

World Link Ministries, Inc.

Financial Statements

For the Years Ended  
June 30, 2023 and 2022



World Link Ministries, Inc.  
Compiled Financial Statements  
For the Years Ended  
June 30, 2023 and 2022

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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, 2023 and 2022, 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.

Accounting principles generally accepted in the United States of America require that all leases are accounted for in accordance with FASB ASC 842, Leases. Management has informed us that the Organization's operating lease has been expensed with no resulting balance sheet impact, and that the effects of this departure from accounting principles generally accepted in the United States of America on financial position, activities, functional expenses, and cash flows have not been determined.

*Graham, Brown & Dutton, PC*

Mobile, AL  
September 29, 2023

WORLD LINK MINISTRIES, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 372,594	\$ 445,433
Receivable	1,192	31,933
TOTAL CURRENT ASSETS	373,786	477,366
PROPERTY & EQUIPMENT		
Vehicles	90,653	78,340
Fixtures and Equipment	25,837	28,816
	116,490	107,156
Less: Allowance for Depreciation and Amortization	21,652	28,764
NET PROPERTY AND EQUIPMENT	94,838	78,392
OTHER ASSETS		
Restricted Cash	140,252	100,310
Deposits	28,959	3,501
Asset Held for Donation	-	8,890
TOTAL OTHER ASSETS	169,211	112,701
TOTAL ASSETS	\$ 637,835	\$ 668,459

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2023 AND 2022

	2023	2022
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 29,326	\$ 5,831
Current Portion of Long-Term Debt	12,390	11,571
TOTAL CURRENT LIABILITIES	41,716	17,402
NON CURRENT LIABILITIES		
Long-Term Debt, net of current portion	52,852	42,566
TOTAL LIABILITIES	94,568	59,968
NET ASSETS		
Without Donor Restrictions	327,712	540,366
With Donor Restrictions	215,555	68,125
TOTAL NET ASSETS	543,267	608,491
TOTAL LIABILITIES AND NET ASSETS	\$ 637,835	\$ 668,459

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Support and Revenue			
Direct Public Support	\$ 961,752	\$ 674,860	\$ 1,636,612
Mission Trip Revenue	-	49,634	49,634
Gifts In Kind	-	-	-
Net Assets Released from Restrictions Due To Payment for Restricted Use	577,064	(577,064)	-
Total Support and Revenue	1,538,816	147,430	1,686,246
Functional Expenses			
Program Services	1,473,939	-	1,473,939
Management and General	124,303	-	124,303
Fundraising	173,902	-	173,902
Total Expenses	1,772,144	-	1,772,144
Other Income (Expense)			
Gain/Loss on Disposal	10,462	-	10,462
Interest Income	5,386	-	5,386
Travel Credits	4,826	-	4,826
Net Other Income	20,674	-	20,674
Change in Net Assets	(212,654)	147,430	(65,224)
Net Assets Beginning of Year	540,366	68,125	608,491
Net Assets End of Year	\$ 327,712	\$ 215,555	\$ 543,267

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Support and Revenue			
Direct Public Support	\$ 712,492	\$ 920,002	\$ 1,632,494
Mission Trip Revenue	-	31,648	31,648
Gifts In Kind	-	8,890	8,890
Net Assets Released from Restrictions Due To Payment for Restricted Use	931,021	(931,021)	-
Total Support and Revenue	1,643,513	29,519	1,673,032
Functional Expenses			
Program Services	1,567,856	-	1,567,856
Management and General	126,913	-	126,913
Fundraising	110,319	-	110,319
Total Expenses	1,805,088	-	1,805,088
Other Income (Expense)			
Gain/Loss on Disposal	6,527	-	6,527
Interest Income	465	-	465
Travel Credits	-	-	-
Net Other Income	6,992	-	6,992
Change in Net Assets	(154,583)	29,519	(125,064)
Net Assets Beginning of Year	694,949	38,606	733,555
Net Assets End of Year	\$ 540,366	\$ 68,125	\$ 608,491

