

World Link Ministries, Inc.

Financial Statements

For the Years Ended
June 30, 2018 and 2017



World Link Ministries, Inc.
Compiled Financial Statements
For the Years Ended
June 30, 2018 and 2017

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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, 2018 and 2017, 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
August 17, 2018

WORLD LINK MINISTRIES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 163,418	\$ 61,751
Accounts Receivable	<u>-</u>	<u>7,042</u>
TOTAL CURRENT ASSETS	163,418	68,793
PROPERTY & EQUIPMENT		
Vehicles	42,045	55,958
Fixtures and Equipment	<u>12,793</u>	<u>12,976</u>
	54,838	68,934
Less: Allowance for Depreciation and Amortization	<u>12,592</u>	<u>48,469</u>
NET PROPERTY AND EQUIPMENT	42,246	20,465
OTHER ASSETS	<u>1,759</u>	<u>1,759</u>
TOTAL ASSETS	<u>\$ 207,423</u>	<u>\$ 91,017</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 10,629	\$ 8,872
Payroll Tax Withholdings	-	2,843
Current Portion of Long-Term Debt	<u>8,161</u>	<u>9,219</u>
TOTAL CURRENT LIABILITIES	18,790	20,934
LONG-TERM LIABILITIES		
Long-Term Debt	<u>36,464</u>	<u>18,320</u>
TOTAL LIABILITIES	55,254	39,254
NET ASSETS		
Unrestricted Net Assets	37,404	433
Temporarily Restricted Net Assets	<u>114,765</u>	<u>51,330</u>
TOTAL NET ASSETS	<u>152,169</u>	<u>51,763</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 207,423</u>	<u>\$ 91,017</u>

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018		
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets
Support and Revenue			
Direct Public Support	\$ 879,753	\$ 799,017	\$ 1,678,770
Mission Trip Revenue	-	170,782	170,782
Net Assets Released from Restrictions Due To Payment for Restricted Use	906,364	(906,364)	-
Total Support and Revenue	1,786,117	63,435	1,849,552
Functional Expenses			
Program Services	1,416,324	-	1,416,324
Management and General	137,563	-	137,563
Fundraising	196,759	-	196,759
Total Expenses	1,750,646	-	1,750,646
Other Income (Expense)			
Gain on sale of property and equipment	1,500	-	1,500
Net Other Income	1,500	-	1,500
Change in Net Assets	36,971	63,435	100,406
Net Assets Beginning of Year	433	51,330	51,763
Net Assets End of Year	\$ 37,404	\$ 114,765	\$ 152,169

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2017		
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets
Support and Revenue			
Direct Public Support	\$ 411,295	\$ 966,260	\$ 1,377,555
Mission Trip Revenue	-	202,292	202,292
Net Assets Released from Restrictions Due To Payment for Restricted Use	1,228,608	(1,228,608)	-
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)			
Gain on sale of property and equipment	-	-	-
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 FUNCTIONAL EXPENSES
 FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018			
	Program Services	Support Services Management and General	Fund- Raising	Total
Salaries	\$ 226,357	\$ 90,603	\$ 117,284	\$ 434,244
Payroll taxes	-	5,719	1,975	7,694
Benefits	1,796	188	1,290	3,274
Total salaries and related expenses	228,153	96,510	120,549	445,212
Cash awards and grants	-	-	-	-
Auto expense	5,713	1,428	345	7,486
Computer expense	-	401	-	401
Credit card processing fees	6,649	-	-	6,649
Dues	-	785	-	785
Insurance	-	8,802	-	8,802
Interest & bank charges	972	1,795	-	2,767
Licenses & permits	-	129	-	129
Medical Supplies	-	-	-	-
Office	-	7,575	-	7,575
Postage	389	389	7,005	7,783
Printing cost	-	-	2,231	2,231
Professional fees	5,127	6,984	26,123	38,234
Program supplies	80,383	-	-	80,383
Publicity and promotion	18,789	-	29,022	47,811
Rent and utilities	16,050	6,879	-	22,929
Repairs & Maintenance	-	294	-	294
Church planting training	735,798	-	-	735,798
Telephone	5,164	2,877	799	8,840
Travel - guest mission trips	170,299	-	-	170,299
Travel and entertainment	134,936	-	10,685	145,621
Total operating expenses before depr/amort	1,408,422	134,848	196,759	1,740,029
Depreciation/Amortization	7,902	2,715	-	10,617
Total operating expenses	\$ 1,416,324	\$ 137,563	\$ 196,759	\$ 1,750,646

