

**EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.**

**COMBINED FINANCIAL STATEMENTS
AS OF JUNE 30, 2009 AND 2008**

TOGETHER WITH AUDITOR'S REPORT

Dugan & Lopatka

Certified Public Accountants & Consultants
A Professional Corporation
104 East Roosevelt Road
Wheaton, Illinois 60187
(630) 665-4440
Fax (630) 665-5030
www.duganlopatka.com
e-mail: info@duganlopatka.com

Michael J. Dugan
Jerry L. Lopatka
Mark F. Schultz
Peter J. Zich
Leo M. Misdom

T. Brett Flickinger
Karen M. Olson
Hugh E. Elliott

Gwen S. Henry

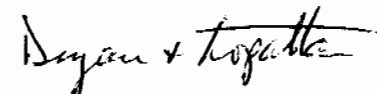
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Evangelical Child and Family Agency:

We have audited the accompanying combined statements of financial position of Evangelical Child and Family Agency and ECFA Foundation, Inc. as of June 30, 2009 and 2008, and the related combined statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Agency's management. 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 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide 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 Evangelical Child and Family Agency and ECFA Foundation, Inc. as of June 30, 2009 and 2008, 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.


DUGAN & LOPATKA

Wheaton, Illinois
November 10, 2009

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.
COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008

A S S E T S

	<u>2009</u>	<u>2008</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 289,639	\$ 44,869
Investments	487,657	878,738
Receivables - Program fees	274,307	352,393
- Pledges	-	18,800
Other current assets	23,901	23,470
Total current assets	<u>1,075,504</u>	<u>1,318,270</u>
PROPERTY AND EQUIPMENT:		
Land	83,000	83,000
Building and improvements	681,536	681,536
Furniture and equipment	189,064	211,929
Automobiles	158,022	162,001
	<u>1,111,622</u>	<u>1,138,466</u>
Less - Accumulated depreciation	<u>764,941</u>	<u>759,304</u>
Net property and equipment	<u>346,681</u>	<u>379,162</u>
OTHER ASSETS:		
Rent security deposits	<u>11,113</u>	<u>9,513</u>
	<u>\$ 1,433,298</u>	<u>\$ 1,706,945</u>

The accompanying notes are an integral part of this statement.

LIABILITIES AND NET ASSETS

	<u>2009</u>	<u>2008</u>
CURRENT LIABILITIES:		
Line of credit	\$ -	\$ 150,000
Note payable - Officer	-	50,000
Accounts payable	156,651	166,688
Other liabilities and accrued expenses	<u>109,597</u>	<u>103,510</u>
Total current liabilities	<u>266,248</u>	<u>470,198</u>
 COMMITMENTS		
 NET ASSETS:		
Unrestricted	1,167,050	1,217,947
Temporarily restricted	-	18,800
Permanently restricted	<u>-</u>	<u>-</u>
Total net assets	<u>1,167,050</u>	<u>1,236,747</u>
	<u>\$ 1,433,298</u>	<u>\$ 1,706,945</u>

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009		2008			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Contributions	\$ 679,322	\$ -	\$ 679,322	\$ 603,674	\$ 18,800	\$ 622,474
Program service fees	215,862	-	215,862	189,906	-	189,906
Government payment for services	3,005,723	-	3,005,723	2,530,008	-	2,530,008
Resale shop sales (net of direct expenses of \$134,897 in 2009 and \$95,703 in 2008)	44,730	-	44,730	55,422	-	55,422
Special projects and events (net of direct expenses of \$67,104 in 2009 and \$62,286 in 2008)	141,255	-	141,255	154,666	-	154,666
Income on investments	27,320	-	27,320	75,746	-	75,746
Net unrealized and realized (losses) on investments	(236,934)	-	(236,934)	(148,049)	-	(148,049)
Gain on disposal of assets	7,250	-	7,250	1,000	-	1,000
Total support and revenue	\$ 3,884,528	\$ -	\$ 3,884,528	\$ 3,462,373	\$ 18,800	\$ 3,481,173

The accompanying notes are an integral part of this statement.

