

**NEIGHBORS' LINK, CORPORATION
FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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DECEMBER 31, 2010

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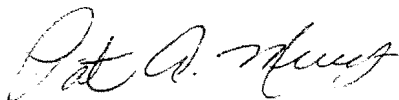
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Neighbors' Link Corporation

I 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, 2010 and 2009, and the related statements of activities, changes in net assets and functional expenses for the year ended December 31, 2010 and cash flows for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Neighbors' Link Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I 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. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Neighbors' Link, Corporation as of December 31, 2010 and 2009 and the activities, changes in net assets and functional expenses for the year ended December 31, 2010 and cash flows for the years ended December 31, 2010 and 2009 in conformity with generally accepted accounting principles.



April 26, 2011
White Plains, New York

NEIGHBORS' LINK, CORPORATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2010 and 2009

ASSETS

	<u>2010</u>	<u>2009</u>
Cash and cash equivalents - Undesignated	\$595,411	\$573,692
- Board designated (Note 4)	500,000	400,000
Prepaid expenses	2,329	2,346
Other	6,624	-
Property, plant and equipment, net of accumulated depreciation of 15,994 and 36,451	<u>13,503</u>	<u>8,145</u>
TOTAL ASSETS	<u>\$1,117,867</u>	<u>\$984,183</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$1,493	\$2,199
Deferred revenue	<u>103,000</u>	<u>123,000</u>
TOTAL LIABILITIES	<u>104,493</u>	<u>125,199</u>

NET ASSETS

Unrestricted (Note 4):		
Board designated	500,000	400,000
Undesignated	<u>513,374</u>	<u>458,984</u>
	<u>1,013,374</u>	<u>858,984</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$1,117,867</u>	<u>\$984,183</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NEIGHBORS' LINK, CORPORATION

STATEMENTS OF CASH FLOWS

DECEMBER 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Increase in net assets	\$154,390	\$224,991
Adjustments to reconcile increase in net income to cash provided by operating activities:		
Depreciation	6,114	6,444
(Increase) decrease in prepaid assets	17	(18)
(Increase) in other assets	(6,624)	
(Decrease) in deferred revenue	(20,000)	(1,500)
(Decrease) increase in accounts payable	<u>(706)</u>	<u>373</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>133,191</u>	<u>230,290</u>
CASH (USED) FOR INVESTING ACTIVITIES		
Investment in equipment	<u>(11,472)</u>	<u>(5,980)</u>
NET INCREASE IN CASH	121,719	224,310
Balance at January 1,	<u>973,692</u>	<u>749,382</u>
Balance at December 31,	<u>\$1,095,411</u>	<u>\$973,692</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NEIGHBORS' LINK, CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2010

(With Comparative Totals for the Year Ended December 31, 2009)

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fundraising</u>	<u>2010 Total</u>	<u>2009 Total</u>
Salaries	\$327,323	\$24,716	\$71,518	\$423,557	\$371,202
Payroll taxes	28,590	1,787	5,361	35,738	30,542
Payroll service	1,778	1,000	450	3,228	2,750
Employee health benefits	9,045	798	2,394	12,237	9,766
Professional development	1,149			1,149	-
Program - cafe	52,643			52,643	60,742
- other	54,732			54,732	35,399
Lease obligation	122,869	2,560	2,560	127,989	124,673
Custodial and maintenance	8,554			8,554	15,844
Utilities	15,742	700	281	16,723	16,605
Insurance	7,738	718		8,456	7,550
Office expenses	12,873	700	620	14,193	9,851
Professional fees	27,174	10,000		37,174	29,208
Advertising and promotion	17,000	1,276		18,276	12,606
Volunteers	5,789			5,789	3,050
Emergency shelter				0	1,300
Fundraising: events			54,567	54,567	38,327
other			21,276	21,276	8,753
Depreciation	4,405		1,709	6,114	6,444
	697,404	44,255	160,736	902,395	784,612
Donated services	281,375	30,000	30,050	341,425	370,375
Total	\$978,779	\$74,255	\$190,786	\$1,243,820	\$1,154,987

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**NEIGHBORS LINK CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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

Nature of Activities

Neighbors Link's mission is to strengthen the whole community by actively enhancing the healthy integration of recent immigrants. Neighbors Link staff, along with over 300 community volunteers, offers programs in adult education, employment and economic development, computer skills, leadership training and recreation and community building.

Neighbors Link offers its programs in collaboration with the following partners: WestCop Head Start, Casa de Lengua (Greeley High School Tutors) Lexington Center for Recovery, Inc., Northern Westchester Hospital, Open Door Family Medical Clinic, Westchester Community College, Mount Kisco Elementary Schools, Bedford Central School District and the Mount Kisco Police Department.

In 2010 Neighbors Link Corporation entered into an affiliation agreement with Neighbors Link National Corporation. A number of individuals serve as members of the Board of Directors of both Neighbors Link Corporation and Neighbors Link National Corporation.

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.

NEIGHBORS LINK CORPORATION
NOTES TO FINANCIAL STATEMENTS
(continued)

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

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.

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 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. 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 2010 and 2009 the Board of Directors designated \$500,000 and \$400,000, respectively of unrestricted assets to 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, 2009 in the accompanying financial statements are included to provide a basis for comparison with 2010 and present summarized totals only. Accordingly, the 2009 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.