

World Link Ministries, Inc.

Financial Statements

For the Years Ended  
June 30, 2016 and 2015



World Link Ministries, Inc.  
Compiled Financial Statements  
For the Years Ended  
June 30, 2016 and 2015

Accountants' Report	1
Statements of Financial Position	2
Statements of Activities	3-4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-10





**Graham, Brown & Dutton, PC**

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## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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, 2016 and 2015, 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 30, 2016

WORLD LINK MINISTRIES, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 126,417	\$ 186,834
Accounts Receivable	-	13,415
Prepaid Expenses	<u>-</u>	<u>1,634</u>
TOTAL CURRENT ASSETS	126,417	201,883
PROPERTY & EQUIPMENT		
Vehicles	45,065	45,065
Fixtures and Equipment	<u>31,606</u>	<u>31,606</u>
	76,671	76,671
Less: Allowance for Depreciation and Amortization	<u>54,217</u>	<u>43,151</u>
NET PROPERTY AND EQUIPMENT	22,454	33,520
OTHER ASSETS	<u>1,759</u>	<u>1,759</u>
TOTAL ASSETS	<u>\$ 150,630</u>	<u>\$ 237,162</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 8,808	\$ 27,127
Payroll Tax Withholdings	3,690	3,119
Current Portion of long-term debt	<u>7,542</u>	<u>7,406</u>
TOTAL CURRENT LIABILITIES	20,040	37,652
LONG-TERM LIABILITIES		
Long-term debt	<u>18,146</u>	<u>24,849</u>
TOTAL LIABILITIES	38,186	62,501
NET ASSETS		
Unrestricted Net Assets	1,058	35,521
Temporarily Restricted Net Assets	<u>111,386</u>	<u>139,140</u>
TOTAL NET ASSETS	<u>112,444</u>	<u>174,661</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 150,630</u>	<u>\$ 237,162</u>

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	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	1,030,065	(1,030,065)	-
Total Support	1,497,712	(27,754)	1,469,958
Revenues			
Mission Trip Revenue	162,904	-	162,904
Special Events	-	-	-
Total Revenue	162,904	-	162,904
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	279,568	-	279,568
Total Expenses	1,695,082	-	1,695,082
Other Income (Expense)			
Interest Income	3	-	3
Net Other Income	3	-	3
Change in Net Assets	(34,463)	(27,754)	(62,217)
Net Assets Beginning of Year	35,521	139,140	174,661
Net Assets End of Year	\$ 1,058	\$ 111,386	\$ 112,444

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2015		
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets
Support and Revenue			
Support			
Direct Public Support	\$ 394,886	\$ -	\$ 394,886
Restricted Contributions	-	993,578	993,578
Net Assets Released from Restrictions Due To Payment for Restricted Use	959,775	(959,775)	-
Total Support	1,354,661	33,803	1,388,464
Revenues			
Mission Trip Revenue	187,222	-	187,222
Special Events	9,011	-	9,011
Total Revenue	196,233	-	196,233
Total Support and Revenue	1,550,894	33,803	1,584,697
Functional Expenses			
Program Services	1,186,345	-	1,186,345
Management and General	124,887	-	124,887
Fundraising	193,934	-	193,934
Total Expenses	1,505,166	-	1,505,166
Other Income (Expense)			
Interest Income	11	-	11
Net Other Income	11	-	11
Change in Net Assets	45,739	33,803	79,542
Net Assets Beginning of Year	(10,218)	105,337	95,119
Net Assets End of Year	\$ 35,521	\$ 139,140	\$ 174,661

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	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	<u>219,530</u>	<u>83,393</u>	<u>107,200</u>	<u>410,123</u>
Cash awards and grants	267,006	-	-	267,006
Special event expenses	-	-	-	-
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
Staff 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	<u>1,261,786</u>	<u>142,662</u>	<u>279,568</u>	<u>1,684,016</u>
Depreciation/Amortization	<u>7,060</u>	<u>4,006</u>	<u>-</u>	<u>11,066</u>
Total operating expenses	<u>\$ 1,268,846</u>	<u>\$ 146,668</u>	<u>\$ 279,568</u>	<u>\$ 1,695,082</u>