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			
	Program Services	Supporting Services		
	Church Planting	Management and General	Fund- Raising	Total
Salaries	\$ 271,317	\$ 74,159	\$ 46,607	\$ 392,083
Payroll taxes	719	5,109	2,239	8,067
Benefits	379	22	45	446
Total salaries and related expenses	272,415	79,290	48,891	400,596
Auto expense	6,766	1,002	-	7,768
Computer expense	-	3,279	-	3,279
Credit card processing fees	4,133	-	3,391	7,524
Dues	-	1,029	-	1,029
Insurance	-	8,946	-	8,946
Interest & bank charges	-	2,463	-	2,463
Licenses & permits	-	50	-	50
Office	-	2,816	-	2,816
Postage	1,715	858	6,003	8,576
Printing cost	-	-	6,720	6,720
Professional fees	4,679	8,084	6,536	19,299
Program supplies	1,194	-	-	1,194
Publicity and promotion	48,878	-	72,180	121,058
Rent and utilities	18,689	8,010	-	26,699
Repairs & Maintenance	-	1,670	-	1,670
Church planting training	1,001,288	-	-	1,001,288
Telephone	7,940	2,554	727	11,221
Travel - guest mission trips	15,992	-	-	15,992
Travel and entertainment	78,930	-	29,454	108,384
Total operating expenses before depr/amort	1,462,619	120,051	173,902	1,756,572
Depreciation/Amortization	11,320	4,252	-	15,572
Total operating expenses	\$ 1,473,939	\$ 124,303	\$ 173,902	\$ 1,772,144

See accompanying notes and accountants' compilation report.





WORLD LINK MINISTRIES, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2022			
	Program Services	Supporting Services		
	Church Planting	Management and General	Fund- Raising	Total
Salaries	\$ 277,543	\$ 75,942	\$ 35,275	\$ 388,760
Payroll taxes	817	5,763	2,036	8,616
Benefits	2,086	339	131	2,556
Total salaries and related expenses	280,446	82,044	37,442	399,932
Auto expense	5,847	905	-	6,752
Computer expense	-	2,613	-	2,613
Credit card processing fees	5,484	-	4,731	10,215
Dues	-	745	-	745
Insurance	-	8,489	-	8,489
Interest & bank charges	967	724	-	1,691
Licenses & permits	-	50	-	50
Office	-	1,520	-	1,520
Postage	1,456	715	5,002	7,173
Printing cost	-	-	7,741	7,741
Professional fees	3,405	7,139	2,722	13,266
Program supplies	1,542	-	-	1,542
Publicity and promotion	32,838	-	33,615	66,453
Rent and utilities	17,628	8,553	-	26,181
Repairs & Maintenance	-	7,120	-	7,120
Church planting training	1,053,658	-	-	1,053,658
Telephone	5,225	2,417	508	8,150
Travel - guest mission trips	36,315	-	-	36,315
Travel and entertainment	113,623	-	18,558	132,181
Total operating expenses before depr/amort	1,558,434	123,034	110,319	1,791,787
Depreciation/Amortization	9,422	3,879	-	13,301
Total operating expenses	\$ 1,567,856	\$ 126,913	\$ 110,319	\$ 1,805,088

