

EVERY CHILD MINISTRIES, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 and 2006

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DE RAIMO HILLGER & RIPP

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JOHN J. DE RAIMO
FERNE M. HILLGER
ROBERT J. RIPP

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, 2007 and 2006, 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, 2007 and 2006, 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 18 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.

De Raimo Hillger & Ripp

December 21, 2007

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, De Raimo Hillger & Ripp, CPA, 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.


John Rouster, Co Executive Director


Berlin W. Wyman, Treasurer


Lorella Rouster, Co Executive Director

EVERY CHILD MINISTRIES, INC.
 STATEMENTS OF FINANCIAL POSITION
 SEPTEMBER 30, 2007 and 2006

ASSETS	2007	2006
CURRENT ASSETS		
Cash and cash equivalents - checking (Schedule 1)	\$ 5,283	\$ 5,138
Cash and cash equivalents - savings (Schedule 2)	109,710	84,901
Cash and cash equivalents - money market	<u>68,617</u>	<u>133,638</u>
TOTAL CURRENT ASSETS	183,610	223,677
PROPERTY AND EQUIPMENT		
Hebron building	107,060	103,500
Furniture & equipment	55,502	44,176
Accumulated depreciation	<u>(60,760)</u>	<u>(55,181)</u>
NET PROPERTY AND EQUIPMENT	101,802	92,495
OTHER ASSETS		
Investments	<u>-</u>	<u>3,120</u>
TOTAL OTHER ASSETS	-	3,120
TOTAL ASSETS	<u>\$ 285,412</u>	<u>\$ 319,292</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 1,653	\$ -
Accrued payroll taxes	768	-
Current portion of note payable	<u>-</u>	<u>3,308</u>
TOTAL CURRENT LIABILITIES	2,421	3,308
LONG-TERM LIABILITIES		
Note payable, net of current portion	<u>-</u>	<u>65,487</u>
TOTAL LONG-TERM LIABILITIES	-	65,487
TOTAL LIABILITIES	2,421	68,795
NET ASSETS		
Unrestricted		
Designated	442	100
Undesignated	2,862	5,138
Equity in property and equipment	<u>101,802</u>	<u>23,700</u>
TOTAL UNRESTRICTED ASSETS	105,106	28,938
Temporarily Restricted	<u>177,885</u>	<u>221,559</u>
TOTAL NET ASSETS	<u>282,991</u>	<u>250,497</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 285,412</u>	<u>\$ 319,292</u>

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES, INC.
 STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED SEPTEMBER 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
UNRESTRICTED NET ASSETS		
Unrestricted Revenues and Gains		
Contributions	\$ 499,299	\$ 395,499
Rental income	2,039	9,400
Interest & investment income	<u>1,840</u>	<u>1,356</u>
Total Unrestricted Revenues	503,178	406,255
Net assets released from restrictions	<u>136,109</u>	<u>-</u>
Total Unrestricted Revenues, Gains and Other Support	639,287	406,255
EXPENSES		
Program Services		
Christian education & evangelism	499,715	349,587
Ministry to constituency	36,180	34,958
African medical ministry	6,140	-
Support Activities		
Management & general	13,603	10,307
Fund-raising	<u>7,481</u>	<u>12,266</u>
Total Expenses	<u>563,119</u>	<u>407,118</u>
Change in Unrestricted Net Assets	<u>76,168</u>	<u>(863)</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	89,342	73,370
Interest - money market	<u>3,093</u>	<u>3,721</u>
Total Temporarily Restricted Revenues	92,435	77,091
Net assets released from restrictions	<u>(136,109)</u>	<u>-</u>
Change in Temporarily Restricted Net Assets	<u>(43,674)</u>	<u>77,091</u>
Increase in Net Assets	<u>32,494</u>	<u>76,228</u>
NET ASSETS, BEGINNING OF YEAR	<u>250,497</u>	<u>174,269</u>
NET ASSETS, END OF YEAR	<u>\$ 282,991</u>	<u>\$ 250,497</u>

