

**ANDREW WOMMACK
MINISTRIES, INC.**

FINANCIAL STATEMENTS

September 30, 2009 and 2008

ANDREW WOMMACK MINISTRIES, INC.

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ACCOUNTANTS' REVIEW REPORT

Board of Directors
Andrew Wommack Ministries, Inc.
Colorado Springs, Colorado

We have reviewed the accompanying statements of financial position of **Andrew Wommack Ministries, Inc.** (a not-for-profit organization) as of September 30, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of **Andrew Wommack Ministries, Inc.**

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with U.S. generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with U.S. generally accepted accounting principles.

Erickson, Brown & Kloster, P.C.

Colorado Springs, Colorado
January 8, 2010

ANDREW WOMMACK MINISTRIES, INC.
Statements of Financial Position
September 30, 2009 and 2008

	2009	2008
Assets		
Cash	\$ 2,916,310	\$ 1,856,371
Investments	31,785	30,613
Accounts receivable	55,171	47,965
Inventory	221,709	247,492
Prepaid expenses	6,850	4,502
Cash restricted for capital improvements	206,924	235,276
Property and equipment, net	11,480,226	7,270,070
Debt issuance costs, net	13,107	7,054
	\$ 14,932,082	\$ 9,699,343
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 635,293	\$ 564,248
Deferred revenue	102,335	66,138
Accrued expenses	204,033	205,083
Notes payable	5,439,497	2,663,631
	6,381,158	3,499,100
Net assets:		
Unrestricted net assets	7,791,304	5,752,709
Temporarily restricted net assets	759,620	447,534
	8,550,924	6,200,243
	\$ 14,932,082	\$ 9,699,343

The accompanying notes and accountants' review report
should be read with these financial statements.

ANDREW WOMMACK MINISTRIES, INC.
Statements of Activities
Years ended September 30, 2009 and 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue:						
Offerings	\$ 16,055,217	\$ 344,932	\$ 16,400,149	\$ 12,456,914	\$ 249,119	\$ 12,706,033
Meetings and conferences offerings	726,822	-	726,822	886,612	-	886,612
Product offerings	350,348	-	350,348	321,615	-	321,615
Bible colleges	1,648,770	-	1,648,770	1,235,734	-	1,235,734
Other revenue	73,763	-	73,763	43,042	-	43,042
Interest income	60,618	-	60,618	35,861	-	35,861
Net assets released from restrictions	32,846	(32,846)	-	111,180	(111,180)	-
Total support and revenue	18,948,384	312,086	19,260,470	15,090,958	137,939	15,228,897
Expenses:						
Program:						
Teaching ministry	12,839,197	-	12,839,197	10,953,226	-	10,953,226
Bible colleges	1,847,937	-	1,847,937	1,569,731	-	1,569,731
Total program	14,687,134	-	14,687,134	12,522,957	-	12,522,957
General and administrative	802,631	-	802,631	697,626	-	697,626
Fundraising	1,420,024	-	1,420,024	1,223,874	-	1,223,874
Total expenses	16,909,789	-	16,909,789	14,444,457	-	14,444,457
Change in net assets	2,038,595	312,086	2,350,681	646,501	137,939	784,440
Net assets, beginning of year	5,752,709	447,534	6,200,243	5,106,208	309,595	5,415,803
Net assets, end of year	\$ 7,791,304	\$ 759,620	\$ 8,550,924	\$ 5,752,709	\$ 447,534	\$ 6,200,243

The accompanying notes and accountants' review report
should be read with these financial statements.

ANDREW WOMMACK MINISTRIES, INC.
Statement of Functional Expenses
Year ended September 30, 2009

