

World Link Ministries, Inc.

Financial Statements

For the Years Ended
June 30, 2019 and 2018



World Link Ministries, Inc.
Compiled Financial Statements
For the Years Ended
June 30, 2019 and 2018

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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, 2019 and 2018, 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
September 27, 2019

WORLD LINK MINISTRIES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 158,073	\$ 163,418
PROPERTY & EQUIPMENT		
Vehicles	42,045	42,045
Fixtures and Equipment	14,093	12,793
	56,138	54,838
Less: Allowance for Depreciation and Amortization	22,286	12,592
NET PROPERTY AND EQUIPMENT	33,852	42,246
OTHER ASSETS		
Security Deposit	1,759	1,759
TOTAL ASSETS	\$ 193,684	\$ 207,423
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 8,100	\$ 10,629
Payroll Tax Withholdings	3,995	-
Current Portion of Long-Term Debt	8,406	8,161
TOTAL CURRENT LIABILITIES	20,501	18,790
LONG-TERM LIABILITIES		
Long-Term Debt	27,843	36,464
TOTAL LIABILITIES	48,344	55,254
NET ASSETS		
Without Donor Restrictions	124,246	37,404
With Donor Restrictions	21,094	114,765
TOTAL NET ASSETS	145,340	152,169
TOTAL LIABILITIES AND NET ASSETS	\$ 193,684	\$ 207,423

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Support and Revenue			
Direct Public Support	\$ 959,552	\$ 576,907	\$ 1,536,459
Mission Trip Revenue	-	503,580	503,580
Net Assets Released from Restrictions Due To Payment for Restricted Use	1,174,158	(1,174,158)	-
Total Support and Revenue	2,133,710	(93,671)	2,040,039
Functional Expenses			
Program Services	1,714,461	-	1,714,461
Management and General	130,443	-	130,443
Fundraising	201,964	-	201,964
Total Expenses	2,046,868	-	2,046,868
Other Income (Expense)			
Gain on sale of property and equipment	-	-	-
Net Other Income	-	-	-
Change in Net Assets	86,842	(93,671)	(6,829)
Net Assets Beginning of Year	37,404	114,765	152,169
Net Assets End of Year	\$ 124,246	\$ 21,094	\$ 145,340

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2018		
	Without Donor Restrictions	With Donor Restrictions	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 FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019			
	Church Planting	Management and General	Fund- Raising	Total
Salaries	\$ 274,191	\$ 84,821	\$ 100,126	\$ 459,138
Payroll taxes	2,231	5,792	5,221	13,244
Benefits	1,893	2,036	167	4,096
Total salaries and related expenses	278,315	92,649	105,514	476,478
Auto expense	6,157	1,560	-	7,717
Computer expense	-	2,691	-	2,691
Credit card processing fees	5,725	-	2,088	7,813
Dues	-	625	-	625
Insurance	-	8,636	-	8,636
Interest & bank charges	929	1,230	-	2,159
Licenses & permits	-	128	-	128
Office	-	2,452	-	2,452
Postage	375	375	6,756	7,506
Printing cost	-	-	4,519	4,519
Professional fees	6,535	6,866	27,595	40,996
Program supplies	46,532	-	-	46,532
Publicity and promotion	37,149	-	27,209	64,358
Rent and utilities	18,125	7,768	-	25,893
Repairs & Maintenance	-	32	-	32
Church planting training	722,158	-	-	722,158
Telephone	5,139	2,948	1,143	9,230
Travel - guest mission trips	457,329	-	-	457,329
Travel and entertainment	122,782	-	27,140	149,922
Total operating expenses before depr/amort	1,707,250	127,960	201,964	2,037,174
Depreciation/Amortization	7,211	2,483	-	9,694
Total operating expenses	\$ 1,714,461	\$ 130,443	\$ 201,964	\$ 2,046,868