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009		2008			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
RECLASSIFICATIONS:						
Net assets released upon satisfaction of purpose restrictions	\$ 18,800	\$ (18,800)	\$ -	\$ 2,201	\$ (2,201)	\$ -
FUNCTIONAL EXPENSES:						
Program -						
Adoption services	238,892	-	238,892	261,051	-	261,051
Foster family care	2,675,266	-	2,675,266	2,452,813	-	2,452,813
Pregnancy support services	337,638	-	337,638	387,957	-	387,957
Family and individual counseling	63,908	-	63,908	87,372	-	87,372
Intact family services	239,641	-	239,641	219,307	-	219,307
Total program expense	3,555,345	-	3,555,345	3,408,500	-	3,408,500
Management and general	257,262	-	257,262	270,344	-	270,344
Fundraising	141,618	-	141,618	147,236	-	147,236
Total functional expenses	3,954,225	-	3,954,225	3,826,080	-	3,826,080
CHANGE IN NET ASSETS	(50,897)	(18,800)	(69,697)	(361,506)	16,599	(344,907)
NET ASSETS, Beginning of year	1,217,947	18,800	1,236,747	1,579,453	2,201	1,581,654
NET ASSETS, End of year	\$ 1,167,050	\$ -	\$ 1,167,050	\$ 1,217,947	\$ 18,800	\$ 1,236,747

The accompanying notes are an integral part of this statement.

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (69,697)	\$ (344,907)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	55,779	56,510
Unrealized and realized losses on investments	236,934	148,049
Gain on sale of fixed assets	(7,250)	(1,000)
Noncash donations	-	(30,690)
(Increase) decrease in receivables	96,886	(176,356)
(Increase) decrease in other current assets	(431)	125
(Increase) decrease in rent security deposits	(1,600)	1,458
Increase (decrease) in accounts payable	(10,037)	72,701
Increase in other liabilities and accrued expenses	6,087	18,581
	<u>306,671</u>	<u>(255,529)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(28,228)	(161,884)
Sale of investments	182,375	85,595
Purchase of fixed assets	(23,566)	(24,691)
Proceeds from sale of fixed assets	7,518	1,000
	<u>138,099</u>	<u>(99,980)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds (payments) on line of credit	(150,000)	150,000
Proceeds from officer	-	50,000
Payment to officer	(50,000)	-
Principal payment on debt	-	(456)
	<u>(200,000)</u>	<u>199,544</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	244,770	(155,965)
CASH AND CASH EQUIVALENTS, Beginning of year	44,869	200,834
CASH AND CASH EQUIVALENTS, End of year	\$ 289,639	\$ 44,869

The accompanying notes are an integral part of this statement.

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

	Adoption Services	Foster Family Care	Pregnancy Support Services	Family and Individual Counseling	Intact Family Services	Total Program Expense	Management and General	Fund-raising	Total
Salaries	\$ 164,854	\$ 1,163,546	\$ 177,707	\$ 40,306	\$ 145,186	\$ 1,691,599	\$ 181,293	\$ 85,433	\$ 1,958,325
Employee benefits	16,613	124,046	23,781	3,675	12,738	180,853	13,742	3,436	198,031
Payroll taxes	13,528	91,158	12,922	3,304	11,223	132,135	15,059	8,340	155,534
Professional fees	6,871	19,651	9,312	364	956	37,154	4,047	854	42,055
Supplies	1,422	22,548	2,257	336	1,406	27,969	2,726	1,292	31,987
Telephone	3,492	17,542	4,649	355	5,504	31,542	556	789	32,887
Postage	1,488	12,886	2,065	466	1,149	18,054	1,389	6,325	25,768
Occupancy	5,877	77,912	10,485	5,212	8,469	107,955	4,887	2,428	115,270
Printing	10	-	56,180	-	-	56,190	-	21,531	77,721
Subscriptions	2,383	-	55	-	-	2,438	273	-	2,711
Local transportation	6,150	63,918	11,425	-	10,079	91,572	1,951	3,490	97,013
Conferences	3,219	4,861	749	261	1,071	10,161	4,267	486	14,914
Specific assistance	1,090	1,001,407	9,162	1,935	33,347	1,046,941	-	-	1,046,941
Membership dues	474	10,683	270	106	357	11,890	1,585	2,244	15,719
Insurance	2,820	11,013	3,951	4,146	2,332	24,262	8,026	1,383	33,671
Equipment rental and maintenance	3,789	21,279	3,383	162	2,888	31,501	3,389	600	35,490
Miscellaneous	205	2,826	265	105	313	3,714	10,514	181	14,409
Depreciation	4,607	29,990	9,020	3,175	2,623	49,415	3,558	2,806	55,779
Total functional expenses	\$ 238,892	\$ 2,675,266	\$ 337,638	\$ 63,908	\$ 239,641	\$ 3,555,345	\$ 257,262	\$ 141,618	\$ 3,954,225

The accompanying notes are an integral part of this statement.