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Program Services				Supporting Activities		
	Christian Education and Evangelism	Ministry To Constituency	African Medical Ministry	Total	Management and General	Fund Raising	Total
Salaries - homeland	\$ 42,305	\$ 17,539	\$ 3,508	\$ 63,352	\$ 3,508	\$ 3,508	\$ 70,368
Salaries - field personnel	3,940	-	-	3,940	-	-	3,940
Health and pension	8,751	3,287	732	12,770	657	657	14,084
Total Compensation	\$ 54,996	\$ 20,826	\$ 4,240	\$ 80,062	\$ 4,165	\$ 4,165	\$ 88,392
Advertising	327	-	-	327	377	379	1,083
Bank and exchange fees	1,373	-	-	1,373	-	-	1,373
Conventions	-	476	-	476	-	543	1,019
Depreciation	3,347	1,395	279	5,021	279	279	5,579
Direct project costs	361,139	-	-	361,139	-	415	361,554
Equipment maintenance	3,193	1,080	216	4,489	216	216	4,921
Government/church relations	-	-	-	-	7	-	7
Insurance	1,563	485	97	2,145	97	97	2,339
Interest	-	389	-	389	36	36	461
Newsletter	3,773	5,875	342	9,990	314	314	10,618
Occupancy	2,633	18	77	2,728	42	42	2,812
Office supplies	4,678	1,609	364	6,651	712	451	7,814
Organ member dues	-	-	-	-	768	-	768
Payroll taxes	722	301	60	1,083	60	60	1,203
Phone and email	1,290	454	91	1,835	91	91	2,017
Postage and shipping	8,093	902	180	9,175	902	180	10,257
Professional service	-	-	-	-	3,500	-	3,500
Real estate taxes	-	-	-	-	883	-	883
Software maintenance	-	1,400	-	1,400	-	-	1,400
Staff training	225	177	35	437	795	35	1,267
Transportation	7,764	-	-	7,764	-	-	7,764
Travel	42,401	-	-	42,401	-	19	42,420
Utilities	970	404	81	1,455	81	81	1,617
Web page	1,228	389	78	1,695	278	78	2,051
Total Expenses	\$ 496,715	\$ 36,180	\$ 6,140	\$ 542,035	\$ 13,603	\$ 7,481	\$ 563,119

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Program Services			Supporting Activities		
	Christian Education and Evangelism	Ministry To Constituency	Total	Management and General	Fund Raising	Total
Salaries - homeland	\$ 38,441	\$ 14,741	\$ 53,182	\$ 2,948	\$ 2,948	\$ 59,078
Salaries - field personnel	4,470	-	4,470	-	-	4,470
Health and pension	6,512	2,580	9,092	471	471	10,034
Total Compensation	\$ 49,423	\$ 17,321	\$ 66,744	\$ 3,419	\$ 3,419	\$ 73,582
Advertising	-	-	-	-	2,001	2,001
Bank and exchange fees	1,604	-	1,604	-	-	1,604
Conventions	694	1,394	2,088	-	1,210	3,298
Depreciation	3,222	1,239	4,461	248	248	4,957
Direct project costs	263,424	-	263,424	-	867	264,291
Equipment maintenance	1,920	522	2,442	104	104	2,650
Evangelism	51	-	51	-	-	51
Government/church relations	-	-	-	7	-	7
Insurance	3,021	497	3,518	99	99	3,716
Interest	-	602	602	120	120	842
Newsletter	382	4,455	4,837	29	1,669	6,535
Occupancy	4,183	468	4,651	139	94	4,884
Office supplies	3,508	1,315	4,823	233	233	5,289
Organ member dues	-	-	-	1,350	-	1,350
Payroll taxes	943	363	1,306	73	73	1,452
Phone and email	1,893	566	2,459	113	113	2,685
Postage and shipping	4,342	1,622	5,964	254	823	7,041
Professional service	-	-	-	2,100	-	2,100
Real estate taxes	-	-	-	1,571	-	1,571
Software maintenance	-	1,400	1,400	-	-	1,400
Staff training	-	1,014	1,014	278	-	1,292
Transportation	1,863	-	1,863	-	-	1,863
Travel	6,889	1,518	8,407	44	485	8,936
Utilities	1,096	422	1,518	84	84	1,696
Web page	1,129	240	1,369	42	624	2,035
Total Expenses	\$ 349,567	\$ 34,958	\$ 384,545	\$ 10,307	\$ 12,266	\$ 407,118

