

**EVERY CHILD MINISTRIES, INC.**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010 and 2009**

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

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**ROBERT J. RIPP & ASSOCIATES**

Certified Public Accountant & Business Consultants

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Every Child Ministries, Inc.  
Hebron, IN 46341

We have audited the accompanying statements of financial position of Every Child Ministries, Inc. (a not-for-profit organization) as of September 30, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion of these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Every Child Ministries, Inc. as of September 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Checking and Savings Accounts on page 20 is presented for purposes of additional analysis and is not required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Robert J. Ripp & Associates*

January 7, 2011

## 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. Clear-cut and board-approved division of labor within the finance department.
2. One person opens the mail and records incoming gifts manually, while another records them in a computer, as a double-check.
3. Board-approved percentages for distribution of certain expenses are utilized, based on a time study by the administration.
4. Board receives and approves monthly financial statements.
5. Board sets the salary of staff and approves the annual budget.

### African Field:

1. Full time inspector in Congo visits sites of projects to verify truthfulness of reports. International Directors visit sites of projects in Ghana.
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 Directors, who visit each country every year for purposes of evaluation.
5. Field treasurers' books are subject to annual inspection by International Directors.

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John Rouster, Executive Director

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Berlin W. Wyman, Treasurer

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Lorella Rouster, International Co Director

EVERY CHILD MINISTRIES, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 SEPTEMBER 30, 2010 and 2009

ASSETS	2010	2009
<b>CURRENT ASSETS</b>		
Cash and cash equivalents - checking (Schedule 1)	\$ 5,581	\$ 4,689
Cash and cash equivalents - savings (Schedule 2)	239,857	188,879
Cash and cash equivalents - Africa	37,853	-
Cash and cash equivalents - money market	4,974	4,973
<b>TOTAL CURRENT ASSETS</b>	<b>288,265</b>	<b>198,541</b>
<b>OTHER CURRENT ASSETS</b>		
Accounts receivable - other	-	35,000
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>-</b>	<b>35,000</b>
<b>PROPERTY AND EQUIPMENT</b>		
Hebron building	193,765	192,679
Furniture & equipment	70,201	69,184
Accumulated depreciation	(89,128)	(78,541)
<b>NET PROPERTY AND EQUIPMENT</b>	<b>174,838</b>	<b>183,322</b>
<b>TOTAL ASSETS</b>	<b>\$ 463,103</b>	<b>\$ 416,863</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 3,711	\$ 3,863
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,711</b>	<b>3,863</b>
<b>TOTAL LIABILITIES</b>	<b>3,711</b>	<b>3,863</b>
<b>NET ASSETS</b>		
Unrestricted		
Designated	1,190	1,256
Undesignated	1,870	35,826
Equity in property and equipment	174,838	183,322
<b>TOTAL UNRESTRICTED ASSETS</b>	<b>177,898</b>	<b>220,404</b>
Temporarily Restricted	281,494	192,596
<b>TOTAL NET ASSETS</b>	<b>459,392</b>	<b>413,000</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 463,103</b>	<b>\$ 416,863</b>

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES, INC.  
 STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED SEPTEMBER 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
UNRESTRICTED NET ASSETS		
Unrestricted Revenues and Gains		
Contributions	\$ 762,786	\$ 752,550
Interest & investment income	<u>117</u>	<u>350</u>
Total Unrestricted Revenues	762,903	752,900
Net assets released from restrictions	<u>-</u>	<u>6,920</u>
Total Unrestricted Revenues, Gains and Other Support	762,903	759,820
EXPENSES		
Program Services		
Education, training, relief & development	700,129	614,722
Ministry to constituency	76,860	39,378
African medical ministry	-	588
Support Activities		
Management & general	17,475	22,881
Fund-raising	<u>10,945</u>	<u>15,923</u>
Total Expenses	<u>805,409</u>	<u>693,491</u>
Change in Unrestricted Net Assets	<u>(42,506)</u>	<u>66,329</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	88,898	-
Interest - money market	<u>-</u>	<u>4</u>
Total Temporarily Restricted Revenues	88,898	4
Net assets released from restrictions	<u>-</u>	<u>(6,920)</u>
Change in Temporarily Restricted Net Assets	<u>88,898</u>	<u>(6,916)</u>
Increase in Net Assets	<u>46,392</u>	<u>59,413</u>
NET ASSETS, BEGINNING OF YEAR	<u>413,000</u>	<u>353,587</u>
NET ASSETS, END OF YEAR	<u>\$ 459,392</u>	<u>\$ 413,000</u>

