

World Link Ministries, Inc.

Financial Statements

For the Years Ended
June 30, 2020 and 2019



World Link Ministries, Inc.
Compiled Financial Statements
For the Years Ended
June 30, 2020 and 2019

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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, 2020 and 2019, 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. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Graham, Brown & Dutton, PC

Mobile, AL
August 21, 2020

WORLD LINK MINISTRIES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 204,665	\$ 158,073
PROPERTY & EQUIPMENT		
Vehicles	42,045	42,045
Fixtures and Equipment	15,792	14,093
	57,837	56,138
Less: Allowance for Depreciation and Amortization	32,112	22,286
NET PROPERTY AND EQUIPMENT	25,725	33,852
OTHER ASSETS		
Restricted Cash	144,927	-
Security Deposit	1,759	1,759
TOTAL OTHER ASSETS	146,686	1,759
TOTAL ASSETS	\$ 377,076	\$ 193,684
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 4,449	\$ 8,100
Payroll Tax Withholdings	45	3,995
Current Portion of Long-Term Debt	8,663	8,406
TOTAL CURRENT LIABILITIES	13,157	20,501
NON CURRENT LIABILITIES		
Long-Term Debt, net of current portion	18,963	27,843
Other Liabilities, Paycheck Protection Program	86,500	-
TOTAL NON CURRENT LIABILITIES	105,463	27,843
TOTAL LIABILITIES	118,620	48,344
NET ASSETS		
Without Donor Restrictions	210,271	124,246
With Donor Restrictions	48,185	21,094
TOTAL NET ASSETS	258,456	145,340
TOTAL LIABILITIES AND NET ASSETS	\$ 377,076	\$ 193,684

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Support and Revenue			
Direct Public Support	\$ 1,057,917	\$ 507,406	\$ 1,565,323
Mission Trip Revenue	-	252,729	252,729
Net Assets Released from Restrictions Due To Payment for Restricted Use	<u>733,044</u>	<u>(733,044)</u>	<u>-</u>
Total Support and Revenue	<u>1,790,961</u>	<u>27,091</u>	<u>1,818,052</u>
Functional Expenses			
Program Services	1,412,054	-	1,412,054
Management and General	134,463	-	134,463
Fundraising	<u>158,745</u>	<u>-</u>	<u>158,745</u>
Total Expenses	<u>1,705,262</u>	<u>-</u>	<u>1,705,262</u>
Other Income (Expense)			
Interest Income	<u>326</u>	<u>-</u>	<u>326</u>
Net Other Income	<u>326</u>	<u>-</u>	<u>326</u>
Change in Net Assets	86,025	27,091	113,116
Net Assets Beginning of Year	<u>124,246</u>	<u>21,094</u>	<u>145,340</u>
Net Assets End of Year	<u>\$ 210,271</u>	<u>\$ 48,185</u>	<u>\$ 258,456</u>

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	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)			
Interest Income	-	-	-
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 FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020			
	Program Services	Supporting Services		
	Church Planting	Management and General	Fund- Raising	Total
Salaries	\$ 291,193	\$ 89,360	\$ 76,796	\$ 457,349
Payroll taxes	3,598	6,313	4,305	14,216
Benefits	1,957	406	943	3,306
Total salaries and related expenses	296,748	96,079	82,044	474,871
Auto expense	5,997	1,433	-	7,430
Computer expense	-	1,947	-	1,947
Credit card processing fees	4,938	-	1,517	6,455
Dues	-	564	-	564
Insurance	-	8,017	-	8,017
Interest & bank charges	730	1,176	-	1,906
Licenses & permits	-	50	-	50
Office	-	3,167	-	3,167
Postage	338	677	7,444	8,459
Printing cost	-	-	4,297	4,297
Professional fees	5,165	7,717	12,775	25,657
Program supplies	15,883	-	-	15,883
Publicity and promotion	33,978	-	23,340	57,318
Rent and utilities	17,532	7,696	-	25,228
Repairs & Maintenance	-	795	-	795
Church planting training	763,177	-	-	763,177
Telephone	4,115	2,531	890	7,536
Travel - guest mission trips	168,467	-	-	168,467
Travel and entertainment	87,775	-	26,438	114,213
Total operating expenses before depr/amort	1,404,843	131,849	158,745	1,695,437
Depreciation/Amortization	7,211	2,614	-	9,825
Total operating expenses	\$ 1,412,054	\$ 134,463	\$ 158,745	\$ 1,705,262

See accompanying notes and accountants' compilation report.

WORLD LINK MINISTRIES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2019			
	Program Services	Supporting Services		
	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 CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS-OPERATING ACTIVITIES:		
Change in net assets	\$ 113,116	\$ (6,829)
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation/Amortization	9,825	9,694
Increase (decrease) in operating liabilities:		
Accounts payable	(3,651)	(2,529)
Payroll taxes payable	(3,950)	3,995
	115,340	4,331
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS-INVESTING ACTIVITIES:		
Proceeds on sale of fixed assets	-	-
Purchase of fixed assets	(1,698)	(1,300)
	(1,698)	(1,300)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
CASH FLOWS-FINANCING ACTIVITIES		
Proceeds from borrowing	86,500	-
Payments on debt	(8,623)	(8,376)
	77,877	(8,376)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	191,519	(5,345)
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	158,073	163,418
CASH AND EQUIVALENTS AT END OF YEAR	\$ 349,592	\$ 158,073
Cash, cash equivalents and restricted cash at year end consist of the following:		
Unrestricted Cash	\$ 204,665	\$ 158,073
Restricted Cash	144,927	-
	\$ 349,592	\$ 158,073

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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, 2020 or 2019.