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008

	Adoption Services	Foster Family Care	Pregnancy Support Services	Family and Individual Counseling	Intact Family Services	Total Program Expense	Management and General	Fund-raising	Total
Salaries	\$ 182,304	\$ 1,092,694	\$ 217,735	\$ 55,196	\$ 132,861	\$ 1,680,790	\$ 178,941	\$ 87,662	\$ 1,947,393
Employee benefits	21,300	89,853	34,235	6,827	15,408	167,623	13,535	5,924	187,082
Payroll taxes	16,097	97,119	18,824	4,158	11,408	147,606	16,260	8,522	172,388
Professional fees	1,072	24,742	6,492	1,809	1,912	36,027	28,222	5,437	69,686
Supplies	2,740	19,336	4,881	2,184	2,993	32,134	2,735	8,831	43,700
Telephone	4,171	17,427	5,367	287	5,714	32,966	491	694	34,151
Postage	1,868	12,089	2,777	967	1,370	19,071	1,518	6,162	26,751
Occupancy	6,045	77,656	10,627	3,901	8,877	107,106	3,434	1,735	112,275
Printing	-	-	52,358	60	-	52,418	22	10,512	62,952
Subscriptions	458	-	42	35	-	535	257	-	792
Local transportation	6,847	66,450	14,689	14	10,480	98,480	2,206	3,858	104,544
Conferences	4,342	3,501	820	1,337	81	10,081	4,947	551	15,579
Specific assistance	4,875	866,737	4,854	1,727	21,140	899,333	-	-	899,333
Membership dues	213	17,624	320	222	314	18,693	1,508	2,186	22,387
Insurance	2,806	11,118	3,929	4,188	1,309	23,350	9,310	1,916	34,576
Equipment rental and maintenance	1,532	19,608	2,312	613	1,989	26,054	1,512	544	28,110
Miscellaneous	353	3,880	570	493	398	5,694	1,899	278	7,871
Depreciation	4,028	32,979	7,125	3,354	3,053	50,539	3,547	2,424	56,510
Total functional expenses	\$ 261,051	\$ 2,452,813	\$ 387,957	\$ 87,372	\$ 219,307	\$ 3,408,500	\$ 270,344	\$ 147,236	\$ 3,826,080

The accompanying notes are an integral part of this statement.

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Evangelical Child and Family Agency (the Agency) was incorporated on June 24, 1959, under the Illinois General Not-For-Profit Act. The Agency was formed to provide programs of adoption, foster family care, pregnancy support services, and family counseling under the evangelical protestant Christian auspices.

The ECFA Foundation, Inc. (the Foundation) was formed in 1996 for the purpose of promoting and financially supporting the purposes of the Evangelical Child and Family Agency.

The financial statements were available to be issued on November 10, 2009, with subsequent events being evaluated through this date.

The following is a brief summary of the accounting policies adopted by the Agency and the Foundation:

Accounting Method -

The accounting records of the Agency are maintained on the accrual basis which recognizes revenue as it is earned and expenses as they are incurred.

Basis of Presentation -

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Agency and Foundation are required to report information regarding its financial position and activities according to three classes of net assets, which are unrestricted, temporarily restricted and permanently restricted net assets.

The Foundation is combined with the Agency for financial reporting. All significant intercompany account balances and transactions have been eliminated in the combined financial statements.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Agency and Foundation consider all highly liquid instruments with an original maturity of less than three months to be cash equivalents.

Credit Risk -

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist principally of cash. The Agency and Foundation place its cash and deposits with high credit quality financial institutions; however, deposits may exceed the federally insured limits during the year.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Receivables -

Receivables consist mostly of amounts due from governmental agencies and are considered fully collectible. Therefore, no allowance for doubtful accounts was required.

Investments -

Investments are recorded at fair market value.