	Program Services			Supporting Services		Total Functional Expenses
	Teaching Ministry	Bible Colleges	Total Program Services	General and Administrative	Fundraising	
Salaries and wages	\$ 2,859,026	\$ 663,193	\$ 3,522,219	\$ 604,551	\$ 181,675	\$ 4,308,445
Employee benefits	156,544	131,026	287,570	22,202	31,612	341,384
Payroll taxes	205,309	47,624	252,933	43,413	13,046	309,392
Total salaries and related expenses	3,220,879	841,843	4,062,722	670,166	226,333	4,959,221
Professional fees	70,340	16,316	86,656	14,874	4,470	106,000
Supplies	331,785	152,098	483,883	1,215	67,150	552,248
Bad debt	-	200	200	-	-	200
Telephone	29,912	10,800	40,712	6,325	1,900	48,937
Postage and shipping	690,961	39,967	730,928	2,531	139,844	873,303
Occupancy	105,681	65,058	170,739	12,433	6,217	189,389
Equipment rental and maintenance	105,443	15,918	121,361	12,405	6,203	139,969
Printing and publications	601,801	22,722	624,523	-	209,057	833,580
Travel	125,979	214,664	340,643	8,951	4,379	353,973
Interest	110,110	5,438	115,548	13,594	6,797	135,939
Broadcast air time	5,559,314	-	5,559,314	-	607,637	6,166,951
Cost of multi-media materials	657,282	150,879	808,161	-	-	808,161
Auto expense	26,507	-	26,507	3,119	1,559	31,185
Honorariums	74,696	68,593	143,289	-	-	143,289
Meeting rooms	170,577	28,286	198,863	-	-	198,863
Public relations	19,551	9,640	29,191	-	-	29,191
Consulting	3,287	-	3,287	-	-	3,287
Contributions	478,191	-	478,191	-	-	478,191
Dues, fees and subscriptions	67,374	9,034	76,408	9,625	115,498	201,531
Education	235	-	235	-	-	235
Insurance	15,587	16,691	32,278	1,834	917	35,029
Employee morale	16,993	3,143	20,136	3,593	1,080	24,809
Mission outreach	-	157,986	157,986	-	-	157,986
Total expenses before depreciation and amortization	12,482,485	1,829,276	14,311,761	760,665	1,399,041	16,471,467
Depreciation and amortization	356,712	18,661	375,373	41,966	20,983	438,322
Total expenses	<u>\$ 12,839,197</u>	<u>\$ 1,847,937</u>	<u>\$ 14,687,134</u>	<u>\$ 802,631</u>	<u>\$ 1,420,024</u>	<u>\$ 16,909,789</u>

The accompanying notes and accountants' review report should be read with these financial statements.

ANDREW WOMMACK MINISTRIES, INC.
Statement of Functional Expenses
Year ended September 30, 2008

	Program Services			Supporting Services		Total Functional Expenses
	Teaching Ministry	Bible Colleges	Total Program Services	General and Administrative	Fundraising	
Salaries and wages	\$ 2,319,137	\$ 532,935	\$ 2,852,072	\$ 521,659	\$ 146,143	\$ 3,519,874
Employee benefits	130,206	142,982	273,188	31,830	8,104	313,122
Payroll taxes	157,152	36,114	193,266	35,349	9,903	238,518
Total salaries and related expenses	2,606,495	712,031	3,318,526	588,838	164,150	4,071,514
Professional fees	48,593	11,166	59,759	10,930	3,062	73,751
Supplies	286,877	64,974	351,851	1,761	59,501	413,113
Telephone	23,065	11,674	34,739	5,188	1,454	41,381
Postage and shipping	559,610	30,693	590,303	3,435	116,070	709,808
Occupancy	71,343	57,952	129,295	8,393	4,197	141,885
Equipment rental and maintenance	55,061	13,951	69,012	6,478	3,239	78,729
Printing and publications	545,444	33,738	579,182	-	198,199	777,381
Travel	138,824	237,972	376,796	2,956	7,409	387,161
Interest	129,686	6,404	136,090	16,011	8,005	160,106
Broadcast air time	4,964,214	-	4,964,214	-	548,373	5,512,587
Cost of multi-media materials	548,883	142,018	690,901	-	-	690,901
Auto expense	27,992	-	27,992	3,293	1,647	32,932
Honorariums	138,762	61,992	200,754	-	-	200,754
Meeting rooms	160,221	18,023	178,244	-	-	178,244
Public relations	964	8,451	9,415	-	-	9,415
Consulting	300	-	300	-	-	300
Contributions	235,395	-	235,395	-	-	235,395
Dues, fees and subscriptions	51,030	11,722	62,752	7,290	87,481	157,523
Education	2,596	-	2,596	-	-	2,596
Insurance	11,958	14,530	26,488	1,407	703	28,598
Employee morale	8,853	652	9,505	1,991	558	12,054
Mission outreach	-	115,631	115,631	-	-	115,631
Total expenses before depreciation and amortization	10,616,166	1,553,574	12,169,740	657,971	1,204,048	14,031,759
Depreciation and amortization	337,060	16,157	353,217	39,655	19,826	412,698
Total expenses	\$ 10,953,226	\$ 1,569,731	\$ 12,522,957	\$ 697,626	\$ 1,223,874	\$ 14,444,457

The accompanying notes and accountants' review report should be read with these financial statements.