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, 2020 and 2019 are \$57,318 and \$64,358, respectively.



WORLD LINK MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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.

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

During the fiscal year ended June 30, 2020, the Organization adopted guidance regarding certain cash receipts and payments received under Accounting Standards Update (ASU) 2016-15 "*Statement of Cash Flows (Topic 230) - Classification of Certain Cash Receipts and Cash Payments*" and ASU 2016-18 "*Statement of Cash Flows (Topic 230) - Restricted Cash*". These ASUs provide guidance related to certain cash flow issues and the presentation of restricted cash in order to reduce the current and potential future diversity in practice. These ASUs are effective for fiscal years beginning after December 15, 2018, and did not have a significant effect on the Organization's financial statements.

During the fiscal year ended June 30, 2020, the Organization adopted guidance regarding contributions received and contributions made under Accounting Standards Update (ASU) 2018-08, "*Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*". This standard is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this standard include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance to better distinguish between conditional and unconditional contributions. Based on the Organization's review of its contracts, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. The adoption of this standard had no impact on the statements of financial position and the statements of activities and changes in net assets.

Subsequent Events

The Organization has evaluated events and transactions that occurred between June 30, 2020 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, 2020 AND 2019

NOTE B - AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

The following represents World Link Ministries Inc.'s financial assets at June 30, 2020 and 2019:

Financial assets at year end:	2020	2019
Cash, cash equivalents and restricted cash	\$ 349,592	\$ 158,073
Less amounts unavailable for general expenditures within one year, due to:		
Net assets with donor restrictions	48,185	21,094
Board designations	144,927	-
	193,112	21,094
Financial assets available to meet general expenditures over the next twelve months	\$ 156,480	\$ 136,979

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 - RESTRICTED CASH

Amounts included in restricted cash represent those required to be set aside as reserve by board designation. As of June 30, 2020, the Organization has restricted cash of \$144,927.

NOTE D - CONCENTRATIONS

During the fiscal year ended June 30, 2020, the Organization received approximately 41% of its financial support from six donors. 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 E – 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 F - DISCLOSURES RELATING TO STATEMENT OF CASH FLOWS

The Organization received proceeds of \$86,500 during the year ended June 30, 2020 from the Paycheck Protection Program administered by the Small Business Administration. See discussion of these funds at Note J.

Payments made for interest expense and income taxes for the years ended June 30, 2020 and 2019 were as follows:

	2020	2019
Interest	\$ 1,346	\$ 1,161
Income Taxes	\$ -	\$ -



WORLD LINK MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE G - LONG-TERM DEBT

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

	2020	2019
Note payable to a finance company, due in monthly payments of \$597, interest at 1.90%, matures Nov 2023, secured by a vehicle	\$ 23,684	\$ 30,339
Note payable to a finance company, due in monthly payments of \$178, interest at 7.09%, matures Sept 2022, secured by a vehicle	3,942	5,910
Total Debt	27,626	36,249
Less amount due within one year	(8,663)	(8,406)
	\$ 18,963	\$ 27,843

Maturities of long-term debt are as follows:

Year Ending June 30,	Amount
2022	\$ 8,931
2023	7,074
2024	2,958
Total	\$ 18,963

NOTE H - LEASE COMMITMENT

The Organization leases its office facilities from an unrelated third party. The lease was amended and renewed for an additional three year term beginning July 2020. The Organization is obligated to pay for property taxes, repairs, maintenance and utilities. Rent expense under this lease agreement totaled \$22,620 and \$21,866 for the years ended June 30, 2020 and 2019.

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

Year Ending June 30	Amount
2021	\$ 22,620
2022	23,400
2023	23,751
Total	\$ 69,771



WORLD LINK MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE I - NET ASSETS

The detail of the Organization's net asset categories at June 30, 2020 and 2019 are as follows:

	2020	2019
Without donor restrictions:		
Board designated for reserve balance	\$ 144,927	\$ -
Undesignated	65,344	124,246
Total without donor restrictions	210,271	124,246
With donor restrictions:		
Unexpended funds received for restricted purposes:		
Various missionary sites and church plants across the world	48,185	21,094
Total Net Assets	\$ 258,456	\$ 145,340

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

	2020	2019
Satisfaction of purpose restrictions		
Various missionary sites and church plants across the world	\$ 733,044	\$ 1,174,158

NOTE J - COVID-19 PANDEMIC

In March 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern." The outbreak is disrupting the U.S. and world economy. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak as well as the impact on the Organization's donors, all of which are uncertain and cannot be predicted. The extent to which COVID-19 may impact the financial position or results of activities is uncertain.

In response to the pandemic, the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") was established and the Paycheck Protection Program ("PPP") was created to provide loans to qualifying entities for amounts up to 2.5 times the average monthly payroll expenses of the entity. The Organization received loan proceeds in the amount of \$86,500 (as discussed at Note F) under this program. The loan and accrued interest are forgivable after 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, and maintaining its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the 24 week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Organization intends to use the proceeds for purposes consistent with the PPP requirements and anticipates full forgiveness of this loan. The PPP proceeds are shown as an "Other Liability" on the Statement of Financial Position as forgiveness is expected in the following fiscal year, and is shown as a financing activity on the Statement of Cash Flows.