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from donors	\$ 594,182	\$ 468,868
Cash received from lessees	2,039	9,400
Cash received from interest & investment income	4,933	4,823
Cash disbursed for general supporting & program expenses	<u>(557,540)</u>	<u>(402,161)</u>
Net Cash Provided by Operating Activities	43,614	80,930
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from certificate of deposit	-	40,416
Purchase of equipment	<u>(14,886)</u>	<u>(1,995)</u>
Net Cash Provided (Used) by Investing Activities	(14,886)	38,421
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term debt	<u>(68,795)</u>	<u>(3,591)</u>
Net Cash (Used) by Financing Activities	<u>(68,795)</u>	<u>(3,591)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(40,067)	115,760
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>223,677</u>	<u>107,917</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 183,610</u>	<u>\$ 223,677</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Increase in Net Assets	\$ 32,494	\$ 76,228
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	5,579	4,957
Unrealized (gain) loss on investment	3,120	(255)
Increase in accounts payable	1,653	-
Increase in accrued payroll taxes	<u>768</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u>\$ 43,614</u>	<u>\$ 80,930</u>

See accompanying notes and auditors' report

EVERY CHILD MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007 and 2006

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" such as street children, orphans and abandoned children, slave children, children displaced through war, 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 2007, Every Child Ministries is celebrating its 22nd Anniversary of "going the distance" for African children. The ultimate goal of the organization is 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 the following programs:

- **Haven of Hope** – a long-term home which provides a safe haven for children rescued from desperate, dangerous and debilitating situations. Haven of Hope is now home to 45 children ages one month to 16 years. Of these, most were formerly homeless street children, some were children from devastating situations brought to us by the Ghana Social Welfare Department, and four were victims of ritual servitude in traditional shrines. Haven of Hope has one full-time African missionary and employs 24 full-time workers. Haven of Hope also has nine permanent buildings, a playground, tractor, truck and small van. During the year, an all-purpose Activity Center was built, the Girls' home was completed, a Training Center was started, construction of a cement security wall began, and a van was purchased to allow the organization to take the children on outings. Haven of Hope is supervised by a three-member committee of staff members. Two Ghanaian doctors donate their services by visiting the home regularly, and providing health-related counsel to the mothers and the leadership committee.
- **Haven of Hope Academy** – 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 35 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. This year, the school taught children up to 5th grade. Two older children attended classes at a nearby village school. Haven Academy employs eight full-time teachers and has two permanent buildings. Several American teachers donated their time as aids during June and July.

EVERY CHILD MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007 and 2006

1. Nature of Organization - Continued

- **Street children** – Bible teaching, friendship evangelism, counseling, direct aid for basic needs, hot meals once or twice a week, literacy, sports and gardening. Two sites are worked regularly in Ghana – the Kantamanto Central Railway Station area and the Agblobloshie Market area. One site is worked in Congo – the Kinshasa Binza IPN Market area. About 300 children are assisted weekly through these efforts. Several children in Ghana were sent to school and others were assisted with vocational training. In Congo, a graduate of the vocational program is working as a tailor in a tiny kiosk and saving up his earnings to set up his own shop. An annual Christmas party for Street Children reaches about 600 children. The Ghana street ministry is sustained by two full-time African missionaries and nine part-time team members. In Congo it is sustained by two full-time African missionaries aided by part-time efforts of other staff members.
- **Free the Slave Children** – The organization is working for an 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 worked ceaselessly in preliminary efforts to liberate the slaves from three shrines in addition to the five already liberated. The slave child program is sustained by two full-time African missionary counselors, one part-time American counselor, and the part-time efforts of several other African staff members.

Two girls previously liberated from the Sovigbenor Shrine were admitted to Haven of Hope and Haven Academy. Visits were made to several shrines to give an in-depth Gospel presentation to priests and shrine elders with whom friendships were previously established.

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.

The 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. While the organization's Co-Director was in Togo in May, she gathered information on the practice and spoke about it in local churches and on Togo television.

EVERY CHILD MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007 and 2006

1. Nature of Organization – Continued

Educational & Training Programs including:

- **“Character Building from the Bible” Program for Schools** – a 45 minute special program is taught monthly in 100 schools in Ghana. In the summer of 2007, a six member American team joined with Ghanaian teaching partners to introduce the program to new schools in Aflao in the Volta Region, with an intensive program of four lessons in two weeks. The teaching teams presented the schools with mini-libraries at the conclusion of the program. They taught 3,000 children in 17 schools. The monthly follow-up program reaches approximately 45,000 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 13 African teaching team members.
- **African Leadership Training Centers** – 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. Seven 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** – 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.
- **Teacher Training for Children's Ministries** – Graduates of ECM's African Leadership Training Center in Congo held seminars to train teachers for children's ministries in local churches. At the end of the year, ECM had helped develop children's ministries in 2,333 congregations, reaching approximately 172,800 children with weekly Bible teaching. In October 2006 the organization held two training seminars in Uganda to train teachers for children's ministries in local churches there.
- **Teachers' Resource Libraries & Public Reading Rooms** – Active libraries were maintained in four locations in Ghana and in three locations in DR Congo to provide resources for teachers and Christian leaders. One of these also maintains a public reading room oriented to youth.