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Program Services			Supporting Activities		
	Education, Training, Relief & Development	Ministry To Constituency	Total	Management and General	Fund Raising	Total
Salaries	\$ 61,132	\$ 23,517	\$ 84,649	\$ 4,700	\$ 4,700	\$ 94,049
Health and pension	8,398	3,230	11,628	646	646	12,920
Total Compensation	\$ 69,530	\$ 26,747	\$ 96,277	\$ 5,346	\$ 5,346	\$ 106,969
Advertising	-	-	-	4,232	1,618	5,850
Bank and exchange fees	396	245	641	83	1,156	1,880
Conventions	-	-	-	-	378	378
Depreciation	6,353	3,176	9,529	529	529	10,587
Direct project costs	310,472	2,024	312,496	-	248	312,744
Director expenses	26,331	-	26,331	-	-	26,331
Dues & subscriptions	-	-	-	-	40	40
Education and Evangelism	121,773	-	121,773	-	-	121,773
Equipment maintenance	-	-	-	439	1,130	1,569
Government/church relations	400	321	721	-	-	721
Insurance	2,389	1,024	3,413	-	-	3,413
Missionary expenses	132,076	-	132,076	-	-	132,076
Newsletter	5,052	2,165	7,217	-	-	7,217
Occupancy	145	-	145	134	-	279
Office supplies	-	-	-	1,502	170	1,672
Organ member dues	-	-	-	1,030	-	1,030
Payroll taxes	1,996	706	2,702	330	330	3,362
Phone and email	1,754	752	2,506	-	-	2,506
Professional service	-	35,000	35,000	3,850	-	38,850
Recruitment	3,174	-	3,174	-	-	3,174
Software maintenance	-	1,870	1,870	-	-	1,870
Staff training	16,178	-	16,178	-	-	16,178
Travel	-	2,117	2,117	-	-	2,117
Utilities	1,663	713	2,376	-	-	2,376
Web page	447	-	447	-	-	447
Total Expenses	\$ 700,129	\$ 76,860	\$ 776,989	\$ 17,475	\$ 10,945	\$ 805,409

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Program Services				Supporting Activities		
	Education, Training, Relief & Development	Ministry To Constituency	African Medical Ministry	Total	Management and General	Fund Raising	Total
Salaries - homeland	\$ 49,159	\$ 16,234	\$ -	\$ 65,393	\$ 3,000	\$ 3,000	\$ 71,393
Salaries - field personnel	17,161	3,651	-	20,812	-	-	20,812
Health and pension	9,476	3,463	88	13,027	831	831	14,689
Total Compensation	\$ 75,796	\$ 23,348	\$ 88	\$ 99,232	\$ 3,831	\$ 3,831	\$ 106,894
Advertising	-	-	-	-	8,418	5,083	13,501
Bank and exchange fees	774	-	-	774	-	95	869
Conventions	-	-	-	-	-	159	159
Depreciation	5,995	2,499	500	8,994	500	500	9,994
Direct project costs	432,904	-	-	432,904	-	308	433,212
Dues and subscriptions	-	-	-	-	-	1,000	1,000
Equipment maintenance	25,634	1,041	-	26,675	-	-	26,675
Government/church relations	100	-	-	100	37	10	147
Insurance	2,299	821	-	3,120	-	-	3,120
Interest	13	5	-	18	-	-	18
Newsletter	6,278	2,475	-	8,753	-	-	8,753
Occupancy	739	7	-	746	-	-	746
Office supplies	3,617	1,413	-	5,030	275	2	5,307
Organ member dues	-	-	-	-	1,179	-	1,179
Payroll taxes	1,446	565	-	2,011	273	273	2,557
Phone and email	1,558	609	-	2,167	-	-	2,167
Postage and shipping	3,283	1,267	-	4,550	326	-	4,876
Professional service	10,200	-	-	10,200	3,850	-	14,050
Real estate taxes	-	-	-	-	1,504	3,504	5,008
Recruitment	133	53	-	186	1,278	-	1,464
Software maintenance	-	1,870	-	1,870	-	-	1,870
Staff training	29,944	-	-	29,944	879	-	30,823
Travel	8,723	1,460	-	10,183	316	990	11,489
Utilities	2,089	816	-	2,905	-	-	2,905
Web page	3,197	1,129	-	4,326	215	168	4,709
Total Expenses	\$ 614,722	\$ 39,378	\$ 588	\$ 654,688	\$ 22,881	\$ 15,923	\$ 693,491