Property and Equipment -

Property and equipment are stated at cost, except for donations of equipment, which are stated at fair market value as of the date of donation. The Agency follows the practice of capitalizing all expenditures for fixed assets in excess of \$500. Depreciation is computed using the straight-line method to amortize the cost of fixed assets over their estimated useful lives, ranging from 3 to 40 years. Equipment replacements or improvements are capitalized. Expenditures for repairs or maintenance are expensed when incurred. When assets are disposed of or considered no longer useful, the cost and related depreciation are removed from the books.

Depreciation for the fiscal years ended June 30, 2009 and 2008 amounts to \$55,779 and \$56,510, respectively.

Donated Materials and Services -

Donated property, marketable securities, and other non-cash donations are recorded as contributions at their estimated market value at the date of donation. Donated skilled services for the years ended June 30, 2009 and 2008 were received for an estimated value of \$-0- and \$7,625, respectively, and have been reflected in the financial statements as a contribution and corresponding expense.

Temporarily Restricted Net Assets -

Temporarily restricted net assets consist of revenue restricted for the assistance of expectant mothers and contribution receivables. As of June 30, 2009 and 2008, temporarily restricted net assets were \$-0- and \$18,800, respectively.

Restricted and unrestricted revenue -

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions received are reported as increases in temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Functional Expenses -

The costs of providing the various programs and other activities are summarized on a functional basis. The costs have been allocated among the various programs and supporting service classifications on the basis of time records, square feet of building usage, and other estimates made by the Agency's management.

Use of Estimates -

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 those estimates.

Income Taxes -

The Agency and Foundation have been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) as described under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been established.

In accordance with FSP 48-3, the Agency and the Foundation have elected to defer the implementation of FIN 48, "Accounting for Uncertainty in Income Taxes". The Agency and Foundation continue to follow the guidance included in FASB Statement No. 5, "Accounting for Contingencies".

(2) INVESTMENTS:

Investments are carried at fair market value. Investments consist of the following:

	<u>2009</u>		<u>2008</u>	
	<u>Fair Market Value</u>	<u>Cost</u>	<u>Fair Market Value</u>	<u>Cost</u>
Summary of investments:				
Evangelical Child and Family Agency:				
Mutual funds	\$ 439	\$ 615	\$ 16,979	\$ 18,394
Stocks	<u>957</u>	<u>957</u>	<u>274,134</u>	<u>290,619</u>
	1,396	1,572	291,113	309,013
Summary of investments:				
ECFA Foundation:				
Mutual funds	<u>486,261</u>	<u>576,132</u>	<u>587,625</u>	<u>553,453</u>
Total investments	<u>\$ 487,657</u>	<u>\$ 577,704</u>	<u>\$ 878,738</u>	<u>\$ 862,466</u>

(3) FAIR VALUE MEASUREMENTS:

FASB Statement No. 157, Fair Value Measurements, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described as follows:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2:

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2009 and 2008.

Stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

(3) FAIR VALUE MEASUREMENTS: (Continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Agency and the Foundation believe its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair values of assets measured on a recurring basis at June 30, 2009 are as follows:

<u>Description</u>	<u>Assets at Fair Value as of June 30, 2009</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments -				
Stocks	\$ 957	\$ -	\$ -	\$ 957
Mutual funds	<u>486,700</u>	<u>-</u>	<u>-</u>	<u>486,700</u>
Total	<u>\$ 487,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 487,657</u>

Certain assets and liabilities are measured at fair value on a non-recurring basis, and therefore not included in the preceding table.

(4) LINE OF CREDIT:

The Agency has a loan agreement with an investment broker in which they can borrow up to 50% of qualified investments held with this broker. The interest rate is a variable rate based on an amount greater than prime, due on demand. As of June 30, 2009 and 2008, \$0- and \$150,000, respectively, were outstanding on this loan.

(5) NOTE PAYABLE - OFFICER:

As of June 30, 2008 the Agency had a note payable in the amount of \$50,000 from an officer of the Agency, due on demand, unsecured with interest at prime. The note was paid off during the year.

(6) RELATED PARTY TRANSACTIONS:

The Agency has a line-of-credit arrangement that provides for a maximum borrowing of \$200,000, with the ECFA Foundation, Inc. The line of credit from ECFA Foundation, Inc. is secured by a mortgage and security agreement with respect to real estate located in Wheaton, Illinois and New Berlin, Wisconsin. The interest rate on the line of credit from ECFA Foundation, Inc. to Illinois is set on the first day of each month and is equal to the prime rate of interest in effect prior to the first day of each month. As of June 30, 2009 and 2008, the balance on the outstanding line-of-credit notes payable to the Foundation from Illinois and Wisconsin was \$69,000 and \$193,000, respectively. The line-of-credit note comes due in June, 2010 and is expected to be renewed another year.