EVERY CHILD MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007 and 2006

1. Nature of Organization – Continued

- **Teaching Websites** – In addition to the main organizational website, www.ecmafrica.org, the mission maintains a website, www.teachingafrica.com, dedicated to offering training and teaching helps to African churches and leaders. It also maintains a number of websites dedicated to the dissemination of information on the issue of child slavery.
- **Congo Orphan Project** – About 60 children are being assisted in two separate projects in the Kikwit area (Bandundu Province). The assistance consists of educational assistance (paying school fees), high-protein supplemental feeding and teaching three times a week.

New initiatives:

- **Uganda & Sudan Children's Initiative** – The International Directors conducted a feasibility study in October and November of 2006, after which they laid out a plan for the consideration of the Board to help Ugandan children affected by the guerrilla war led by Joseph Kony's LRA. The plan included child sponsorship programs and efforts to recruit missionaries for a variety of needs. David Lubaale was recommended as Uganda Director, who was later approved by the Board.

The Directors also visited southern Sudan and Nimule, where they presented gifts to the Free Church Orphanage and talked with officials about the situation in Sudan.

Two teacher training seminars were held, one in south near Kampala and one north in Gulu, with the help of a two person team of short-term missionaries.

Funds were raised for the purchase of an office in Uganda at Gayaza just north of Kampala and the building was purchased.

In July 2007, Lorella led a six-person team in direct children's ministry at Kamwokya, a slum area in the capital city of Kampala where many displaced children live, and at the Tegotatoo IDP camp in the northern Gulu District. At Kamwokya the team taught Bible classes and led small group developmental activities and some teachers assisted at KCC School. At Tegotatoo the team worked in conjunction with the Gulu Community Bible Church. Together they taught Bible classes, led developmental and recreational small group activities, provided a simple lunch for 300 children, and held a first aid clinic every day for five days. At the conclusion they presented packages of clothing and shoes to 40 orphans selected by the church and community leaders. In both places, team members helped screen children for child sponsorship, take pictures and gather needed information to allow us to begin looking for sponsors. The team also conducted a one-day medical clinic at

EVERY CHILD MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007 and 2006

1. Nature of Organization – Continued

Limitator Resettlement Village in a cooperative effort with Favor of God Ministries.

Volunteers:

Numerous volunteers from many nations gave their services and time to the Organization as volunteers during the year. A total of 4,490 volunteer hours were recorded in the U.S. office, up almost 400 hours from last year. This includes volunteers from a variety of countries who do website and translation work but does not include the summer missionary teams, the African volunteers, or many who work at home or in groups and do not report their hours to the International Office.

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

Oversight of overseas work:

In October and November of 2006, the International Directors conducted a feasibility study in Uganda and presented a proposed plan of action to the Board.

In March Lorella Rouster traveled to Congo to meet with ministry leaders there and also welcomed a training team from the International Network of Children's Ministries (INCM). In a Congo Push, the organization invited graduates of their Leadership Training Centers from past years, about 30 of them who were nearest Kinshasa. The INCM team gave each graduate a bag of teaching materials and trained them in creative teaching methods.

In May Lorella Rouster traveled to Togo, leading a team consisting of Evelyn Antwi, teacher trainer from Ghana, and Jim Driscoll, missionary with Every Child Ministries. The team traveled with Pastor Atitso Jean-Marie to Notsé and Tsévié where they conducted five days of teacher training seminars at each place. The team also spoke in local Togolese churches, gathered

EVERY CHILD MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007 and 2006

1. Nature of Organization – Continued

information on the voodoo slavery practice, and had a one hour interview on Togo television.

Following the Togo Training, Lorella Rouster led a brief vision tour to help people better understand, pray for and support ECM's Ghana ministries.

The International Co-Directors spent the month of June in Ghana and John also spent July there while Lorella was in Uganda. During that time, they met with the Ghana Board and all Ghana staff and visited every region and every project of ECM, overseeing and evaluating the work.

In July, Lorella Rouster along with team leader Cheryl Bockstahler led a six-person team for direct ministry in Uganda (described above). Lorella's time included prayer, planning and evaluation with David Lubaale, Uganda's National Director, Sophie Akello, ECM Uganda secretary, and Uganda Board members Pastor Francis Agati Makoha and Jane Kunsiime, along with ECM's Tegotattoo supervisor, Pastor Chris Couris Abiyre.