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2018			
	Church Planting	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
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
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 CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS-OPERATING ACTIVITIES:		
Change in net assets	\$ (6,829)	\$ 100,406
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation/Amortization	9,694	10,617
Gain on sale of property and equipment	-	(1,500)
Decrease (increase) in operating assets:		
Accounts receivable	-	7,042
Increase (decrease) in operating liabilities:		
Accounts payable	(2,529)	1,757
Payroll taxes payable	3,995	(2,843)
	<u>4,331</u>	<u>115,479</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	4,331	115,479
CASH FLOWS-INVESTING ACTIVITIES:		
Proceeds on sale of fixed assets	-	1,750
Purchase of fixed assets	(1,300)	(32,648)
	<u>(1,300)</u>	<u>(30,898)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(1,300)	(30,898)
CASH FLOWS-FINANCING ACTIVITIES		
Proceeds from borrowing	-	40,595
Payments on debt	(8,376)	(23,509)
	<u>(8,376)</u>	<u>17,086</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(8,376)	17,086
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(5,345)	101,667
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	<u>163,418</u>	<u>61,751</u>
CASH AND EQUIVALENTS AT END OF YEAR	<u>\$ 158,073</u>	<u>\$ 163,418</u>

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

World Link Ministries, Inc. is a nonprofit organization formed in 1994. 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's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of World Link Ministries, Inc.'s management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of World Link Ministries, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions and Promises to Give

Under generally accepted accounting principles for not-for-profit organizations, contributions are considered available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are not included as support until the conditions are met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at fair value, estimated using the present value of their net realizable value, using interest rates applicable to the years in which the promises are to be received. There were no unconditional promises to give or other contributions receivable at June 30, 2019 or 2018.

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.



WORLD LINK MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2019 and 2018 are \$64,358 and \$47,811, respectively.

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.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Costs are allocated between church planting (program service), management and general, and fundraising based on evaluation of the related activities. Such allocations are determined by management on an equitable basis. Management and general expenses include expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Organization.

New Accounting Pronouncement

On August 18, 2016 FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. World Link Ministries, Inc. has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Reclassification

For comparability, the 2018 figures may have been reclassified, where appropriate, to conform with the financial statement presentation used in 2019.

Subsequent Events

The Organization has evaluated events and transactions that occurred between June 30, 2019 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.



WORLD LINK MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE B - AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

The following represents World Link Ministries Inc.'s financial assets at June 30, 2019 and 2018:

Financial assets at year end:	2019	2018
Cash and cash equivalents	\$ 158,073	\$ 163,418
Less amounts unavailable for general expenditures within one year, due to:		
Net assets with donor restrictions	21,094	114,765
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 136,979</u>	<u>\$ 48,653</u>

As part of its liquidity plan, World Link Ministries, Inc. invests excess cash in short term investments, including money market accounts. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE C - CONCENTRATIONS

During the fiscal year ended June 30, 2019, the Organization received approximately 22% 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.

NOTE E - LONG-TERM DEBT

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

	2019	2018
Note payable to a finance company, due in monthly payments of \$597, interest at 1.90%, matures Nov 2023, secured by a vehicle	\$ 30,339	\$ 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	5,910	7,745
Total Debt	<u>36,249</u>	<u>44,625</u>
Less amount due within one year	<u>(8,406)</u>	<u>(8,161)</u>
	<u>\$ 27,843</u>	<u>\$ 36,464</u>

Maturities of long-term debt are as follows:

Year Ending June 30,	Amount
2021	\$ 8,663
2022	8,931
2023	7,287
2024	<u>2,962</u>
Total	<u>\$ 27,843</u>



WORLD LINK MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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.

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, 2019 and 2018 were as follows:

	2019	2018
Interest	\$ <u>1,161</u>	\$ <u>1,215</u>
Income Taxes	\$ <u>-</u>	\$ <u>-</u>

NOTE G - 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 \$21,866 and \$21,112 for the years ended June 30, 2019 and 2018.

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

Year Ending June 30	Amount
2020	\$ <u>22,620</u>

NOTE H - NET ASSETS

The detail of the Organization's net asset categories at June 30, 2019 and 2018 are as follows:

	2019	2018
Without donor restrictions:		
Undesignated	\$ 124,246	\$ 37,404
With donor restrictions:		
Unexpended funds received for restricted purposes:		
Various missionary sites and church plants across the world	21,094	114,765
Total Net Assets	\$ 21,094	\$ 114,765

Net assets released from net assets with donor restrictions are as follows:

	2019	2018
Satisfaction of purpose restrictions		
Various missionary sites and church plants across the world	\$ 1,174,158	\$ 906,364