ANDREW WOMMACK MINISTRIES, INC.
Statements of Cash Flows
Years ended September 30, 2009 and 2008

	2009	2008
Cash flows from operating activities:		
Change in net assets	\$ 2,350,681	\$ 784,440
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	431,268	403,787
Amortization	7,054	8,911
Loss on disposition of property and equipment	10,444	1,733
Noncash contributions of investments	-	(10,453)
Net realized and unrealized gains on investments	(526)	(3,555)
Decrease (increase) in assets:		
Accounts receivable	(7,206)	(38,100)
Inventory	25,783	28,706
Prepaid expenses	(2,348)	(3,882)
Cash restricted for capital improvements	28,352	(235,276)
Increase (decrease) in liabilities:		
Accounts payable	71,045	(161,390)
Deferred revenue	36,197	66,138
Accrued expenses	(1,051)	(67,387)
Net cash provided by operating activities	2,949,693	773,672
Cash flows from investing activities:		
Purchases of investments	(646)	(809)
Proceeds from sales of investments	-	26,172
Purchases of property and equipment	(1,651,868)	(266,699)
Net cash used in investing activities	(1,652,514)	(241,336)
Cash flows from financing activities:		
Principal payments on notes payable	(224,133)	(145,105)
Payment of debt issuance costs	(13,107)	-
Net cash used in financing activities	(237,240)	(145,105)
Net increase in cash	1,059,939	387,231
Cash, beginning of year	1,856,371	1,469,140
Cash, end of year	\$ 2,916,310	\$ 1,856,371

The accompanying notes and accountants' review report should be read with these financial statements.

ANDREW WOMMACK MINISTRIES, INC.

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

The vision of ***Andrew Wommack Ministries, Inc.*** (AWMI) is to take the life-changing truths that the Lord has shown Andrew Wommack to people around the world. This is done through radio, television, audio and video tapes, compact discs, books, the Internet, conferences, and personal speaking engagements. Substantially all the revenue is generated through these activities by Andrew Wommack. AWMI is based in Colorado Springs, Colorado, but ministers to people around the world. AWMI also has bible colleges which are a unique blend of the teaching of God's word and practical on-the-job ministry training. The bible colleges are located in Colorado, Florida, Illinois, Georgia, Missouri, Texas and Indiana. In addition, AWMI supports bible colleges in Russia, Belize, Uganda and India through its world outreach activities.

Basis of accounting

The accounts of AWMI are maintained, and the financial statements are prepared, on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Basis of presentation

Under generally accepted accounting principles (GAAP), AWMI is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the statements of cash flows, AWMI considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts receivable

Accounts receivable are recorded at the amount AWMI expects to collect on balances outstanding at year-end. AWMI monitors outstanding balances and considers accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 for discussion of fair value measurements. Investment return that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the investment return is recognized.

Inventory

Inventory is recorded at the lower of cost or market, using the specific identification method, and consists of a variety of multi-media Christian outreach materials.

Property and equipment

Property and equipment is stated at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is provided using the straight-line method over the following estimated useful lives:

Buildings and improvements	40 Years
Furniture and equipment	5 - 10 Years
Vehicles	5 Years

AWMI's policy is to capitalize acquisitions of property and equipment costing in excess of \$500 and having a useful life exceeding one year.

Contributions

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted assets, depending on the existence and/or nature of any donor restrictions. Contributions which are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose 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.

Contributed services

Many individuals volunteer their time and perform a variety of tasks that assist AWMI; however, these services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services.

Expense allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

AWMI is a not-for-profit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). In addition, AWMI qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

As permitted under GAAP, AWMI has elected to defer the application of the provisions relating to accounting for uncertainty in income taxes until AWMI's first fiscal year beginning after December 15, 2008. AWMI currently evaluates all tax positions, and makes a determination regarding their likelihood of being upheld under review.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

2. FAIR VALUE MEASUREMENTS

GAAP establishes 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 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that AMWI has the ability to access.

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 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.

2. FAIR VALUE MEASUREMENTS (continued)

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 September 30, 2009 and 2008.

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

Stocks: Valued at the closing price reported on the New York Stock Exchange or NASDAQ at year end.

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 AWMI believes 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.

The following table sets forth by level, within the fair value hierarchy, AWMI's assets at fair value as of September 30, 2009.

	Assets at Fair Value as of September 30, 2009			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 1,270	\$ -	\$ -	\$ 1,270
Mutual funds	2,769	-	-	2,769
Stocks	27,746	-	-	27,746
Total assets at fair value	<u>\$ 31,785</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,785</u>

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2009	2008
Land	\$ 3,447,000	\$ 1,047,000
Buildings and improvements	8,206,941	6,193,311
Furniture and equipment	1,719,990	1,515,633
Vehicles	35,551	35,551
	<u>13,409,482</u>	<u>8,791,495</u>
Less accumulated depreciation	<u>1,929,256</u>	<u>1,521,425</u>
	<u>\$11,480,226</u>	<u>\$ 7,270,070</u>

4. LEASES

AWMI leases classroom space, office equipment and vehicles under operating leases. The following is a schedule by years of future minimum rental payments required under these leases as of September 30, 2009:

2010	\$ 164,299
2011	155,942
2012	142,208
2013	85,326
2014	30,828
	<u>578,603</u>
	<u>\$ 578,603</u>

Total rent expense under operating leases was approximately \$136,000 and \$153,000, for the years ended September 30, 2009 and 2008, respectively.