In September, John Rouster led a five-person construction team to Ghana. The group constructed an all-purpose 40' X 80' Pole Barn Style, Activity Center at Haven of Hope.

During these trips the International Directors checked on the finances and reporting of operations in each country and visited ministry sites firsthand. They are members of the Ghana and Uganda Boards and met with those Boards while they were there.

"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.

In February 2007 the organization paid off the land contract for the Hebron, IN property and began renovations with a view to expanding and improving the property. At the conclusion of the fiscal year, architect's drawings were nearing completion for an addition to the house and renovations to the existing building were nearing completion.

EVERY CHILD MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007 and 2006

1. Nature of Organization – Continued

Sea Container to Ghana:

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. For two years the organization has been collecting goods to ship in a sea container to Ghana. In April 2007 the container was loaded with the pre-cut, disassembled Activity Center and solar panels for Haven of Hope and loaded with over a thousand boxes of goods for every aspect of the ministry in Ghana and in Togo. It cleared customs in Ghana in July 2007.

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.

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.

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.

EVERY CHILD MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007 and 2006

2. Significant Accounting Policies – Continued

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking, savings, and money market accounts.

Investment Securities

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at the fair values in the statement of financial position. Unrealized gains and losses are included in change in net assets.

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

EVERY CHILD MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
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2. Significant Accounting Policies – Continued

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 SFAS No. 116.

3. Note Payable

On April 14, 1998 the Organization entered into a note payable agreement for \$100,000. On February 2, 2007, the note payable was paid in full. As of September 30, 2007 and 2006, Every Child Ministries, Inc. had a note payable secured by a mortgage to a trust totaling \$0 and \$68,795, respectively.

4. 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, 2007 and 2006, the company contributed \$6,000 per year to the tax-deferred annuity plan.

5. Lease

Every Child Ministries, Inc. leased residential space on a month to month basis under a lease that could be cancelled by either party with 30 days notice. For the years ended September 30, 2007 and 2006, the organization received \$2,039 and \$9,400 of rental income, respectively. In January of 2007, the Organization cancelled the lease to prepare the space as the future site of the International Office.

EVERY CHILD MINISTRIES, INC.
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2007 and 2006

6. Investments

The following is a summary of investments as of September 30, 2007 and 2006.

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
<u>September 30, 2007</u>			
Equity Mutual Funds:			
Mass. Investors Trust	\$ -	\$ -	\$ -
Mass. Investors Growth	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 <u>September 30, 2006</u>			
Equity Mutual Funds:			
Mass. Investors Trust	\$ 2,391	\$ 2,453	\$ 62
Mass. Investors Growth	<u>1,000</u>	<u>667</u>	<u>(333)</u>
	<u>\$ 3,391</u>	<u>\$ 3,120</u>	<u>\$ (271)</u>

7. Uninsured Cash Balances

Every Child Ministries, Inc. maintains a checking account and savings account at a financial institution located in Merrillville, Indiana. Accounts at the financial institution are secured by the Federal Deposit Insurance Corporation up to \$100,000. Uninsured balances at September 30, 2007 and 2006 were \$84,078 and \$124,898, respectively.

SUPPLEMENTARY INFORMATION

EVERY CHILD MINISTRIES, INC.
 SCHEDULE OF CHECKING AND SAVINGS ACCOUNTS
 SEPTEMBER 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Schedule 1 - Checking Accounts		
General Checking	\$ 100	\$ 100
A F Checking	<u>5,183</u>	<u>5,038</u>
Total Checking Accounts	<u>\$ 5,283</u>	<u>\$ 5,138</u>
Schedule 2 - Savings Accounts		
Unrestricted		
Development	\$ 442	\$ 100
Temporarily Restricted		
Artifacts	-	310
Garage Sale	4,181	4,607
Banquets	85	2,574
Evangelism	35	-
Short Term Missionary	6,654	8,127
Long Term Missionary	60,192	6,247
Solar Power	-	100
Mission Central	(9,180)	1,118
Student Scholarship	-	52
Sunday Schools	56	152
Sunshine	138	138
Recruitment	-	278
Transportation	-	3,810
Arabic Speaking	300	300
Congo Fund	18,678	13,709
Ghana Fund	24,077	35,247
Miscellaneous	<u>4,052</u>	<u>8,032</u>
Total Savings Balance	<u>\$ 109,710</u>	<u>\$ 84,901</u>

See auditor's report