

# **WORLD MISSION, INC.**

(d/b/a World Mission)

## **FINANCIAL STATEMENTS**

For the years ended  
June 30, 2021 and 2020

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**INDEPENDENT AUDITOR'S REPORT**

September 17, 2021

To the Board of Directors  
World Mission, Inc. d/b/a World Mission  
Grand Rapids, Michigan

We have audited the accompanying financial statements of World Mission, Inc., (d/b/a World Mission) (a non-profit organization) which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility 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; this includes 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Mission, Inc. (d/b/a World Mission) as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Hungerford Nichols*

Certified Public Accountants  
Grand Rapids, Michigan

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## **FINANCIAL STATEMENTS**

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## STATEMENTS OF FINANCIAL POSITION

WORLD MISSION, INC.  
June 30, 2021 and 2020

### ASSETS

	<u>2021</u>	<u>2020</u>
<b>Current Assets</b>		
Cash	\$ 1,417,991	\$ 773,992
Accounts receivable	130,485	3,288
Contributions receivable	117,266	51,514
Inventory	195,976	226,422
Prepaid Expense	10,163	7,724
<b>Total Current Assets</b>	1,871,881	1,062,940
<b>Property and Equipment, net</b>	2,006,686	2,623,197
<b>Other Assets</b>		
Goodwill, net	352,513	352,513
<b>Total Assets</b>	<u><u>\$ 4,231,080</u></u>	<u><u>\$ 4,038,650</u></u>

### LIABILITIES AND NET ASSETS

<b>Current liabilities</b>		
Accounts payable	\$ 37,079	\$ 38,073
Accrued liabilities		
Accrued sales tax	3,151	2,140
Accrued interest	584	1,186
Accrued payroll and related taxes	37,057	27,896
Unearned revenue	500	500
Current portion of long-term debt	896,785	57,583
Deferred revenue	-	148,100
<b>Total Current Liabilities</b>	975,156	275,478
Long-term debt, less current portion	-	1,045,046
<b>Total Liabilities</b>	975,156	1,320,524
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	2,792,266	2,276,391
Board restricted for mission projects and trips	220,803	117,114
With donor restrictions	242,855	324,621
<b>Total Net Assets</b>	3,255,924	2,718,126
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 4,231,080</u></u>	<u><u>\$ 4,038,650</u></u>

## STATEMENTS OF ACTIVITIES

**WORLD MISSION, INC.**  
For the year ended June 30, 2021

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Public Support and Revenues</b>			
Contributions	\$ 1,438,105	\$ 1,126,846	\$ 2,564,951
Retail store sales	716,504	-	716,504
Special events, net of \$34,311 expenses	47,128	-	47,128
Royalty income	5,500	-	5,500
The Treasure sales	377,252	-	377,252
Rental income	219,950	-	219,950
Loss on sale of fixed assets	(93,433)	-	(93,433)
Interest income	6	-	6
Miscellaneous income	19,533	-	19,533
Net assets released from restrictions	1,208,612	(1,208,612)	-
<b>Total Public Support and Revenues</b>	<b>3,939,157</b>	<b>(81,766)</b>	<b>3,857,391</b>
<b>Expenses</b>			
Retail store expenses	741,960	-	741,960
The Treasure expenses	282,939	-	282,939
Project activities expenses	1,833,960	-	1,833,960
Management and general expenses	185,440	-	185,440
Fund raising expenses	275,295	-	275,295
<b>Total Expenses</b>	<b>3,319,593</b>	<b>-</b>	<b>3,319,593</b>
<b>Change in Net Assets</b>	<b>619,564</b>	<b>(81,766)</b>	<b>537,798</b>
<b>Net Assets - beginning of year</b>	<b>2,393,505</b>	<b>324,621</b>	<b>2,718,126</b>
<b>Net Assets - end of year</b>	<b>\$ 3,013,069</b>	<b>\$ 242,855</b>	<b>\$ 3,255,924</b>



