

**NEIGHBORS' LINK, CORPORATION
FINANCIAL STATEMENTS
DECEMBER 31, 2009**

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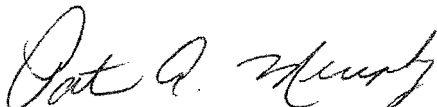
INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Neighbors' Link Corporation

We have audited the accompanying statements of financial position of Neighbors' Link, Corporation (a non-profit organization incorporated under the laws of the State of New York) as of December 31, 2009 and 2008, and the related statements of activities, changes in net assets and functional expenses for the year ended December 31, 2009 and cash flows for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Neighbors' Link Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Neighbors' Link, Corporation as of December 31, 2009 and 2008 and the activities, changes in net assets and functional expenses for the year ended December 31, 2009 and cash flows for the years ended December 31, 2009 and 2008 in conformity with generally accepted accounting principles.



June 17, 2010
White Plains, New York

NEIGHBORS' LINK, CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2009 and 2008

ASSETS

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents - Undesignated	\$573,692	\$349,382
- Board designated (Note 4)	400,000	400,000
Prepaid expenses	2,346	2,328
Property, plant and equipment, net of accumulated depreciation of 42,895 and 36,451	<u>8,145</u>	<u>8,609</u>
TOTAL ASSETS	<u>\$984,183</u>	<u>\$760,319</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$2,199	\$1,826
Deferred revenue	<u>123,000</u>	<u>124,500</u>
TOTAL LIABILITIES	125,199	126,326

NET ASSETS

Unrestricted (Note 4):		
Board designated	400,000	400,000
Undesignated	<u>458,984</u>	<u>233,993</u>
	858,984	633,993
TOTAL LIABILITIES AND NET ASSETS	<u>\$984,183</u>	<u>\$760,319</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NEIGHBORS' LINK, CORPORATION

STATEMENTS OF CASH FLOWS

DECEMBER 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Increase in net assets	\$224,991	\$162,053
Adjustments to reconcile increase in net income to cash provided by operating activities:		
Depreciation	6,444	9,260
(Increase) decrease in prepaid assets	(18)	(876)
(Decrease) increase in deferred revenue	(1,500)	(41,120)
Increase (decrease) in accounts payable	<u>373</u>	<u>(8,339)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>230,290</u>	<u>120,978</u>
CASH (USED) FOR INVESTING ACTIVITIES		
Investment in equipment	<u>(5,980)</u>	
NET INCREASE IN CASH	224,310	120,978
Balance at January 1,	<u>749,382</u>	<u>628,404</u>
Balance at December 31,	<u>\$973,692</u>	<u>\$749,382</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NEIGHBORS' LINK, CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2009

(With Comparative Totals for the Year Ended December 31, 2008)

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fundraising</u>	<u>2009 Total</u>	<u>2008 Total</u>
Donated services	\$296,301	\$37,037	\$37,037	\$370,375	\$302,470
Salaries	292,346	12,556	66,300	371,202	312,171
Payroll taxes	24,433	1,222	4,887	30,542	34,602
Payroll service	2,200	110	440	2,750	2,280
Employee health benefits	7,500		2,266	9,766	5,495
Program - cafe	60,742			60,742	49,275
- other	35,399			35,399	23,629
Lease obligation	119,687	2,493	2,493	124,673	131,031
Custodial and maintenance	15,844			15,844	5,406
Utilities	15,622	702	281	16,605	16,559
Insurance	6,250	1,000	300	7,550	7,352
Office expenses	10,257	500	500	11,257	9,882
Professional fees	19,354	4,944	4,910	29,208	28,264
Advertising and promotion	11,998	608		12,606	9,187
Volunteers	2,650		400	3,050	17,530
Fundraising			45,674	45,674	42,570
Emergency Shelter	1,300			1,300	
Depreciation	<u>4,622</u>	<u>113</u>	<u>1,709</u>	<u>6,444</u>	<u>9,260</u>
	\$926,505	\$61,285	\$167,197	\$1,154,987	\$1,006,963

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NEIGHBORS LINK CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

Note 1- **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Neighbors Link's mission is to strengthen the community by actively enhancing the healthy integration of recent Latino immigrants. Neighbors Link staff, along with over 130 community volunteers, offers programs in adult education, employment and economic development, computer skills, leadership training and recreation and community building.

Neighbors Link offers a collaboration of community groups under one roof. These include WestCop Head Start, Casa de Lengua (Greeley High School Tutors) Lexington Center for Recovery, Inc., Northern Westchester Hospital, Open Door Medical Clinic, Grupo Fenix (Alcoholics Anonymous), Westchester Community College, Mount Kisco Elementary Schools and ESL tutorial program.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Use of Estimates

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

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program and supporting services benefited.

NEIGHBORS LINK CORPORATION
NOTES TO FINANCIAL STATEMENTS
(continued)

Note 1- **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)**

Property and Equipment

Neighbors Link records purchases of property and equipment at cost. Major additions and improvements are capitalized, while maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed currently. Depreciation is provided by using the straight-line method over the estimated useful lives of the assets.

Amortization of Leasehold Improvements

Amortization of leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term or the estimated useful lives of the improvements.

Income Taxes

Neighbors Link is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Neighbors Link considers all highly liquid investments, such as bank certificates of deposit, available for current use with an initial maturity of one year or less to be cash equivalents.

NEIGHBORS LINK CORPORATION

NOTES TO FINANCIAL STATEMENTS

(continued)

Note 2- LEASE COMMITMENTS

Neighbors Link leases the premises at 27 Columbus Avenue, Mount Kisco, New York. Under the terms of the lease, which expires in May, 2013, Neighbors Link is obligated to pay a portion of the real estate taxes and fire insurance premiums. The lease may be extended for five additional years after 2013 or may be terminated in the last two years of the lease. Minimum rent is \$105,600 with annual rent increases the greater of 2.5% or the CPI but not greater than 5%.

Note 3 - DONATED GOODS AND SERVICES

Donated services are recognized as contributions in accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization. Donated goods are recorded at fair market value. Volunteers also provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under SFAS No. 116 were not met.

Note 4 - RESTRICTIONS ON ASSETS

The financial statements of Neighbors' Link Corporation follow the recommendations of the Financial Accounting Standards Board Statement Of Financial Accounting Standards (SFAS) No. 117, "Financial Statements Of Not-For-Profit Organizations". Under SFAS No. 117, Neighbors' Link is required to report information regarding its financial position and

NEIGHBORS LINK CORPORATION
NOTES TO FINANCIAL STATEMENTS
(continued)

activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets, based on the existence or absence of donor imposed restrictions. In 2009 and 2008 the Board of Directors designated \$400,000 of unrestricted assets be set aside for future expansion of Neighbors Link programs.

Note 5 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject Neighbors Link Corporation to concentrations of credit risk consist of cash in financial institutions that from time to time exceed the Federal depository insurance coverage.

Note 6 - COMPARATIVE TOTALS

The amounts shown for the year ended December 31, 2008 in the accompanying financial statements are included to provide a basis for comparison with 2009 and present summarized totals only. Accordingly, the 2008 amounts are not intended to present all information necessary for a fair presentation in conformity with generally accepted accounting principles. Certain reclassifications have been made to some prior year account balances in order to conform to current year presentation.