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS-OPERATING ACTIVITIES:		
Change in net assets	\$ (65,224)	\$ (125,064)
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation/Amortization	15,572	13,301
(Gain) Loss on sale of property and equipment	(10,462)	(6,527)
(Increase) decrease in receivables	30,741	(8,122)
(Increase) decrease in deposits	(25,458)	(1,742)
(Increase) decrease in other assets	8,890	(8,890)
Increase (decrease) in accounts payable	23,495	5,443
Increase (decrease) in payroll taxes payable	-	(3,984)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(22,446)	(135,585)
CASH FLOWS-INVESTING ACTIVITIES:		
Proceeds on sale of fixed assets	36,200	6,527
Purchase of fixed assets	(57,756)	(34,914)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(21,556)	(28,387)
CASH FLOWS-FINANCING ACTIVITIES		
Proceeds from borrowing	47,774	26,999
Payments on debt	(36,669)	(10,058)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	11,105	16,941
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(32,897)	(147,031)
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	545,743	692,774
CASH AND EQUIVALENTS AT END OF YEAR	\$ 512,846	\$ 545,743
Cash, cash equivalents and restricted cash at year end consist of the following:		
Unrestricted Cash	\$ 372,594	\$ 445,433
Restricted Cash	140,252	100,310
	\$ 512,846	\$ 545,743

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

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, 2023 or 2022.

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 net assets with donor restrictions to net assets without donor restrictions 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, 2023 and 2022 are \$121,058 and \$66,453, respectively.



WORLD LINK MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

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, 2022, the Organization adopted guidance regarding contributions of nonfinancial assets made under Accounting Standards Update (ASU) 2020-07, *"Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets"*. This standard is intended to increase transparency about contributed nonfinancial assets through enhancements to presentation and disclosure. There is no change to the method of recognition or fair value measurement of these nonfinancial assets. The Organization's Statement of Activities is updated to specifically identify these "Gifts In Kind" and Note C is included to provide the required information under this standard.

Subsequent Events

The Organization has evaluated events and transactions that occurred between June 30, 2023 and September 29, 2023, 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, 2023 AND 2022

NOTE B - REVENUE RECOGNITION

The Organization's activities are supported primarily through donations from individuals, corporations, and foundations. Contributions are recorded as restricted or unrestricted support, depending on the absence or existence of donor-imposed restrictions. Contributions with no donor-imposed restrictions are recognized as revenues upon receipt. Contributions received with a donor-imposed restriction contain certain use restrictions; however, no barriers exist which would require the Organization to meet specific guidelines prior to being entitled to funds. As such, contributions with restriction are recognized as revenue with donor restriction as they are received and are transferred to revenue without donor restrictions as restrictions expire.

All revenue is recognized at a point in time. The revenue stream described above does not include a variable consideration. The key economic factors that affect recognition are the availability of funding from donors, consumer confidence, employment, and other global events that impact the timing and level of cash received by the Organization. If funding was curtailed or cut due to economic downturns or other factors, it would have a significant impact on the Organization. See Note F for further disclosure of concentrations existing as of June 30, 2023. No significant events occurred that had a material impact on the Organization's revenue recognition or cash flows for the year ended June 30, 2023.

NOTE C - CONTRIBUTED NONFINANCIAL ASSETS

For the year ended June 30, 2022, contributed nonfinancial assets recognized within the Statement of Activities included a vehicle that is held for donation as of the end of the year for \$8,890. The donor-restricted asset was donated near year end to be given to a missionary supported by the Organization. The estimated fair value is based on the blue book value of the vehicle at the time of donation. The vehicle is reported as an "Asset Held for Donation" and included in "Net Assets with Donor Restrictions" on the Statement of Financial Position as of June 30, 2022. The asset was donated during the year ended June 30, 2023 and is reported as a program expense for that year. No nonfinancial assets were donated during the 2023 fiscal year.

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 D - AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

The following represents World Link Ministries Inc.'s financial assets at June 30, 2023 and 2022:

Financial assets at year end:	2023	2022
Cash, cash equivalents and restricted cash	\$ 512,846	\$ 545,743
Less amounts unavailable for general expenditures within one year, due to:		
Net assets with donor restrictions	215,555	68,125
Board designations	<u>140,252</u>	<u>100,310</u>
	<u>355,807</u>	<u>168,435</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 157,039</u>	<u>\$ 377,308</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.



WORLD LINK MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE E - RESTRICTED CASH

Amounts included in restricted cash represent those required to be set aside as reserve by board designation. As of June 30, 2023, the Organization has restricted cash of \$140,252.