(6) RELATED PARTY TRANSACTIONS: (Continued)

The loans outstanding between the Foundation and the Agency are offset when the Foundation and the Agency in Illinois and Wisconsin are combined into one entity for financial reporting purposes. The interest income to the Foundation for the years ended June 30, 2009 and 2008 was \$6,412 and \$9,370, respectively, and that is offset on the consolidated financial statements by the expense to Illinois and Wisconsin.

(7) LEASE AGREEMENTS:

The Agency leases various office space and equipment. The total rent paid for the offices and resale shops was \$133,622 and \$139,723 for the years ended June 30, 2009 and 2008, respectively.

The estimated future minimum rental commitments as of June 30, 2009 are as follows:

2010	\$	88,817
2011		64,162
2012		49,522

(8) RETIREMENT PLAN:

A 401(k) Plan was started January 1, 2005 and is available to all employees. The Agency contributes a percentage of the employee's annual salary to the plan based on years of service up to a maximum of 4% for the years ended June 30, 2009 and 2008. There were employer contributions of \$16,834 and \$29,959 for the years ended June 30, 2009 and 2008, respectively.

(9) MAJOR CONTRIBUTIONS:

The Agency has contracts which must be renewed every year with the Illinois Department of Children and Family Services (DCFS). The funding received under these agreements is 77% and 74% of the total unrestricted revenue and support received by the Agency for the years ended June 30, 2009 and 2008, respectively. The Agency also is required to be licensed as a Child Welfare Agency by DCFS. As of the date of these financial statements, the contracts and the license were still in effect.

(10) FEDERAL AND STATE GRANTS:

The Agency receives significant financial assistance from several federal, state and local government agencies in the form of grants. Program revenue in excess of program expenses is typically subject to recapture under various provisions. Additionally, the disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability to the Agency.

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A Professional Corporation
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(630) 665-4440
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e-mail: info@duganlopatka.com

Michael J. Dugan
Jerry L. Lopatka
Mark F. Schultz
Peter J. Zich
Leo M. Misdom

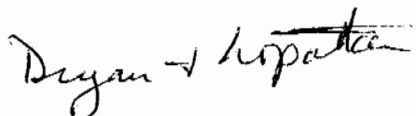
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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors of
Evangelical Child and Family Agency:

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of financial position and schedule of activities by area for Evangelical Child and Family Agency and ECFA Foundation, Inc. are presented for purposes of additional analysis and are not part of the basic financial statements. Such information has been subjected to the audit 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 financial statements taken as a whole.



DUGAN & LOPATKA

Wheaton, Illinois
November 10, 2009

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.
SCHEDULE OF FINANCIAL POSITION BY AREA
JUNE 30, 2009

A S S E T S

	<u>Illinois</u>	<u>Wisconsin</u>	<u>Foundation</u>	<u>Total</u>
CURRENT ASSETS:				
Cash and cash equivalents	\$ 114,507	\$ 29,121	\$ 146,011	\$ 289,639
Investments	957	439	486,261	487,657
Receivables - Program fees	270,867	3,440	-	274,307
Other current assets	21,493	2,408	-	23,901
Note receivable, current portion	-	-	69,000	69,000
	<u>407,824</u>	<u>35,408</u>	<u>701,272</u>	<u>1,144,504</u>
PROPERTY AND EQUIPMENT:				
Land	60,000	23,000	-	83,000
Building and improvements	527,538	153,998	-	681,536
Furniture and equipment	155,644	33,420	-	189,064
Automobiles	133,772	24,250	-	158,022
	<u>876,954</u>	<u>234,668</u>	<u>-</u>	<u>1,111,622</u>
Less - Accumulated depreciation	<u>662,469</u>	<u>102,472</u>	<u>-</u>	<u>764,941</u>
	<u>214,485</u>	<u>132,196</u>	<u>-</u>	<u>346,681</u>
OTHER ASSETS:				
Interest receivable	-	-	2,836	2,836
Rent security deposits	11,113	-	-	11,113
Note receivable	-	-	-	-
	<u>11,113</u>	<u>-</u>	<u>2,836</u>	<u>13,949</u>
Total other assets	<u>11,113</u>	<u>-</u>	<u>2,836</u>	<u>13,949</u>
	<u>\$ 633,422</u>	<u>\$ 167,604</u>	<u>\$ 704,108</u>	<u>\$ 1,505,134</u>