## STATEMENTS OF ACTIVITIES

**WORLD MISSION, INC.**  
For the year ended June 30, 2020

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Public Support and Revenues</b>			
Contributions	\$ 819,973	\$ 727,550	\$ 1,547,523
Retail store sales	540,718	-	540,718
Special events, net of \$22,110 expenses	127,828	-	127,828
Royalty income	6,000	-	6,000
The Treasure sales	323,471	-	323,471
Rental income	242,750	-	242,750
Loss on sale of fixed assets	(6,315)	-	(6,315)
Interest income	37	-	37
Net assets released from restrictions	641,987	(641,987)	-
<b>Total Public Support and Revenues</b>	<b>2,696,449</b>	<b>85,563</b>	<b>2,782,012</b>
<b>Expenses</b>			
Retail store expenses	708,140	-	708,140
The Treasure expenses	235,955	-	235,955
Project activities expenses	1,186,181	-	1,186,181
Management and general expenses	183,072	-	183,072
Fund raising expenses	217,786	-	217,786
<b>Total Expenses</b>	<b>2,531,134</b>	<b>-</b>	<b>2,531,134</b>
<b>Change in Net Assets</b>	<b>165,315</b>	<b>85,563</b>	<b>250,878</b>
<b>Net Assets - beginning of year</b>	<b>2,228,190</b>	<b>239,058</b>	<b>2,467,248</b>
<b>Net Assets - end of year</b>	<b>\$ 2,393,505</b>	<b>\$ 324,621</b>	<b>\$ 2,718,126</b>

## STATEMENTS OF FUNCTIONAL EXPENSES

WORLD MISSION, INC.  
For the year ended June 30, 2021

	Program Services			Supporting Services			Total
	Retail Sales	The Treasure Sales	Project Activities	Management and General	Fundraising	Total	
Purchases and supplies	\$ 69,122	\$ 292,939	\$ 97,741	\$ -	\$ -	\$ -	\$ 459,802
Wages, payroll taxes and employee benefits	368,215	-	256,230	89,749	148,277	-	862,471
Telephone	4,103	-	3,052	99	3,052	-	10,306
Repair and maintenance	14,710	-	7,366	91	-	-	22,167
Utilities	70,178	-	4,268	-	4,268	-	78,714
Insurance	30,033	-	-	10,393	-	-	40,426
Truck and vehicle expense	12,024	-	4,803	1,293	4,804	-	22,924
Depreciation	62,094	-	10,105	30,264	10,105	-	112,568
Promotion and education	154	-	10,642	-	61,471	-	72,267
Office supplies and postage	3,717	-	30,851	-	-	-	34,568
Computer expense	9,536	-	33,189	700	14,224	-	57,649
Bank fees	7,386	-	5,169	5	-	-	12,560
Professional fees	8,019	-	20,459	11,688	20,459	-	60,625
Contributions	16,000	-	1,309,630	40,567	-	-	1,366,197
Travel	504	-	20,812	26	2,313	-	23,655
Dues and credit card fees	13,200	-	9,485	-	6,323	-	29,008
Miscellaneous	-	-	156	-	-	-	156
Interest expense	52,965	-	-	565	-	-	53,530
<b>Total Expenses</b>	<b>\$ 741,960</b>	<b>\$ 292,939</b>	<b>\$ 1,823,958</b>	<b>\$ 185,440</b>	<b>\$ 275,296</b>	<b>\$ -</b>	<b>\$ 3,319,593</b>

See accompanying notes to financial statements.

# STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

WORLD MISSION, INC.  
For the year ended June 30, 2020

	Program Services		Supporting Services		Total	
	Retail Sales	The Treasure Sales	Project Activities	Management and General		Fundraising
Purchases and supplies	\$ 60,752	\$ 235,955	\$ 20,829	\$ -	\$ 5,197	\$ 322,733
Wages, payroll taxes and employee benefits	319,768	-	224,182	98,592	96,078	738,620
Rent	17,481	-	-	-	-	17,481
Telephone	2,777	-	1,936	1,321	1,936	7,970
Repair and maintenance	12,975	-	9,174	-	-	22,149
Utilities	56,754	-	4,884	16	4,884	66,538
Insurance	24,239	-	-	14,812	-	39,051
Truck and vehicle expense	21,948	-	4,383	1,925	4,383	32,639
Depreciation	66,190	-	11,356	32,457	11,356	121,359
Promotion and education	401	-	7,466	-	59,761	67,628
Office supplies and postage	3,978	-	8,034	341	44	12,397
Computer expense	2,517	-	15,371	-	6,154	24,042
Bank fees	4,312	-	5,025	9	-	9,346
Professional fees	16,876	-	20,920	15,192	19,561	72,549
Contributions	31,300	-	831,006	17,153	-	879,459
Travel	953	-	11,282	99	1,348	13,682
Dues and credit card fees	8,087	-	10,039	-	7,084	25,210
Miscellaneous	-	-	294	866	-	1,160
Interest expense	56,832	-	-	289	-	57,121
<b>Total Expenses</b>	<b>\$ 708,140</b>	<b>\$ 235,955</b>	<b>\$ 1,186,181</b>	<b>\$ 183,072</b>	<b>\$ 217,786</b>	<b>\$ 2,531,134</b>

See accompanying notes to financial statements.

