

World Link Ministries, Inc.

Financial Statements

For the Years Ended  
June 30, 2017 and 2016



World Link Ministries, Inc.  
Compiled Financial Statements  
For the Years Ended  
June 30, 2017 and 2016

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**Graham, Brown & Dutton, PC**  
CERTIFIED PUBLIC ACCOUNTANTS

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The Board of Directors  
World Link Ministries, Inc.  
Irving, TX

Management is responsible for the accompanying financial statements of World Link Ministries, Inc. (a nonprofit corporation) which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

*Graham, Brown & Dutton, PC*

Mobile, AL  
October 25, 2017

WORLD LINK MINISTRIES, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 61,751	\$ 126,417
Accounts Receivable	7,042	-
TOTAL CURRENT ASSETS	68,793	126,417
PROPERTY & EQUIPMENT		
Vehicles	55,958	45,065
Fixtures and Equipment	12,976	31,606
	68,934	76,671
Less: Allowance for Depreciation and Amortization	48,469	54,217
NET PROPERTY AND EQUIPMENT	20,465	22,454
OTHER ASSETS	1,759	1,759
TOTAL ASSETS	\$ 91,017	\$ 150,630
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 8,872	\$ 8,808
Payroll Tax Withholdings	2,843	3,690
Current Portion of long-term debt	9,219	7,542
TOTAL CURRENT LIABILITIES	20,934	20,040
LONG-TERM LIABILITIES		
Long-term debt	18,320	18,146
TOTAL LIABILITIES	39,254	38,186
NET ASSETS		
Unrestricted Net Assets	433	1,058
Temporarily Restricted Net Assets	51,330	111,386
TOTAL NET ASSETS	51,763	112,444
TOTAL LIABILITIES AND NET ASSETS	\$ 91,017	\$ 150,630

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017		
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets
Support and Revenue			
Support			
Direct Public Support	\$ 411,295	\$ -	\$ 411,295
Restricted Contributions	-	966,260	966,260
Net Assets Released from Restrictions Due To Payment for Restricted Use	1,026,316	(1,026,316)	-
Total Support	1,437,611	(60,056)	1,377,555
Revenues			
Mission Trip Revenue	202,292	-	202,292
Total Support and Revenue	1,639,903	(60,056)	1,579,847
Functional Expenses			
Program Services	1,287,810	-	1,287,810
Management and General	145,310	-	145,310
Fundraising	207,408	-	207,408
Total Expenses	1,640,528	-	1,640,528
Other Income (Expense)			
Interest Income	-	-	-
Net Other Income	-	-	-
Change in Net Assets	(625)	(60,056)	(60,681)
Net Assets Beginning of Year	1,058	111,386	112,444
Net Assets End of Year	\$ 433	\$ 51,330	\$ 51,763

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2016		
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets
Support and Revenue			
Support			
Direct Public Support	\$ 467,647	\$ -	\$ 467,647
Restricted Contributions	-	1,002,311	1,002,311
Net Assets Released from Restrictions Due To Payment for Restricted Use	<u>1,030,065</u>	<u>(1,030,065)</u>	<u>-</u>
Total Support	<u>1,497,712</u>	<u>(27,754)</u>	<u>1,469,958</u>
Revenues			
Mission Trip Revenue	<u>162,904</u>	<u>-</u>	<u>162,904</u>
Total Support and Revenue	1,660,616	(27,754)	1,632,862
Functional Expenses			
Program Services	1,268,846	-	1,268,846
Management and General	146,668	-	146,668
Fundraising	<u>279,568</u>	<u>-</u>	<u>279,568</u>
Total Expenses	<u>1,695,082</u>	<u>-</u>	<u>1,695,082</u>
Other Income (Expense)			
Interest Income	<u>3</u>	<u>-</u>	<u>3</u>
Net Other Income	<u>3</u>	<u>-</u>	<u>3</u>
Change in Net Assets	(34,463)	(27,754)	(62,217)
Net Assets Beginning of Year	<u>35,521</u>	<u>139,140</u>	<u>174,661</u>
Net Assets End of Year	<u>\$ 1,058</u>	<u>\$ 111,386</u>	<u>\$ 112,444</u>