5. NOTES PAYABLE

Notes payable consist of the following at September 30, 2009:

Note payable to a financial institution, payable in 59 consecutive monthly installments of \$14,017, including interest at 5.5% with a balloon payment of accrued interest and unpaid principal due on August 1, 2014. The note is secured by all real and personal property of AWMI.

\$ 2,439,497

Note payable to a financial institution, payable in initial 60 monthly installments of \$21,204 consisting of principal and fixed interest rate of 5.75%, followed by 180 monthly payments of \$21,204 consisting of principal and variable interest based on the Wall Street Journal Prime rate (but at no less than a minimum rate of 5.75%). All unpaid principal and accrued interest due September 21, 2029. The note is secured by all current and future real and personal property owned by AWMI.

3,000,000

\$ 5,439,497

The following schedule outlines principal amounts due on the notes:

2010	\$ 120,515
2011	123,731
2012	130,188
2013	138,672
2014	2,386,525
Thereafter	2,539,866
	<u>5,439,497</u>
	<u>\$ 5,439,497</u>

Interest expense was \$135,939 and \$160,106, for the years ended September 30, 2009 and 2008, respectively.

6. JOINT COSTS

AWMI has allocated joint costs (for broadcasting and informational materials that include fundraising appeals) among program, general and administrative and fundraising as follows:

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
September 30, 2009				
Broadcast air time	\$5,559,314	\$ -	\$ 607,637	\$6,166,951
Printing and publications	624,523	-	209,057	833,580
Postage and shipping	730,928	2,531	139,844	873,303
	<u>\$6,914,765</u>	<u>\$ 2,531</u>	<u>\$ 956,538</u>	<u>\$7,873,834</u>
	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
September 30, 2008				
Broadcast air time	\$4,964,214	\$ -	\$ 548,373	\$5,512,587
Printing and publications	579,182	-	198,199	777,381
Postage and shipping	590,303	3,435	116,070	709,808
	<u>\$6,133,699</u>	<u>\$ 3,435</u>	<u>\$ 862,642</u>	<u>\$6,999,776</u>

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for the following purposes:

	<u>2009</u>	<u>2008</u>
Capital improvements	\$ 206,924	\$ 235,276
Programs	552,696	212,258
	<u>\$ 759,620</u>	<u>\$ 447,534</u>

Temporarily restricted net assets released from restrictions during the year were comprised of the following:

	<u>2009</u>	<u>2008</u>
Capital improvements	\$ 28,352	\$ -
Programs	4,494	111,180
	<u>\$ 32,846</u>	<u>\$ 111,180</u>

8. RETIREMENT PLAN

AWMI sponsors a 403(b) retirement plan covering eligible employees which allows participants to make elective salary deferral contributions. Participant contributions vest immediately. AWMI did not make any contributions to the 403(b) retirement plan during the years ended September 30, 2009 and 2008.

9. CONCENTRATION OF CREDIT RISK

AWMI maintains bank deposit accounts at a credit union. The National Credit Union Association (NCUA) insures up to \$250,000 of deposits at any one credit union. At times, AWMI balances may exceed the NCUA insurance limits. Cash exceeding NCUA insured limits totaled \$3,530,584 at September 30, 2009. In addition, AWMI also maintains a cash account at a financial institution. The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000 of deposits at any one financial institution. At September 30, 2009, AWMI's cash balance at this institution did not exceed FDIC insurance limits. AWMI has not experienced any losses in its accounts and believes it is not exposed to any significant credit risk on cash.

10. CASH FLOW STATEMENT DISCLOSURES

Supplemental disclosures of cash flow information:

Cash paid during the year for:

	<u>2009</u>	<u>2008</u>
Interest (none capitalized)	<u>\$ 148,861</u>	<u>\$ 159,912</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

Supplemental schedule of noncash investing and financing activities:

Acquisition of land and buildings through the assumption of long-term debt:

	<u>2009</u>	<u>2008</u>
Cost of land and buildings	\$ 4,000,000	\$ -
Note payable	<u>(3,000,000)</u>	<u>-</u>
Cash down payment for land and buildings	<u>\$ 1,000,000</u>	<u>\$ -</u>

Refinancing of a note payable:

In August 2009, a note payable obligation of \$2,467,537 was incurred when AWMI refinanced an existing note payable obligation of \$2,467,537.

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 8, 2010, the date which the financial statements were available for issue.