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2015			
	Program Services	Support Services Management and General	Fund- Raising	Total
Salaries	\$ 226,321	\$ 67,940	\$ 107,725	\$ 401,986
Payroll taxes	-	3,378	-	3,378
Benefits	1,836	204	-	2,040
Total salaries and related expenses	<u>228,157</u>	<u>71,522</u>	<u>107,725</u>	<u>407,404</u>
Cash awards and grants	223,357	-	-	223,357
Special event expenses	-	-	2,348	2,348
Auto expense	8,450	2,112	272	10,834
Computer expense	-	6,895	-	6,895
Credit card processing fees	-	-	8,012	8,012
Dues	-	3,091	-	3,091
Insurance	-	9,710	-	9,710
Interest & bank charges	1,507	2,245	2,103	5,855
Licenses & permits	-	77	-	77
Medical Supplies	-	-	-	-
Office	-	7,224	-	7,224
Postage	524	524	9,425	10,473
Printing cost	-	-	5,289	5,289
Professional fees	-	13,703	-	13,703
Program supplies	14,362	-	-	14,362
Publicity and promotion	-	-	53,310	53,310
Rent	7,271	3,116	-	10,387
Staff training	404,905	-	-	404,905
Telephone	6,084	1,521	-	7,605
Travel - guest mission trips	194,829	-	-	194,829
Travel and entertainment	89,704	-	5,450	95,154
Utilities	-	-	-	-
Total operating expenses before depr/amort	<u>1,179,150</u>	<u>121,740</u>	<u>193,934</u>	<u>1,494,824</u>
Depreciation/Amortization	<u>7,195</u>	<u>3,147</u>	<u>-</u>	<u>10,342</u>
Total operating expenses	<u>\$ 1,186,345</u>	<u>\$ 124,887</u>	<u>\$ 193,934</u>	<u>\$ 1,505,166</u>

See accompanying notes and accountants' compilation report.





WORLD LINK MINISTRIES, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS-OPERATING ACTIVITIES:		
Change in net assets	\$ (62,217)	\$ 79,542
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation/Amortization	11,066	10,342
Decrease (increase) in operating assets:		
Accounts receivable	13,415	(13,415)
Prepaid expenses	1,634	(1,634)
Other assets	-	(1,759)
Increase (decrease) in operating liabilities:		
Accounts payable	(18,319)	7,715
Payroll taxes payable	<u>571</u>	<u>(316)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(53,850)	80,475
CASH FLOWS-INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	-	-
Purchase of fixed assets	<u>-</u>	<u>(6,739)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	(6,739)
CASH FLOWS-FINANCING ACTIVITIES		
Payments on debt	<u>(6,567)</u>	<u>(6,689)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(6,567)</u>	<u>(6,689)</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(60,417)	67,047
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	<u>186,834</u>	<u>119,787</u>
CASH AND EQUIVALENTS AT END OF YEAR	<u><u>\$ 126,417</u></u>	<u><u>\$ 186,834</u></u>



WORLD LINK MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016 AND 2015

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, 2016 and 2015, 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, 2016 and 2015 are \$21,692 and \$53,310, respectively.



WORLD LINK MINISTRIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016 AND 2015

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, 2016 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 \$111,386 and \$139,140 as of June 30, 2016 and 2015, 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, 2016, the Organization received approximately 40% 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, 2016 AND 2015

NOTE E - LONG-TERM DEBT

The Organization has a 1.99% note payable to a finance company maturing October 2019, payable in monthly installments of \$665, and collateralized by a vehicle. The total balance on this loan as of June 30, 2016 is \$25,688.

Maturities of long-term debt are as follows:

Year Ending June 30,	Amount
2018	\$ 7,694
2019	7,848
2020	2,604
Total	<u>\$ 18,146</u>

NOTE F - DISCLOSURES RELATING TO STATEMENT OF CASH FLOWS

Payments made for interest expense and income taxes for the years ended June 30, 2016 and 2015 were as follows:

	2016	2015
Interest	<u>\$ 1,414</u>	<u>\$ 1,411</u>
Income Taxes	<u>\$ -</u>	<u>\$ -</u>

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 \$214,400 and \$215,450 of joint costs for the fiscal years ended June 30, 2016 and 2015. These joint costs are not specifically attributed to particular components of the activities. These joint costs were allocated as follows.

	2016	2015
Program Services	\$ 89,660	\$ 90,080
Management and General	17,540	17,645
Fund Raising	107,200	107,725
	<u>\$ 214,400</u>	<u>\$ 215,450</u>

NOTE H - LEASE COMMITMENT

The Company 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 Company is obligated to pay for property taxes, repairs, maintenance and utilities.

At June 30, 2016, minimum rental payments due under this lease are as follows:

Year Ending June 30,	Amount	
2017	\$ 20,358	
2018	19,353	Excluding deposit of \$1,759
Total	<u>\$ 39,711</u>	



Other Information