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES, INC.  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEARS ENDED SEPTEMBER 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from donors	\$ 851,684	\$ 752,550
Cash received from interest & investment income	117	354
Cash disbursed for general supporting & program expenses	<u>(759,974)</u>	<u>(733,977)</u>
Net Cash Provided by Operating Activities	91,827	18,927
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	<u>(2,103)</u>	<u>(36,656)</u>
Net Cash (Used) by Investing Activities	(2,103)	(36,656)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	89,724	(17,729)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>198,541</u>	<u>216,270</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 288,265</u>	<u>\$ 198,541</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Increase in Net Assets	\$ 46,392	\$ 59,413
Adjustments to Reconcile Change in Net Assets to Net Cash (Used) Provided by Operating Activities:		
Depreciation	10,587	9,994
(Decrease) in accounts payable	(152)	(15,480)
Decrease (Increase) in accounts receivable - other	<u>35,000</u>	<u>(35,000)</u>
Net Cash Provided by Operating Activities	<u>\$ 91,827</u>	<u>\$ 18,927</u>

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 and 2009

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.” While ECM seeks to help all African children, the organization places special emphasis on street children, orphans and abandoned children, trafficked and slave children, children displaced through war, prostituted children, children in prison, children with albinism and other at-risk groups, and others in desperate, dangerous and debilitating circumstances. To do this, ECM trains teachers and leaders for children and youth and seeks to encourage, empower, and provide resources for African churches to evangelize and disciple the new generation of their continent for Jesus Christ. In 2010, Every Child Ministries celebrated its 25th Anniversary of service to African children. The ultimate goals of the organization are to demonstrate the value of every child as created in the image of God, to show the love of Jesus Christ for every child in tangible, practical ways, and to provide every African child with an opportunity to make a life-changing decision for Jesus Christ by accepting Him as Savior and following Him as Lord. This opportunity is offered without coercion and all help programs are open to all without reference to religious affiliation or ethnic heritage.

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 functional allocation sheets of some organizations, our ministries are so tightly intertwined and mutually supportive, that we have found it impractical to try to separate them, so we list them together using both headings simultaneously.

**Educational, Evangelism & Training programs:**

- **Haven of Hope, Ghana** – a long-term home that provides a safe haven for children rescued from desperate, dangerous and debilitating situations. Haven of Hope is now home to 48 children ages 2 to 18 years. Of these, most were formerly homeless street children, some were children from devastating situations brought to us by the Ghana Social Welfare Department, others were victims of ritual servitude in traditional shrines and one a victim of child trafficking. Haven of Hope has one long-term African missionary couple and three American helpers with commitments of one to two years. The home employs 24 full-time workers. Haven of Hope also has nine permanent buildings, a playground, tractor, truck and two small vans. A cement security wall topped with barbed wire, a metal gate and guard house protects our 8 acres of property. Haven of Hope is supervised by four-member board of staff members. One of the Americans serving a year term began serving as business manager for the home in August 2010.

EVERY CHILD MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 and 2009

1. Nature of Organization – Continued

John Rouster took a three week training in the States on third world water technology in the Spring of 2010. In the summer, he spent six weeks at Haven of Hope building water filters and drilling a well to assure a good supply of clean, safe water at the home.