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017			
	Program Services	Support Services Management and General	Fund- Raising	Total
Salaries	\$ 192,658	\$ 88,391	\$ 109,450	\$ 390,499
Payroll taxes	-	5,403	-	5,403
Benefits	1,836	204	-	2,040
Total salaries and related expenses	194,494	93,998	109,450	397,942
Cash awards and grants	259,034	-	-	259,034
Auto expense	7,078	1,769	-	8,847
Computer expense	-	1,282	-	1,282
Credit card processing fees	-	-	6,627	6,627
Dues	-	5,674	-	5,674
Insurance	-	10,759	-	10,759
Interest & bank charges	3,476	2,003	-	5,479
Licenses & permits	-	1,361	-	1,361
Medical Supplies	3,654	-	-	3,654
Office	-	9,556	-	9,556
Postage	592	592	10,656	11,840
Printing cost	-	-	5,446	5,446
Professional fees	-	5,608	48,629	54,237
Program supplies	25,954	-	-	25,954
Publicity and promotion	-	-	19,161	19,161
Rent	14,250	6,107	-	20,357
Repairs & Maintenance	-	322	-	322
Church planting training	495,007	-	-	495,007
Telephone	6,724	1,681	-	8,405
Travel - guest mission trips	125,947	-	-	125,947
Travel and entertainment	141,346	-	7,439	148,785
Utilities	1,379	591	-	1,970
Total operating expenses before depr/amort	1,278,935	141,303	207,408	1,627,646
Depreciation/Amortization	8,875	4,007	-	12,882
Total operating expenses	\$ 1,287,810	\$ 145,310	\$ 207,408	\$ 1,640,528

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2016			
	Program Services	Support Services Management and General	Fund- Raising	Total
Salaries	\$ 217,694	\$ 78,524	\$ 107,200	\$ 403,418
Payroll taxes	-	4,665	-	4,665
Benefits	1,836	204	-	2,040
Total salaries and related expenses	219,530	83,393	107,200	410,123
Cash awards and grants	267,006	-	-	267,006
Auto expense	7,638	1,909	-	9,547
Computer expense	-	3,221	-	3,221
Credit card processing fees	-	-	8,258	8,258
Dues	-	3,206	-	3,206
Insurance	-	12,056	-	12,056
Interest & bank charges	4,234	3,430	-	7,664
Licenses & permits	-	183	-	183
Medical Supplies	9,369	-	-	9,369
Office	-	8,714	-	8,714
Postage	640	640	11,528	12,808
Printing cost	-	-	7,432	7,432
Professional fees	-	17,807	115,750	133,557
Program supplies	14,289	-	-	14,289
Publicity and promotion	-	-	21,692	21,692
Rent	13,723	5,881	-	19,604
Repairs & Maintenance	-	-	-	-
Church planting training	478,870	-	-	478,870
Telephone	4,178	1,044	-	5,222
Travel - guest mission trips	93,114	-	-	93,114
Travel and entertainment	146,448	-	7,708	154,156
Utilities	2,747	1,178	-	3,925
Total operating expenses before depr/amort	1,261,786	142,662	279,568	1,684,016
Depreciation/Amortization	7,060	4,006	-	11,066
Total operating expenses	\$ 1,268,846	\$ 146,668	\$ 279,568	\$ 1,695,082

See accompanying notes and accountants' compilation report.





WORLD LINK MINISTRIES, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS-OPERATING ACTIVITIES:		
Change in net assets	\$ (60,681)	\$ (62,217)
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation/Amortization	12,882	11,066
Decrease (increase) in operating assets:		
Accounts receivable	(7,042)	13,415
Prepaid expenses	-	1,634
Increase (decrease) in operating liabilities:		
Accounts payable	64	(18,319)
Payroll taxes payable	(847)	571
	<u>(55,624)</u>	<u>(53,850)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(55,624)	(53,850)
CASH FLOWS-INVESTING ACTIVITIES:		
Purchase of fixed assets	<u>(10,893)</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(10,893)	-
CASH FLOWS-FINANCING ACTIVITIES		
Proceeds from borrowing	10,393	-
Payments on debt	<u>(8,542)</u>	<u>(6,567)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>1,851</u>	<u>(6,567)</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(64,666)	(60,417)
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	<u>126,417</u>	<u>186,834</u>
CASH AND EQUIVALENTS AT END OF YEAR	<u>\$ 61,751</u>	<u>\$ 126,417</u>

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

World Link Ministries, Inc. is a nonprofit organization formed in 1993. The Organization is dedicated to training and deploying national leaders, promoting discipleship, and evangelizing un-churched people by operating an accredited seminary in Spain and providing funding, administrative, and management support to ministries throughout the world. The Organization is supported primarily through donor contributions.

