28, 2020, the Organization was granted full forgiveness of their Paycheck Protection Program loan. They were notified in writing by their financial institution of the Small Business Association's approval of their forgiveness application.

EVERY CHILD MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020 and 2019

**10. Prior Period Adjustment**

The prior year accompanying financial statements for September 30, 2019 have been restated to correct an error relating to the carrying value of the designated endowment fund held by the Porter County Community Foundation. The correction has no effect on the results of the current year's activities; however, the cumulative effect decreased net assets at the beginning of the year by \$34,158.

## **SUPPLEMENTARY INFORMATION**



EVERY CHILD MINISTRIES, INC.  
SCHEDULE OF CHECKING AND SAVINGS ACCOUNTS  
SEPTEMBER 30, 2020 and 2019

	2020	2019
Schedule 1 - Checking Accounts		
General Checking	\$ 41,010	\$ 570
A F Checking	100	150
Total Checking Accounts	<u>\$ 41,110</u>	<u>\$ 720</u>
Schedule 2 - Savings Accounts		
Without Donor Restrictions		
Development	\$ 1,747	\$ 14,098
Information Technology	120	-
With Donor Restrictions		
Garage Sale	205	226
Short Term Missionary	3,278	1,851
Long Term Missionary	178,675	207,721
Mission Central	152	83
Sunday Schools	90	23
Pandemic Funds	620	-
Transportation	695	1,350
African Infrastructure	1,483	2,005
Congo Fund	12,858	11,401
Ghana Fund	37,988	28,132
Uganda Fund	59,285	22,324
Miscellaneous	10,015	5,805
Total Savings Balance	<u>\$ 307,211</u>	<u>\$ 295,019</u>