- **Haven of Hope Academy, Ghana** – a school designed to meet the needs of those who have been educationally deprived because of homelessness or other debilitating situations. Haven Academy caters first to the children living at Haven of Hope, but 119 needy children from the surrounding area attended this year. The school opened in January of 2005 and completed its first full year of classes in July of 2006. Beginning in September 2010, Haven Academy offered classes from nursery through 7<sup>th</sup> grade. Two older children continue attending classes at nearby Rafiki Academy through an agreement with that organization. Haven Academy employs ten full-time teachers and has two permanent buildings. Two American missionary teachers helped during the academic year. During the year, a library was organized temporarily in one room of the guest center. Construction has begun on a two-story building that will provide additional classroom space, a computer lab, and a permanent library. An experienced Ghanaian educator was hired during the year as Education Director, and this has been a positive influence on the teachers, students, and educational program.
- **“Character Building from the Bible” Program for Schools, Ghana** – a 45 minute special program is taught monthly in 153 schools in Ghana (up 32 from last year). This monthly follow-up program reaches approximately 61,200 elementary and junior high students. The program is directed by a full-time African missionary aided by one additional full time African missionary and part-time efforts of numerous African teaching team members.
- **African Leadership Training Centers, DR Congo** – ECM operates two centers in Congo where “Teachers of Teachers” are developed in nine-month intensive programs. Specialty in Christian Education (SEC) Kinshasa gives training for urban ministries and SEC Garizim develops trainers for rural ministries. Eight trainers were developed at each site. Each center is directed by a full-time African missionary aided by part-time efforts of other African staff members. About 15 workers and staff members maintain Mission Garizim, with seven permanent buildings.
- **Hill of Blessing Clinic, DR Congo** – Every Child Ministries maintains a clinic and lab associated with the African Leadership Training Center at Mission Garizim in Congo. An African nurse and assistant operate the clinic which is partially self-supporting through minimal fees charged for its services.

EVERY CHILD MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 and 2009

1. Nature of Organization – Continued

- **Teachers' Resource Libraries & Public Reading Rooms, Ghana DR Congo** – Active libraries were maintained in four locations in Ghana and in three locations in DR Congo to provide resources for teachers and Christian leaders. Two of these in Ghana also maintain a public reading room oriented to youth.
- **Training in Children's Ministries, DR Congo, Angola** – The Kinshasa staff in Congo has been making a multi-year survey of the city's Protestant churches, neighborhood by neighborhood. We are seeking to know which churches are already doing something to reach children and youth, and which would welcome training to enable them to do this. Following the survey of each neighborhood, training seminars have been offered which have enabled many churches to establish new children's ministries. The number of Sunday schools or other children's ministries started through ECM training now stands at 2,378, including 27 in Angola, started by one of the graduates of our African Leadership Training Schools.
- **Film Evangelism, Ghana** – A full time worker travels to various regions each month with film ministry and follow-up classes. Regions are targeted as a follow up and complement to other ministries we have there, such as the projects against slavery and trafficking. He works in conjunction with local churches of the area, to whom we commit converts from the ministry. The library of available films was expanded during the year.

**Relief & Rehabilitation Programs:**

- **Street children, Ghana, DR Congo** – ECM's programs for street children consist of Bible teaching, friendship evangelism, counseling, direct aid for basic needs, hot meals once or twice a week, and in some locations, literacy, sports and gardening. Four sites are worked regularly in Ghana – the Kantamanto Central Railway Station area and the Agblobloshie Market area, which are continuing ministries, the Nsawam Railway Station, which was added last year, and Koforidua bus station, which was added this year. One site is worked in Congo – the Kinshasa Binza IPN Market area. About 310 children are assisted weekly through these efforts. The Ghana street ministry is sustained by two full-time African missionaries and ten part-time team members. In Congo it is sustained by two full-time African missionaries aided by part-time efforts of other staff members. This year, realizing the success of the Kantamanto area ministry in preventing and intervening with child trafficking, a similar program of "fighting child trafficking at the source" was begun in the Agboglobloshie Market area. Late in the year, a staff member was enlisted to visit children and families and to spend four days a week in the market, becoming so familiar with it that he would be able to easily spot any irregularities.

