

GOSPELINK, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-12



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Gospelink, Inc.
Forest, Virginia

Opinion

We have audited the accompanying financial statements of Gospelink, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gospelink, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of the report. We are required to be independent of Gospelink, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that rise substantial doubt about Gospelink, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Gospelink, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Gospelink, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

J. Moore & Company, P.C.

J. MOORE & COMPANY, P.C.

Roanoke, Virginia
August 15, 2022

GOSPELINK, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021

ASSETS

Current Assets

Cash and cash equivalents	\$	2,222,888
Prepaid rent		2,058
Prepaid expense - mission supplies		<u>20,400</u>
Total current assets		<u>2,245,346</u>

Investments

45,211

Fixed Assets

Office equipment		57,467
Less accumulated depreciation		<u>(46,521)</u>

Net fixed assets

10,946

Other Assets

Security deposits		2,756
Jewelry investment		<u>4,025</u>
Total other assets		<u>6,781</u>

Total assets

2,308,284

LIABILITIES and NET ASSETS

Current Liabilities

Accounts payable		7,241
Payroll taxes payable		<u>4,637</u>
Total current liabilities		<u>11,878</u>

Net Assets

Without donor restrictions		386,172
With donor restrictions		<u>1,910,234</u>
Total net assets		<u>2,296,406</u>

Total liabilities and net assets

\$ 2,308,284

The accompanying notes are an integral part of these financial statements.

GOSPELINK, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
General contributions	\$ 1,174,262	-	1,174,262
Mission contributions	-	2,623,216	2,623,216
Trip support income	-	53,785	53,785
Bible College income	-	752,297	752,297
Malawi Agricultural Center income	-	276,154	276,154
Other income	2,409	2,000	4,409
Interest/dividend income	3,293	-	3,293
Gain on sale of fixed assets	138,297	-	138,297
Realized gain on investments	9,820	-	9,820
Unrealized loss on investments	(34,835)	-	(34,835)
Satisfaction of program restrictions	<u>3,374,657</u>	<u>(3,374,657)</u>	<u>-</u>
Total support	<u>4,667,903</u>	<u>332,795</u>	<u>5,000,698</u>
Expenses			
Program expense	3,942,468	-	3,942,468
Management and general	420,833	-	420,833
Fundraising expense	<u>229,297</u>	<u>-</u>	<u>229,297</u>
Total expenses	<u>4,592,598</u>	<u>-</u>	<u>4,592,598</u>
Increase in net assets	75,305	332,795	408,100
Net assets, beginning	<u>310,867</u>	<u>1,577,439</u>	<u>1,888,306</u>
Net assets, ending	\$ <u>386,172</u>	<u>1,910,234</u>	<u>2,296,406</u>

The accompanying notes are an integral part of these financial statements.

GOSPELINK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	<u>Program Expense</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Mission Expenses				
National missionary assistance	\$ 2,361,868	-	-	2,361,868
Short-term mission trips	54,413	-	-	54,413
Zambia Bible College	768,885	-	-	768,885
Malawi Agricultural Center	229,381	-	-	229,381
United States personnel missions expense	15,933	-	-	15,933
Other mission expenses	<u>1,236</u>	<u>-</u>	<u>-</u>	<u>1,236</u>
Total mission expenses	<u>3,431,716</u>	<u>-</u>	<u>-</u>	<u>3,431,716</u>
Personnel Costs				
Salaries and wages	397,173	353,244	171,813	922,230
Payroll taxes	11,188	7,579	3,402	22,169
Commissions	<u>14,865</u>	<u>700</u>	<u>-</u>	<u>15,565</u>
Total personnel costs	<u>423,226</u>	<u>361,523</u>	<u>175,215</u>	<u>959,964</u>
Administrative Expenses				
Bank fees	21,054	8,236	1,504	30,794
Depreciation and amortization	4,114	2,468	1,645	8,227
Dues and subscriptions	3,613	5,162	1,549	10,324
Education and training	15	2	3	20
Insurance	7,213	4,328	2,885	14,426
Interest	2,615	1,569	1,046	5,230
Meetings and travel expense	15,462	15,705	6,687	37,854
Office rent	4,867	3,407	1,460	9,734
Office supplies and expense	4,746	1,739	1,621	8,106
Postage and shipping	12,486	867	3,998	17,351
Printing	5,227	1,939	3,779	10,945
Professional fees	-	10,179	22,619	32,798
Promotion	813	730	1,951	3,494
Repairs and maintenance	1,493	896	597	2,986
Telephone	2,026	1,013	2,025	5,064
Utilities	<u>1,782</u>	<u>1,070</u>	<u>713</u>	<u>3,565</u>
Total administrative expenses	<u>87,526</u>	<u>59,310</u>	<u>54,082</u>	<u>200,918</u>
Total	\$ <u>3,942,468</u>	<u>420,833</u>	<u>229,297</u>	<u>4,592,598</u>

The accompanying notes are an integral part of these financial statements.

GOSPELINK, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

Cash flows from operating activities:

Increase in net assets	\$	408,100
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization		8,227
Gain on sale of fixed assets	(138,297)
Gain on sale of investments	(9,820)
Unrealized loss on investments		34,835
Changes in assets and liabilities:		
Increase in prepaid rent	(2,058)
Increase in security deposit	(2,000)
Decrease in accounts payable	(20)
Decrease in accrued interest payable	(483)
Increase in payroll taxes payable		<u>1,940</u>
Net cash provided by operating activities		<u>300,424</u>
Cash Flows From Investing Activities:		
Purchase of fixed assets	(4,995)
Purchases of investments	(754,226)
Proceeds from sale of fixed assets		398,300
Proceeds from sale of investments		<u>692,353</u>
Net cash provided by investing activities		<u>331,432</u>
Cash Flows From Financing Activities:		
Principal payments on note payable	(<u>118,683</u>)
Increase in cash and cash equivalents		513,173
Cash and cash equivalents, beginning of year		<u>1,709,715</u>
Cash and cash equivalents, end of year	\$	<u><u>2,222,888</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	\$	<u><u>5,713</u></u>

The accompanying notes are an integral part of these financial statements.