## STATEMENTS OF CASH FLOWS

WORLD MISSION, INC.

For the years ended June 30, 2021 and 2020

	<b>2021</b>	<b>2020</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 537,798	\$ 250,878
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	112,568	121,359
Loss on sale of fixed assets	93,433	6,315
Changes in operating assets and liabilities which provided (used) cash:		
Accounts receivable	(127,197)	10,928
Contributions receivable	(65,752)	3,872
Inventory	30,446	(116,465)
Prepaid expense	(2,439)	12,036
Accounts payable	(994)	(4,076)
Accrued expenses	9,570	(2,198)
Unearned revenue	-	500
<b>Net Cash Provided by Operating Activities</b>	<b>587,433</b>	<b>283,149</b>
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment	(64,490)	(6,925)
Proceeds from sale of property and equipment	475,000	3,474
<b>Net Cash Provided by (Used for) Financing Activities</b>	<b>410,510</b>	<b>(3,451)</b>
<b>Cash Flows from Financing Activities</b>		
Borrowing on Payment Protection Program loan	(148,100)	148,100
Payments on long-term debt	(205,844)	(54,690)
<b>Net Cash Provided by (Used for) Financing Activities</b>	<b>(353,944)</b>	<b>93,410</b>
<b>Net Increase in Cash</b>	<b>643,999</b>	<b>373,108</b>
<b>Cash - beginning of year</b>	<b>773,992</b>	<b>400,884</b>
<b>Cash - end of year</b>	<b>\$ 1,417,991</b>	<b>\$ 773,992</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest	\$ 54,132	\$ 56,646

## NOTES TO FINANCIAL STATEMENTS

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WORLD MISSION, INC.

For the years ended June 30, 2021 and 2020

### ***Note A – Nature of Activities and Summary of Significant Accounting Policies***

#### **Nature of Activities**

The accompanying financial statements present the financial position, results of operations and cash flows of World Mission, Inc. (d/b/a World Mission) (the “Organization”). The Organization is incorporated in the State of Michigan and organized exclusively for charitable, religious, educational, and scientific purposes. The work of the Organization is to provide the Word of God to unreached people groups through distribution of audio Bibles in many languages, and provision of humanitarian aid. The Organization operates several Thrift Stores in Michigan that sell donated items, such as clothing and household goods with the goal of providing additional revenue to offset administrative costs.

#### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting, recording revenue when earned rather than when received, and recording expenses when incurred rather than when paid.

#### **Use of Estimates**

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

#### **Cash and Cash Equivalents**

Cash and cash equivalents consist of demand deposits in banks, institutional money market funds and cash on hand. For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. The Organization maintains cash balances in checking and savings accounts. The checking and savings accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. From time to time during the year, the Organization may have cash in a bank checking or savings account in excess of the federally insured limit.

#### **Contributions Receivable**

The Organization has received pledges from various donors to contribute monies in the future for various purposes. As these pledges are all due within one year, discounting of the receivable to net present value is immaterial. In management’s opinion, no allowance was considered necessary at December 31, 2021 or 2020.

## NOTES TO FINANCIAL STATEMENTS

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**WORLD MISSION, INC.**

For the years ended June 30, 2021 and 2020

### ***Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)***

#### **Inventory**

Inventory consisting mainly of used clothing, used household goods and audio Bibles is stated at the lower of cost or net realizable value. Costs for used clothing and household goods are incurred in the procurement and sorting of goods for resale in the thrift stores.

#### **Property and Equipment**

Property and equipment are stated at cost, or in the case of donated property, at estimated fair value at the date of donation. The Organization follows a capitalization policy of \$2,000 in determining assets to be depreciated. Management annually reviews these assets to determine whether carrying values have been impaired. Depreciation is computed using the straight-line method over the useful lives of the related assets as follows:

Land improvements	10 - 15 years
Buildings	20 - 40 years
Leasehold improvements	5 - 15 years
Equipment, furniture, and furnishings	3 - 10 years
Vehicles	5 years

#### **Goodwill**

As of June 30, 2021 and 2020, the gross carrying amount of goodwill is \$352,513 with accumulated amortization of \$25,180. The accompanying statements of activities reflect no goodwill amortization expense for the years ended June 30, 2021 and 2020 and goodwill was determined to not be impaired.