EVERY CHILD MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 and 2009

1. Nature of Organization – Continued

In Congo, the street children sang and put on skits at local churches and talked on the radio about the problems of street life. All street children in Congo attended weekly literacy classes to teach them basic literacy and math skills necessary for life.

- **Restore a Family Project, DR Congo:**

The success of the programs in local churches led us to expand that program, for 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. Several families have been restored through this effort.

- **Street Youth Vocational Training, Ghana, DR Congo:**

Two street boys in Ghana have finished vocational training—one in body work on vehicles, and another in electricity. We raised funds to buy a plot and a container to enable them to start their work, but we have thus far been unable to find a plot for sale in an appropriate part of the city (one where they could find work). One street girl in Ghana is continuing vocational training in hairdressing.

In Congo, ECM helped four youth start up dressmaking shops, having completed their training courses. One former street girl has married and started a family.

- **Initiative to Free & Rehabilitate Slave Children, Ghana, Togo, Benin:**

The organization is heading up an initiative to end to the practice of ritual servitude in West Africa through prayer, education and dissemination of information about the practice, and through negotiating the liberation of ritual slaves known as trokosi, one shrine at a time. This year the staff continued their ceaseless efforts to liberate the slaves from three shrines in addition to the five already liberated.

In November a former head priest of the thunder god cult announced his decision to leave idolatry and follow Christ, the fruit of five years of patient teaching by ECM staff. He was facilitated to visit the 55 other priests under his authority. He informed them of his decision and urged them, too, to consider the claims of Christ.

EVERY CHILD MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
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1. Nature of Organization – Continued

This former priest had 52 shrine servants called Yevesi under his authority, and he announced a desire to free them and their children. Lorella traveled to Ghana in January 2010 to assist with arrangements for the liberation ceremony. Because of complications with a local official, the liberation was not able to come off while she was there. However, ECM assisted the shrine with the preparations and the liberation took place on March 25.

During the month of July two vocational workshops were held in which some of the women learned to sew handbags called FREEDOM BAGS. Some of these were purchased for sale in the U.S., and arrangements were begun to open a boutique called "African FREEDOM" at Sogakope in the Volta Region of Ghana to sell these and other items hand made by former tokosi. The workshop was led by Sharon Aldrich, a retired home economics teacher, and by Lorella, who taught simple principles of finance and business.

The slave child program is sustained by three full-time African missionary counselors, one full-time American counselor, and the part-time efforts of several other African staff members.

Visits were made to several shrines in Ghana to share the Gospel in a way to which the shrine devotees could understand and relate. The first edition of a manual for ministry amongst devotees of African Traditional Religion was published.

Continuing assistance was given to many of the women through the distribution of quilts, used clothing, and medicines. Counselors visited the women individually and in small groups throughout the year.

Most of above work was done in Ghana. The organization is also concerned with the practice of ritual servitude called "voodoosi" (voundounsi, vudusi, voudousi, etc.) in Togo and Benin. Efforts this year included the development/translation of literature and internet sites.

• **Initiatives vs. Child Trafficking, Ghana, Uganda:**

Investigation was begun into the trafficking of children to work in stone quarries in the Eastern Region of Ghana. A preliminary fact-finding trip was made to the Central Region with a view to soon opening a major initiative in that area, which is known to be a major source area for traffickers. When a street girl was trafficked from the Kantamanto area, our workers were able to track her down and bring her to safety. At the end of the year, a worker was being prepared and was just beginning work (in September 2010) at the Agbogbloshie Market and its environs, which are known to be a hotbed of child trafficking.

EVERY CHILD MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 and 2009

1. Nature of Organization – Continued

In Uganda, plans were underway at the end of the year to begin a ministry amongst the group most often targeted for child trafficking: the Karimojong. Initial survey work had been done and we were ready to begin a sponsorship project amongst the Karimojong of Kampala.

- **Orphan Project, DR Congo:**

Thirty 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 three times a week.

- **Initiative for Orphans & Vulnerable Children, Uganda:**

The Uganda Initiative for orphans & vulnerable children grew considerably during the year. We now have 173 children sponsored in Uganda. We have also done preliminary fact-finding to enable us to begin a project amongst the very need Karimojong beggar children living in Kampala.