Basis of Accounting

The Organization has presented its financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its statements for not-for-profit organizations. Under these generally accepted accounting principles, the Organization 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. In addition, the organization is required to present a statement of cash flows.

Contributions

Under generally accepted accounting principles for not-for-profit organizations, contributions are considered available for unrestricted use unless specifically restricted by the donor. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated 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.

As of June 30, 2017 and 2016, there were no permanently restricted net assets.

Accounts Receivable

The Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

Fixed asset items are carried at cost. Capital related items over \$1,000 are capitalized. Lesser amounts are expensed. Donated property and equipment are recorded at estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful lives.

Advertising Cost

The Organization conducts non-direct response advertising, referred to as publicity and promotion on the Statement of Functional Expenses. These costs are expensed as incurred. Advertising costs for the years ended June 30, 2017 and 2016 are \$19,161 and \$21,692, respectively.



WORLD LINK MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

World Link Ministries, Inc. is a nonprofit organization that is exempt from federal and state income taxes under the Internal Revenue Code Section 501(c)(3). The Organization is not classified as a private foundation.

The Organization adopted generally accepted accounting principles for accounting for uncertainties in income taxes. The Organization's income tax filings are subject to audit by various taxing authorities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents Policy

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with a maturity of three months or less to be cash equivalents.

Subsequent Events

The Organization has evaluated events and transactions that occurred between June 30, 2017 and the compilation report date, which is the date of completion of the accountant's work, for possible recognition or disclosure in the financial statements.

NOTE B – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are donations received from individuals, foundations, churches, and private groups that are designated by the donors for specific expenditures. The total temporarily restricted net assets of \$51,330 and \$111,386 as of June 30, 2017 and 2016, respectively, have been restricted for use in the Organization's various missionary sites and church plants across the world.

NOTE C - CONCENTRATIONS

During the fiscal year ended June 30, 2017, the Organization received approximately 32% of its financial support from four donors. The loss of their support would be significant.

NOTE D – CONTRIBUTED SERVICES AND SUPPLIES

No amounts have been reflected in the financial statements for donated services. A substantial number of unpaid volunteers have made significant contributions of their time to the Organization. The value of this contributed time is not reflected in these statements since it is not susceptible to objective valuation.



WORLD LINK MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016

NOTE E - LONG-TERM DEBT

At the balance sheet date, long-term debt consists of the following:

	2017	2016
Note payable to a finance company, due in monthly payments of \$665, interest at 1.99%, matures Oct 2019, secured by a vehicle	\$ 18,174	\$ 25,688
Note payable to a finance company, due in monthly payments of \$178, interest at 7.09%, matures Sept 2022, secured by a vehicle	9,365	-
Total Debt	27,539	25,688
Less amount due within one year	(9,219)	(7,542)
	\$ 18,320	\$ 18,146

Maturities of long-term debt are as follows:

Year Ending June 30,	Amount
2019	\$ 9,484
2020	4,388
2021	1,885
2022	2,023
2023	540
Total	\$ 18,320

NOTE F - DISCLOSURES RELATING TO STATEMENT OF CASH FLOWS

The Organization incurred \$10,393 of new debt to acquire a vehicle during the year ended June 30, 2017.

Payments made for interest expense and income taxes for the years ended June 30, 2017 and 2016 were as follows:

	2017	2016
Interest	\$ 1,630	\$ 1,414
Income Taxes	\$ -	\$ -

NOTE G - ALLOCATION OF JOINT COSTS

World Link Ministries, Inc. conducts activities that include requests for contributions, as well as management and general components. Those activities include special golfing events to raise funds to support various missionaries as well as the work of employees whose jobs include management decision-making, supervision and training of missionaries, and fundraising. The costs of conducting those activities include a total of \$218,900 and \$214,400 of joint costs for the fiscal years ended June 30, 2017 and 2016. These joint costs are not specifically attributed to particular components of the activities. These joint costs were allocated as follows.

	2017	2016
Program Services	\$ 91,685	\$ 89,660
Management and General	17,765	17,540
Fund Raising	109,450	107,200
	\$ 218,900	\$ 214,400



WORLD LINK MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016

NOTE H - LEASE COMMITMENT

The Organization leases its office facilities from an unrelated third party. The lease is effective beginning June 15, 2015, for a three year term. The monthly lease is \$1,634 with an annual increase of \$754 per year. The Organization is obligated to pay for property taxes, repairs, maintenance and utilities.

At June 30, 2017, one year remains on the lease with minimum rental payments due of \$19,353, excluding the rental deposit of \$1,759.



Other Information