#### **Net Assets**

The Organization reports 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 the Organization’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 the actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

## NOTES TO FINANCIAL STATEMENTS

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WORLD MISSION, INC.

For the years ended June 30, 2021 and 2020

### ***Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)***

#### **Net Assets (Continued)**

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

#### **Revenue Recognition**

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of beneficial interest is received. Conditional promises to give – that is, those with a measurable performance obligation or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Revenue for retail store purchases is recognized when the customer receives and pays for the merchandise.

The Organization has contracts with customers for Treasurers with one performance obligation. This performance obligation is satisfied at delivery of the product. For product purchased but subsequently delivered to the customer, the Organization recognizes a liability until delivery is complete; at that time, the liability is reversed and revenue is recognized. Payment terms require payment upon delivery of the product.

#### **Contributions**

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with donor-imposed stipulations that are met in the same year as received or earned are reported as unrestricted revenue.

#### **Donated Services and Goods**

Volunteers have donated time to the Organization's operations during the year; however, these donated services are not reflected in the financial statements to the extent that the services do not require specialized skills.

Donated goods are recorded as revenue on the date of the receipt at estimated fair market value. Donated materials of \$27,655 and \$43,968 were included in support and revenue during 2021 and 2020 respectively. This revenue was offset by fixed assets shown in the statement of financial position or expenses shown on the statements of activities and functional expenses according to the nature of the donation.

## NOTES TO FINANCIAL STATEMENTS

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WORLD MISSION, INC.

For the years ended June 30, 2021 and 2020

### *Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)*

#### **Donated Services and Goods (Continued)**

The Organization also receives In-Touch in-kind donations annually. These in-kind donations recorded in the statement of activities were \$511,778 and \$231,399 for the years ended June 30, 2021 and 2020, respectively. As the in-kind donations are received, they are booked to inventory and then released through cost of goods sold as they are sold.

#### **Promotion and Education**

The Organization expenses promotion and education costs as incurred. Promotion and education costs for the years ended June 30, 2021 and 2020 were \$72,267 and \$67,628, respectively.

#### **Income Taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Organization evaluates tax positions taken on its federal Exempt Organization Business Income Tax Returns in accordance with accounting principles generally accepted in the United States of America, which require that tax positions taken be more-likely-than-not to be sustained. Management believes that the Organization has no significant unrecognized tax benefits under that criteria. Penalties and interest, if any, assessed by income taxing authorities are included in operating expenses. The Organization's federal Exempt Organization Business Income Tax Returns are generally subject to examination by taxing authorities for three years after they were filed.

#### **Functional Expense Allocation**

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies and direct invoices. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

#### **Subsequent Events**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through September 17, 2021, which is the date the financial statements were available to be issued.



## NOTES TO FINANCIAL STATEMENTS

WORLD MISSION, INC.

For the years ended June 30, 2021 and 2020

### **Note B – Liquidity and Availability**

The Organization regularly monitors liquidity required to meet its operating needs, while also striving to maximize the investment of its available funds. The Organization's sources of liquidity at its disposal includes cash, accounts receivable, and contributions receivable. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing programmatic activities, as well as the conduct of services undertaken to support those activities, to be general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash used for operations for the years ended June 30, 2021 and 2020. As of June 30, 2021 and 2020, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	<b>2021</b>	<b>2020</b>
Financial assets:		
Cash	\$ 1,417,991	\$ 773,992
Accounts receivable	130,485	3,288
Contributions receivable	117,266	51,514
Total financial assets	1,665,742	828,794
Less amounts not available to be used within on year:	-	-
Financial assets available to meet general expenditures over the next twelve months	\$ 1,665,742	\$ 828,794

### **Note C – Property and Equipment**

Property and equipment consist of the following as of June 30:

	<b>2021</b>	<b>2020</b>
Land	\$ 502,400	\$ 502,400
Land improvements	52,496	-
Buildings	3,488,874	4,385,100
Leasehold improvements	57,230	57,230
Equipment, furniture, and furnishings	183,750	240,133
Vehicles	71,510	92,470
	4,356,260	5,277,333
Accumulated depreciation	(2,349,574)	(2,654,136)
Total property and equipment	\$ 2,006,686	\$ 2,623,197

## NOTES TO FINANCIAL STATEMENTS

WORLD MISSION, INC.