- **Sponsorship Programs, Uganda:**

Four sponsorship programs enable children to attend school and upgrade their standards of living. The number of sponsored children grew from 121 to 173. 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 was instituted in all projects and much appreciated by all the families involved. A reading and activity room was provided for the Gayaza sponsorship project and children were welcomed after school hours for reading, help with homework, games and other activities. Special gifts given were mattresses and clothing.

- **Day camps for Vulnerable Children, Uganda:**

In July of 2010, a two person American short-term mission team was led by Cheryl Bockstahler. They concentrated on family visits and Bible clubs in the villages of the Tegotatoo resettlement area.

- **Resettlement of Internally Displaced Children, Uganda:**

A total of 75 huts were built to enable families of the Tegot area with resettlement. Two pair of oxen were supplied and several families were provided with seed grain. Several toilets were built. During July two American teachers taught from house to house in the resettlement area, evangelizing, discipling and encouraging families.

1. Nature of Organization – Continued

- **Initiative vs. Child Sacrifice, Uganda:**

A preschool age girl was discovered, discarded in a burlap bag and nearly drowning in her own feces. She was rescued by a kindly family who already had four children of their own, and lived in a small mud and thatch hut that was partially falling down. ECM became involved in helping the girl and the family. The child's eye teeth had been cut or sawed out of her jaw, presumably to make what some believe to be powerful magic, and she is now suffered from cerebral palsy. This has to have been brought about through her ordeal, since only perfect children are used in the shrines for sacrifice.

ECM has provided a CP (cerebral palsy) chair to enable the girl to sit upright and to work in a limited way with her hands. We have provided medical and nutritional assistance, clothing, and therapy, and have repaired the foster family's home. We have also been able to reunite the child with her natural parents, but authorities decided she was safer in the foster home. We are now exploring ways to discourage and prevent child sacrifice, which is a growing problem in Uganda.

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

Children with 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 to skin cancer.

The project was initiated in both English-speaking centers this year. Last year we had developed teaching on the subject and delivered sunglasses, sunscreen and hats to Uganda to enable them to begin offering practical help to children affected by albinism. This year we placed information on our website, placed an ad in a local language newspaper in Uganda, did a Mission Network News piece on the issue, and delivered supplies to help children with albinism to Uganda. We have had some other groups contact us thanking us for enlightening them what they could do to help these children.

- **Project for Child Prostitutes:**

At the end of the fiscal year the organization was preparing to launch ministries to under age prostitutes. Some preliminary work had been done. Our report next year will include this project.

EVERY CHILD MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 and 2009

1. Nature of Organization – Continued

**“Mission Central” Supporting Activities—**

**Definition & expansion of “Mission Central”:**

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 national staff and volunteer workers.

To celebrate ECM’s 25<sup>th</sup> Anniversary, we held an Open House at Mission Central. Volunteers at various stations showed what goes on at Mission Central and talked about needs for their projects. Guided tours were given to over 120 people.

**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. This year, volunteer labor included efforts to remodel and finish Mission Central. During the year, 6,548 hours of volunteer labor were registered. This does not include the volunteer hours donated by the Board of Directors for Board activities, nor does it include volunteer missionary hours overseas. Volunteers serve in many capacities at the International Office in Hebron, IN, such as special events, represent the mission at conventions, compile research results, translate literature, pack boxes for Africa, sew, and create teaching aids and gifts to encourage students.

The organization participates in the President’s Volunteer Service Award initiative. During the year, three volunteers qualified for the Presidential Gold award for 500 or more hours of service, three qualified for the Presidential Silver award for 250-499 hours of volunteer service, and one qualified for the young adult silver award, and two qualified for the Presidential Bronze award for 100-249 hours of service.

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.

EVERY CHILD MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 and 2009

1. Nature of Organization – Continued

**Oversight of overseas work:**

Ordinarily one or both of the International Directors visits each of the African field projects each year for purposes of supervision, evaluation, reporting, and prayer. This year Lorella traveled to Ghana in January for the liberation. The Rouster family spent June and July together in Uganda. Lorella conducted staff training on working with children who have emotional and attachment problems.