NOTE F - CONCENTRATIONS

During the fiscal year ended June 30, 2023, the Organization received approximately 31% of its financial support from three donors. During the fiscal year ended June 30, 2022, the Organization received approximately 26% of its financial support from three donors. The loss of their support would be significant.

The Organization maintains cash balances at financial institutions insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had uninsured cash balances of \$89,477 and \$206,104 at June 30, 2023 and 2022, respectively.

NOTE G - DISCLOSURES RELATING TO STATEMENT OF CASH FLOWS

The Organization incurred interest expense of \$1,310 and \$1,209 for the years ended June 30, 2023 and 2022, respectively.

The Company incurred \$47,774 of new debt to acquire a vehicle and traded a vehicle with a non cash increase in value of \$11,522 during the 2023 fiscal year. The Company incurred \$26,999 of new debt to acquire a vehicle and traded a vehicle with a non cash increase in value of \$6,527 during the 2022 fiscal year.

NOTE H - LONG-TERM DEBT

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

	2023	2022
Note payable to a finance company, due in monthly payments of \$600, interest at 2.99%, matures Oct 2026, secured by a vehicle	\$ -	\$ 29,227
Note payable to a finance company, due in monthly payments of \$775, interest at 5.24%, matures Feb 2029, secured by a vehicle	45,484	-
Note payable to a finance company, due in monthly payments of \$486, interest at 2.99%, matures Jan 2027, secured by a vehicle	19,758	24,910
Total Debt	65,242	54,137
Less amount due within one year	(12,390)	(11,571)
	\$ 52,852	\$ 42,566

Maturities of long-term debt are as follows:

Year Ending June 30,	Amount
2025	\$ 12,931
2026	13,497
2027	11,627
2028	8,728
2029	6,069
Total	\$ 52,852



WORLD LINK MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE I - LEASE COMMITMENT

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases, to be effective for nonpublic entities for annual reporting periods beginning after December 15, 2021. The objective of this standard is to increase transparency and comparability in financial reporting by requiring balance sheet recognition of leases through a "Right of Use" asset and "Lease" liability initially measured at the present value of the lease payments. Additional qualitative and quantitative disclosures are also required by the standard. Due to the limited number of leases and burden of reporting under the standard, Management has chosen to expense its operating lease with no resulting balance sheet recognition.

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 2023. The Organization is obligated to pay for property taxes, repairs, maintenance and utilities. Rent expense under this lease agreement totaled \$23,751 and \$22,620 for the years ended June 30, 2023 and 2022, respectively.

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

Year Ending June 30	Amount
2024	\$ 23,967
2025	24,505
2026	25,259
Total	\$ 73,731

NOTE J - NET ASSETS

The detail of the Organization's net asset categories at June 30, 2023 and 2022 are as follows:

	2023	2022
Without donor restrictions:		
Board designated for reserve balance	\$ 140,252	\$ 100,310
Undesignated	187,460	440,056
Total without donor restrictions	327,712	540,366
With donor restrictions:		
Unexpended funds received for restricted purposes:		
Various missionary sites and church plants across the world	215,555	68,125
Total Net Assets	\$ 543,267	\$ 608,491

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

	2023	2022
Satisfaction of purpose restrictions		
Various missionary sites and church plants across the world	\$ 577,064	\$ 931,021



WORLD LINK MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE K - COVID-19 PANDEMIC RELIEF FUNDS

The CARES Act established the Employee Retention Credit ("ERC") which is a refundable tax credit against certain employment taxes equal to a percentage of qualified wages an eligible employer, including tax-exempt organizations, pays to employees after March 12, 2020 and before October 1, 2021. The credit was created to encourage employers to keep employees on their payroll. The Organization filed amended federal employer tax returns in the year ended June 30, 2022 to claim the credit and receive refunds of overpaid taxes. The refunds are accrued as a receivable on the Statements of Financial Position as of June 30, 2022.