For the years ended June 30, 2021 and 2020

### **Note D – Long-Term Debt**

Long-term debt at June 30, 2021 and 2020 consists of the following obligations:

	<u>2021</u>	<u>2020</u>
Note payable to bank, due in monthly installment of \$2,350 including interest at 5%, balance due August 31, 2022, secured by related property.	\$ -	\$ 168,364
Note payable to bank, due in monthly installments of \$4,285 including interest at 5%, balance due March 28, 2022, secured by related property.	556,598	579,174
Note payable to bank, due in monthly installments of \$2,640 including interest at 4.75%, balance due August 17, 2021, secured by related property. This loan was renewed subsequent to year end. See Note J.	340,187	355,091
	<u>896,785</u>	<u>1,102,629</u>
Less: current portion	896,785	205,683
Total Long-Term Debt	<u>\$ -</u>	<u>\$ 896,946</u>

### **Note E – Deferred Revenue**

On April 20, 2020, the Organization received loan proceeds in the amount of \$148,100 under the Paycheck Protection Program (PPP). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) and provides for loans to qualifying businesses for amounts up to 2.5 times the average amount of qualified payroll expenses. The loans are forgivable after 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities, and the borrower maintains their employment levels. The Organization used the proceeds for purposes consistent with the PPP requirements and therefore received forgiveness during the year ended June 30, 2021. Upon forgiveness, the loan was recognized as a contribution on the statements of activities.

### **Note F – Rental Income**

The Organization leases a building to a nonprofit organization. The initial term of the lease is three years commencing on July 1, 2018 with a renewal option of three years. Terms of the lease require annual payments of \$1. The estimated annual lease market value of the building is \$218,750. This amount is included in rental income and contributions expense for the years ended June 30, 2021 and 2020 in the accompanying statements of activities.

## NOTES TO FINANCIAL STATEMENTS

WORLD MISSION, INC.

For the years ended June 30, 2021 and 2020

### **Note F – Rental Income (Continued)**

The Organization also leased an additional building to another nonprofit organization. Terms of the lease required monthly payments of \$3,800. The lease terminated on December 31, 2019. Rental income for the year ended June 30, 2020 totaled \$22,800, and is included in the accompanying statements of activities.

The Organization leases some space to another nonprofit organization. Terms of the month to month lease require monthly payments of \$100. Rental income for the years ended June 30, 2021 and 2020 was \$1,200 and is included in the accompanying statement of activities.

### **Note G – Net Assets With Donor Restrictions**

Net assets with donor restrictions as of June 30, 2021 and 2020 are available for the following purposes:

	<u>2021</u>	<u>2020</u>
The Treasure Distribution	\$ 205,478	\$ 285,926
Mission Projects and Trips	37,377	38,695
Total Net Assets with Donor Restrictions	<u>\$ 242,855</u>	<u>\$ 324,621</u>

Board restricted amounts are funds that are set aside for Mission Projects and Trips. Board restricted funds were \$220,803 and \$117,114 as of June 30, 2021 and 2020, respectively.

### **Note H – Related Parties**

The Organization rents various retail store space from a company owned by various board members on a month-to-month basis. This related company donates the rental fees it charges back to the Organization. Donated rent for the years ended June 30, 2021 and 2020 totaled \$20,284 and \$17,481, respectively and is included in the accompanying statements of activities as contribution income and rental expense.

### **Note I – Risks and Uncertainties**

The Organization's operations are heavily dependent on private and public donations from various sources. The COVID-19 outbreak may have continued material adverse impact on economic and market conditions, triggering a period of national economic slowdown. This situation may depress donations during the fiscal year 2022 and ultimately negatively impact the Organization's financial condition and liquidity and may hinder the Organization's ability to advance their mission.

## NOTES TO FINANCIAL STATEMENTS

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**WORLD MISSION, INC.**

For the years ended June 30, 2021 and 2020

### ***Note J – Employee Retirement Plan***

The Organization adopted a 401(k) retirement plan for all eligible employees effective January 1, 2012. The Organization's retirement plan requires the Organization to contribute a match of 50% up to 2% of an eligible employee's salary. Total retirement plan expense was \$5,525 and \$4,853 for June 30, 2021 and 2020, respectively.

### ***Note K – Subsequent Event***

Subsequent to year end the Organization renewed its note payable that was due August 17, 2021. The loan was renewed on July 8, 2021 and is now due July 17, 2026. The new note payable requires monthly payments of \$2,430 including interest at 3.4% and is secured by the related property.