

**NEIGHBORS LINK CORPORATION  
FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Neighbors Link Corporation

### **Report on the Financial Statements**

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, 2015 and 2014, and the related statements of activities, changes in net assets and cash flows for the years then ended and statement of functional expenses for the year ended December 31, 2015.

### **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 controls 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**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards general accepted in the United States of America. Those standards require that I 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, I 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**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, 2015 and 2014 and the activities, changes in net assets and cash flows for the years then ended and functional expenses for the year ended December 31, 2015 in conformity with United States generally accepted accounting principles.



May 3, 2016  
White Plains, New York

**NEIGHBORS LINK CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2015 and 2014**

**ASSETS**

	<b><u>2015</u></b>	<b><u>2014</u></b>
Cash and cash equivalents - Undesignated (Note 4)	\$1,124,090	\$755,622
- Family Center Campaign (Note 5)	-	216,876
- Board designated (Note 4)	600,000	600,000
Prepaid expenses	13,544	8,541
Rent security deposit	6,374	6,312
Property, plant and equipment, net (Note 1)	<u>48,170</u>	<u>57,637</u>
<b>TOTAL ASSETS</b>	<b><u>\$1,792,178</u></b>	<b><u>\$1,644,988</u></b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable ( Note 1)	\$1,735	\$6,350
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**NET ASSETS**

Temporarily restricted (Note 5)	234,520	438,369
Unrestricted (Note 4):		
Board designated	600,000	600,000
Undesignated	<u>955,923</u>	<u>600,269</u>
Total unrestricted net assets	<u>1,555,923</u>	<u>1,200,269</u>
<b>TOTAL NET ASSETS</b>	<b><u>1,790,443</u></b>	<b><u>1,638,638</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$1,792,178</u></b>	<b><u>\$1,644,988</u></b>

**SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS**



**NEIGHBORS LINK CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**DECEMBER 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$151,805	\$93,903
Adjustments to reconcile increase in net income to cash provided by operating activities:		
Depreciation	33,733	32,210
(Increase) in prepaid assets	(5,003)	(185)
(Increase) decrease in other assets	(62)	1,468
Increase (decrease) in accounts payable	<u>(4,615)</u>	<u>234</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>175,858</u>	<u>127,630</u>
<b>CASH (USED) FOR INVESTING ACTIVITIES</b>		
Investment in equipment	<u>(24,266)</u>	<u>(22,658)</u>
<b>NET INCREASE IN CASH</b>	<b>151,592</b>	<b>104,972</b>
<b>Balance at January 1,</b>	<u><b>1,572,498</b></u>	<u><b>1,467,526</b></u>
<b>Balance at December 31,</b>	<u><b>\$1,724,090</b></u>	<u><b>\$1,572,498</b></u>

**SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS**

NEIGHBORS LINK CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fundraising</u>	<u>2015 Total</u>	<u>2014 Total</u>
Salaries	\$696,131	\$44,732	\$93,022	\$833,885	\$794,707
Payroll taxes	58,819	4,304	8,607	71,730	67,234
Payroll service	5,082	302	665	6,049	6,456
Employee health benefits	27,125	1,985	3,969	33,079	32,648
Program: cafe	51,466			51,466	50,982
community	93,183			93,183	72,595
Lease obligation	89,113	1,858	1,858	92,829	91,119
Custodial and maintenance	17,362			17,362	16,785
Utilities	27,789	600	800	29,189	32,004
Insurance	32,772	1,000	1,000	34,772	26,663
Office expenses	21,539	2,415	1,500	25,454	15,937
Professional fees	7,520	21,900		29,420	30,892
Advertising and promotion	12,609	1,400	3,500	17,509	11,572
Volunteers	7,853			7,853	3,482
Fundraising: events			75,076	75,076	74,987
other			22,821	22,821	15,635
Affiliation fee	33,873			33,873	30,442
Depreciation	30,940	2,793		33,733	32,210
Strategic review and database development	<u>38,555</u>			<u>38,555</u>	<u>24,911</u>
	1,251,731	83,289	212,818	1,547,838	1,431,261
Donated services	<u>302,995</u>	<u>19,000</u>	<u>27,000</u>	<u>348,995</u>	<u>384,375</u>
<b>Total</b>	<b><u>\$1,554,726</u></b>	<b><u>\$102,289</u></b>	<b><u>\$239,818</u></b>	<b><u>\$1,896,833</u></b>	<b><u>\$1,815,636</u></b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**NEIGHBORS LINK CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

**Nature of Activities**

The mission of Neighbors Link Corporation (d/b/a Neighbors Link Northern Westchester) is to strengthen the whole community by actively enhancing the healthy integration of immigrants. Neighbors Link staff, along with over 300 community volunteers, offers programs in adult education, employment and economic development, workforce education, leadership training and recreation and community building.

Neighbors Link offers its programs in collaboration with the following partners: Lexington Center for Recovery, Inc., Northern Westchester Hospital, Open Door Family Medical Clinic, Westchester Community College, Pace Community Law Practice, Bedford Central School District, Ossining School District and the Westchester County Police Department.

In 2010 Neighbors Link Corporation entered into an affiliation agreement with Neighbors Link National Corporation (d/b/a Neighbors Link Network). A number of individuals serve as members of the Board of Directors of both Neighbors Link Corporation and Neighbors Link Network. An affiliation fee of two percent of cash revenue is due on December 31 of each year to Neighbors Link Network. This fee was \$33,873 and \$30,442 for 2015 and 2014, respectively.

**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.

At December 31, 2015 and 2014 property, plant and equipment consisted of the following:

	<u>2015</u>	<u>2014</u>
Equipment	\$136,888	119,649
Leasehold improvements	<u>52,615</u>	<u>45,588</u>
Total assets	189,503	165,237
Less: accumulated depreciation	<u>(141,333)</u>	<u>(107,600)</u>
Net assets	\$48,170	\$57,637

**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.

**NEIGHBORS LINK CORPORATION**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**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.

**Note 2- LEASE COMMITMENTS**

Neighbors Link leases the premises at 27 Columbus Avenue, Mount Kisco, New York. The lease is for a five year period, terminating in May, 2018 with an option to extend the lease for an additional five year period. Under the terms of the lease Neighbors Link is obligated to continue paying all real estate taxes and fire insurance premiums. Rental payments over the next four years are as follows:

2016	76,953	2018	32,520
2017	77,723		

**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 2015 and 2014 the Board of Directors designated \$600,000 of unrestricted assets to be set aside to assure the future delivery and expansion of Neighbor's Link programs.

**Note 5 - FAMILY CENTER CAMPAIGN**

In 2012 Neighbors Link solicited funds to cover the operating expenses for the Family Center located at 27 Columbus Avenue, Mount Kisco, New York for 2012 and the next three years. The Family Center Campaign ended in May 2014 and raised \$1,536,670 including pledges paid in 2015 and expected in 2016. During 2015 pledges of \$107,750 were paid to the organization and the balance is expected in 2016. All campaign funds raised were expended only on Family Center expenses. Once the campaign funds were expended, the organization's annual fundraising efforts continue to fund the work of the Family Center.

**Note 6 - 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 7 - COMPARATIVE TOTALS**

The amounts shown for the year ended December 31, 2014 in the accompanying financial statements are included to provide a basis for comparison with 2015 and present summarized totals only. Accordingly, the 2014 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.

**NEIGHBORS LINK CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**Note 8 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events that occurred after December 31, 2015 and through May 3, 2016 and determined that no adjustment or disclosure to the financial statements was required.