LIABILITIES AND NET ASSETS

	<u>Illinois</u>	<u>Wisconsin</u>	<u>Foundation</u>	<u>Total</u>
CURRENT LIABILITIES:				
Line of credits	\$ 69,000	\$ -	\$ -	\$ 69,000
Accounts payable	157,310	2,177	-	159,487
Other liabilities and accrued expenses	103,869	5,728	-	109,597
	<u>330,179</u>	<u>7,905</u>	<u>-</u>	<u>338,084</u>
 COMMITMENTS				
 NET ASSETS				
Unrestricted	303,243	159,699	704,108	1,167,050
Temporarily restricted	-	-	-	-
Permanently restricted	-	-	-	-
	<u>303,243</u>	<u>159,699</u>	<u>704,108</u>	<u>1,167,050</u>
Total net assets	<u>303,243</u>	<u>159,699</u>	<u>704,108</u>	<u>1,167,050</u>
	<u>\$ 633,422</u>	<u>\$ 167,604</u>	<u>\$ 704,108</u>	<u>\$ 1,505,134</u>

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.
SCHEDULE OF ACTIVITIES BY AREA
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Illinois</u>	<u>Wisconsin</u>	<u>Foundation</u>	<u>Total</u>
UNRESTRICTED:				
Public support and revenue -				
Contributions	\$ 451,479	\$ 217,843	\$ 10,000	\$ 679,322
Program service fees	141,920	73,942	-	215,862
Government payment for services	3,005,723	-	-	3,005,723
Resale shops (net of direct expenses of \$134,897)	-	44,730	-	44,730
Special projects and events (net of direct expenses of \$67,104)	113,927	27,328	-	141,255
Income on investments	4,751	(152)	29,133	33,732
Net unrealized and realized loss on investments	(112,894)	-	(124,040)	(236,934)
Gain on disposal of assets	7,250	-	-	7,250
	<u>3,612,156</u>	<u>363,691</u>	<u>(84,907)</u>	<u>3,890,940</u>
Net assets released from restrictions -				
Satisfaction of program restrictions	18,800	-	-	18,800
	<u>18,800</u>	<u>-</u>	<u>-</u>	<u>18,800</u>
	<u>3,630,956</u>	<u>363,691</u>	<u>(84,907)</u>	<u>3,909,740</u>
Functional expenses -				
Adoption	163,819	75,674	-	239,493
Foster Family Care	2,667,576	10,560	-	2,678,136
Pregnancy Support Services	198,850	139,589	-	338,439
Family and Individual Counseling	65,043	-	-	65,043
Intact family services	239,641	-	-	239,641
Management and general	216,534	33,459	8,070	258,063
Fundraising	88,815	53,007	-	141,822
	<u>3,640,278</u>	<u>312,289</u>	<u>8,070</u>	<u>3,960,637</u>
Change in unrestricted net assets	<u>\$ (9,322)</u>	<u>\$ 51,402</u>	<u>\$ (92,977)</u>	<u>\$ (50,897)</u>

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.
SCHEDULE OF ACTIVITIES BY AREA
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Illinois</u>	<u>Wisconsin</u>	<u>Foundation</u>	<u>Total</u>
TEMPORARILY RESTRICTED:				
Public support and revenue -				
Contributions	\$ -	\$ -	\$ -	\$ -
Net assets released from restrictions -				
Satisfaction of program restrictions	<u>(18,800)</u>	<u>-</u>	<u>-</u>	<u>(18,800)</u>
Change in temporarily restricted				
net assets	<u>(18,800)</u>	<u>-</u>	<u>-</u>	<u>(18,800)</u>
CHANGE IN NET ASSETS	(28,122)	51,402	(92,977)	(69,697)
NET ASSETS, Beginning of year	<u>331,365</u>	<u>108,297</u>	<u>797,085</u>	<u>1,236,747</u>
NET ASSETS, End of year	<u>\$ 303,243</u>	<u>\$ 159,699</u>	<u>\$ 704,108</u>	<u>\$ 1,167,050</u>