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	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 and utilities	15,629	6,698	-	22,327
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
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 CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS-OPERATING ACTIVITIES:		
Change in net assets	\$ 100,406	\$ (60,681)
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation/Amortization	10,617	12,882
Gain on sale of property and equipment	(1,500)	-
Decrease (increase) in operating assets:		
Accounts receivable	7,042	(7,042)
Prepaid expenses	-	-
Increase (decrease) in operating liabilities:		
Accounts payable	1,757	64
Payroll taxes payable	(2,843)	(847)
	115,479	(55,624)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS-INVESTING ACTIVITIES:		
Proceeds on sale of fixed assets	1,750	-
Purchase of fixed assets	(32,648)	(10,893)
	(30,898)	(10,893)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
CASH FLOWS-FINANCING ACTIVITIES		
Proceeds from borrowing	40,595	10,393
Payments on debt	(23,509)	(8,542)
	17,086	1,851
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	101,667	(64,666)
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	61,751	126,417
CASH AND EQUIVALENTS AT END OF YEAR	\$ 163,418	\$ 61,751

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

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, 2018 and 2017, 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, 2018 and 2017 are \$47,811 and \$19,161, respectively.



WORLD LINK MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

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.

Reclassification

For comparability, the 2017 figures may have been reclassified, where appropriate, to conform with the financial statement presentation used in 2018.

Subsequent Events

The Organization has evaluated events and transactions that occurred between June 30, 2018 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 \$114,765 and \$51,330 as of June 30, 2018 and 2017, 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, 2018, the Organization received approximately 30% 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, 2018 AND 2017

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
Note payable to a finance company, due in monthly payments of \$597, interest at 1.90%, matures Nov 2023, secured by a vehicle	36,880	-
Note payable to a finance company, due in monthly payments of \$178, interest at 7.09%, matures Sept 2022, secured by a vehicle	7,745	9,365
Total Debt	44,625	27,539
Less amount due within one year	(8,161)	(9,219)
	\$ 36,464	\$ 18,320

Maturities of long-term debt are as follows:

Year Ending June 30,	Amount
2020	\$ 8,406
2021	8,663
2022	8,931
2023	7,485
2024	2,979
Total	\$ 36,464

NOTE F - DISCLOSURES RELATING TO STATEMENT OF CASH FLOWS

The Organization incurred \$40,595 of new debt to acquire a vehicle during the year ended June 30, 2018 and \$10,393 of new debt to acquire a vehicle during the year ended June 30, 2017.

During the 2018 fiscal year, the Organization purchased a vehicle by trading in an older vehicle with a non-cash trade in value of \$20,000, of which \$15,650 was used to pay off the outstanding loan on the traded vehicle.

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

	2018	2017
Interest	\$ 1,215	\$ 1,630
Income Taxes	\$ -	\$ -



WORLD LINK MINISTRIES, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018 AND 2017

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 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 \$254,485 and \$218,900 of joint costs for the fiscal years ended June 30, 2018 and 2017. These joint costs are not specifically attributed to particular components of the activities. These joint costs were allocated as follows.

		<u>2018</u>		<u>2017</u>
Program Services	\$	121,359	\$	91,685
Management and General		15,842		17,765
Fund Raising		<u>117,284</u>		<u>109,450</u>
	\$	<u><u>254,485</u></u>	\$	<u><u>218,900</u></u>

NOTE H - LEASE COMMITMENT

The Organization leases its office facilities from an unrelated third party. The lease expired June 30, 2018 and was renewed for an additional two year term beginning July 2018. The Organization is obligated to pay for property taxes, repairs, maintenance and utilities. Rent expense under this lease agreement totaled \$21,112 and \$20,358 for the years ended June 30, 2018 and 2017.

Future minimum lease payments under this non-cancelable operating lease are:

Year Ending <u>June 30</u>		<u>Amount</u>
2019	\$	<u>21,866</u>
2020		<u>22,620</u>
Total	\$	<u><u>44,486</u></u>

