

World Link Ministries, Inc.

Financial Statements

For the Year Ended
June 30, 2015



World Link Ministries, Inc.
Compiled Financial Statements
For the Year Ended
June 30, 2015

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





Graham, Brown & Dutton, PC
CERTIFIED PUBLIC ACCOUNTANTS

Keith A. Graham, CPA
J. Charles Brown, CPA
David Dutton, CPA

6000 Grelot Road
Mobile, Alabama 36609
251.340.7345
Fax: 251.340.7346

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

The Board of Directors
World Link Ministries, Inc.
Irving, TX

We have compiled the accompanying statement of financial position of World Link Ministries, Inc. (a non profit corporation) as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Graham, Brown & Dutton, PC

Mobile, AL
November 6, 2015

WORLD LINK MINISTRIES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

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

See accompanying notes and accountants' compilation report.



WORLD LINK MINISTRIES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 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.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 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
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	<u>89,704</u>	<u>-</u>	<u>5,450</u>	<u>95,154</u>
Total operating expenses before depr/amort	1,179,150	121,740	193,934	1,494,824
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.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

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

See accompanying notes and accountants' compilation report.



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

Depreciation

Depreciation is charged to income over the estimated useful lives of the assets using the straight-line method.

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 year ended June 30, 2015 is \$53,310.



WORLD LINK MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 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. The Organization believes it is no longer subject to income tax examinations for years prior to 2013.

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, 2015 and November 6, 2015, 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 \$139,140 as of June 30, 2015 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, 2015, the Organization received approximately 30% of its financial support from three 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, 2015

NOTE E - LONG-TERM DEBT

The Organization has a 1.99% note payable to a finance company maturing September 2019, payable in monthly installments of \$665, and collateralized by a vehicle. The total balance on this loan as of June 30, 2015 is \$32,255.

Maturities of long-term debt are as follows:

Year Ending June 30	Amount
2017	\$ 7,555
2018	7,707
2019	9,587
Total	<u>\$ 24,849</u>

NOTE F - DISCLOSURES RELATING TO STATEMENT OF CASH FLOWS

Payments made for interest expense and income taxes for the year ended June 30, 2015 were \$1,411 and \$0, respectively.

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

	Fiscal year 2015
Program Services	\$ 90,080
Management and General	17,645
Fund Raising	107,725
	<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, 2015, minimum rental payments due under this lease are as follows:

For the year ending June 30,

2016	\$ 17,971	Excluding prepaid rent of \$1,634
2017	20,358	
2018	19,353	Excluding deposit of \$1,759
Total	<u>\$ 57,682</u>	