John successfully completed three weeks of intensive training in Safe Water—drilling, pumping, and filtering. He began using these skills in the summer in Ghana.

In addition to these annual visits, the International Directors receive monthly reports by e-mail from Ghana and Uganda. Communication with DR Congo is more difficult. Reports from Congo are compiled and sent quarterly by DHL. The Directors are in communication with African projects on an almost daily basis by e-mail.

**Sea Container of supplies to Uganda:**

One of the activities that goes on at Mission Central is the collecting and sorting of goods to support the African ministries, including preparing them for shipping. Collecting and boxing of goods actively continued during the year to provide for a sea container to Uganda.

**Teaching Websites:**

In addition to the main organizational website, [www.ecmafrica.org](http://www.ecmafrica.org), the mission redeveloped [www.teachingforafrica.com](http://www.teachingforafrica.com) as a website dedicated to offering training and teaching helps to African churches and leaders. During the year, it also maintained a number of websites dedicated to the dissemination of information on the issue of child slavery. We also maintained [www.truthforafricalovers.com](http://www.truthforafricalovers.com) and [www.ecmuganda.org](http://www.ecmuganda.org).

**Memberships:**

The organization is a member in good standing of the Evangelical Council for Financial Accountability since 1987 and meets all of their accountability standards. The organization is also an accredited charity with the Better Business Bureau's Wise Giving Alliance, meeting all their standards for charitable organizations. Every Child Ministries is recognized in each of its three major African centers: DR Congo, Ghana, and Uganda. This year, we received our NGO status countrywide in Uganda, the fruit of much labor by our National Director and other national staff there.

EVERY CHILD MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 and 2009

1. Nature of Organization – Continued

**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.

The Organization adopted 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 files informational tax returns in the U.S. federal and State of Indiana jurisdictions. The adoption of this standard had no material effect on the Organization's financial position, results of operations or cash flows.

**Classes of Assets**

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

- a) Unrestricted amounts are those currently available at the discretion of the board for use in the organization's operations and those resources invested in property and equipment.
- b) Temporarily restricted amounts are those which stipulated by donors 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.

EVERY CHILD MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 and 2009

2. Significant Accounting Policies – Continued

**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 unrestricted or temporarily restricted 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 unrestricted.

**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 gift processing, bookkeeping, 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, making award plaques to encourage African Sunday school 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. 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, 2010 and 2009, the company contributed \$6,000 per year to the tax-deferred annuity plan.

EVERY CHILD MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 and 2009

4. Date of Management's Review

The Organization disclosed in its management representation letter dated January 7, 2011, that no events have occurred subsequent to the balance sheet date and through the date of the letter that would require adjustment to, or disclosure in, the financial statements.

**SUPPLEMENTARY INFORMATION**

EVERY CHILD MINISTRIES, INC.  
 SCHEDULE OF CHECKING AND SAVINGS ACCOUNTS  
 SEPTEMBER 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Schedule 1 - Checking Accounts		
General Checking	\$ 5,481	\$ 4,589
A F Checking	100	100
	<u>          </u>	<u>          </u>
Total Checking Accounts	<u>\$ 5,581</u>	<u>\$ 4,689</u>
Schedule 2 - Savings Accounts		
Unrestricted		
Development	\$ 1,360	\$ 1,256
Temporarily Restricted		
Garage Sale	3,925	3,600
Banquets	3,625	110
Memorials	135	25
Short Term Missionary	15,258	15,470
Long Term Missionary	99,841	56,757
Mission Central	807	1,646
Student Scholarship	6	56
Sunday Schools	140	1,176
Sunshine	178	178
Transportation	-	1,488
African Infrastructure	9,673	-
Arabic Speaking	300	300
Congo Fund	5,124	5,871
Ghana Fund	80,324	91,560
Miscellaneous	19,161	9,386
	<u>          </u>	<u>          </u>
Total Savings Balance	<u>\$ 239,857</u>	<u>\$ 188,879</u>

See auditor's report