GOSPELINK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose of Organization

Gospelink, Inc. (the "Organization") is organized as a not-for-profit corporation under the laws of the State of Georgia and was formed April 22, 1998. The Organization is located in Forest, Virginia and was established for the purpose of advancing the gospel throughout the world by soliciting donations that will be used to fund national missionaries worldwide. The Organization functions as an intermediary to locate and assist national missionaries primarily through financial sponsorships. In addition, the Organization provides short-term mission trips for individuals to work with national missionaries.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Revenues are recognized in the period in which they are earned; expenses are recognized in the period in which they are incurred.

Cash and Cash Equivalents

The Organization considers all highly liquid instruments with a maturity of three months or less to be cash and cash equivalents.

The Organization maintains bank accounts at various banks. Accounts at the banks are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had approximately \$331,000 in uninsured cash balances as of December 31, 2021.

Investments

The Organization records investments at fair value in the statement of financial position. Realized and unrealized gains(losses) are included in the statement of activities and changes in net assets.

GOSPELINK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets

Fixed assets are stated at cost, or if donated, at estimated fair market value on the date of the donation. It is the policy of the Organization to record in-kind donations of fixed assets as unrestricted support unless the donor has restricted the donated asset to a specific purpose. There are no donor or legal limitations on the use of donated fixed assets, nor on the proceeds from the disposal of such assets.

The Organization currently capitalizes all assets with a useful life in excess of one year. The Organization uses the straight-line method for depreciation over the estimated useful lives of their assets as follows:

	<u>Years</u>
Building	40
Vehicle	5
Office equipment	5-10

None of the property and equipment is impaired or is being held for disposal. Depreciation expense for the year was \$8,122.

Net Assets

In accordance with U.S. GAAP, the Organization's net assets are classified into two categories; net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions - Those resources not subject to donor-imposed restrictions. The Organization and the board of directors have discretionary control over these resources.

Net assets with donor restrictions - Those resources subject to donor-imposed restrictions that will be satisfied by action of the Organization or by the passage of time. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

GOSPELINK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets (continued)

Net assets with donor restrictions (continued) - The net assets as of December 31, 2021 consist of \$1,889,834 cash and \$20,400 of mission supplies to be used for various mission activities in years subsequent to December 31, 2021.

Contribution Recognition

Contributions, including any unconditional promises to give, are recorded as made. In-kind contributions are recorded at their estimated fair market value on the date of contribution. All contributions are available for unrestricted use unless specifically restricted by the donor. There were no unconditional promises to give (pledges receivable) as of December 31, 2021.

Contributed Services

The Organization receives a substantial amount of services donated by volunteers who assist in the Organization's activities. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition in accordance with accounting principles generally accepted in the United States of America.

Functional Allocation of Expenses

The cost of providing program and supporting services have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated to the program and supporting services.

Fair Value Disclosures

The carrying amounts reflected in the statement of financial position for all current assets and liabilities approximate their respective fair values due to their short maturities.

GOSPELINK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and had no unrelated business income for the year ended December 31, 2021. On February 20, 2020, the Organization received a tax determination letter that gave them the classification as a church or an association of churches under IRC Section 170(b)(1)(A)(i). Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization is no longer subject to income tax examinations by taxing authorities for any tax years ending on or before December 31, 2018.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising Costs

Advertising costs of \$3,494 were expensed as incurred.

Compensated Absences

Compensated absences for paid vacation, sick days, and personal days off have not been accrued since they cannot be reasonably estimated. The Organization's policy is to recognize these costs when actually paid.

Liquidity

The Organization maintains a liquid cash balance in checking and money market accounts in an amount necessary to meet its anticipated expenditures for the next 30 days.

The Organization's financial assets available within one year to meet cash needs for general expenditures through December 31, 2022 is cash and cash equivalents of \$333,054.

GOSPELINK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2. FAIR VALUE MEASUREMENT

The following method was used by the Organization in estimating the fair value of investments. As defined in FASB Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements*, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price).

FASB ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The \$45,211 of investments held at December 31, 2021 are equity funds and digital assets which are measured using Level 1 inputs.

NOTE 3. OPERATING LEASE COMMITMENT

The Organization is under a noncancellable operating lease for office space in Forest, VA and West Palm Beach, FL. The leases expire on November 30, 2024 and December 31, 2022, respectively. For the year ended December 31, 2021, rental expense recognized under the leases were \$9,734. Future minimum payments under the leases is as follows:

<u>Year Ended</u>	<u>Amount</u>
December 31, 2022	\$ 31,009
December 31, 2023	25,729
December 31, 2024	<u>24,383</u>
Total	\$ <u>81,121</u>

NOTE 4: RETIREMENT PLAN

The Organization sponsors a 403(b) plan covering substantially all employees. There were no matching contributions during the year ended December 31, 2021.

GOSPELINK, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4. SUBSEQUENT EVENTS

Management evaluated possible subsequent events through August 15, 2022, which is the date the financial statements were available for issue. No significant events affecting the financial statements were identified.