

**NEIGHBORS' LINK, CORPORATION
FINANCIAL STATEMENTS
DECEMBER 31, 2013**

**NEIGHBORS' LINK, CORPORATION
FINANCIAL STATEMENTS
DECEMBER 31, 2013**

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	4
STATEMENT OF CASH FLOWS	5
STATEMENT OF FUNCTIONAL EXPENSES	6
NOTES TO FINANCIAL STATEMENTS	7-11

Patricia A. Murphy

Certified Public Accountant

2 William Street

White Plains, New York 10601

(914) 681-0113

Fax (914) 949-1383

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, 2013 and 2012, 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, 2013.

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

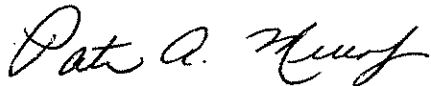
My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards general accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether 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, 2013 and 2012 and the activities, changes in net assets and cash flows for the years then ended and functional expenses for the year ended December 31, 2013 in conformity with United States generally accepted accounting principles.



May 20, 2014

White Plains, New York

NEIGHBORS' LINK, CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 and 2012

ASSETS

	<u>2013</u>	<u>2012</u>
Cash and cash equivalents - Undesignated (Note 4)	\$461,698	\$530,069
- Family Center (Note 5)	405,828	264,949
- Board designated (Note 4)	600,000	600,000
Prepaid expenses	8,356	2,227
Rent security deposit	6,250	9,804
Other	1,530	-
Property, plant and equipment, net (Note 1)	<u>67,189</u>	<u>63,540</u>
TOTAL ASSETS	<u>\$1,550,851</u>	<u>\$1,470,589</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable (Note 1)	\$6,116	\$10,152
Deferred revenue	-	68,000
TOTAL LIABILITIES	<u>6,116</u>	<u>78,152</u>

NET ASSETS

Temporarily restricted (Note 5)	405,828	264,949
Unrestricted (Note 4):		
Board designated	600,000	600,000
Undesignated	<u>538,907</u>	<u>527,488</u>
Total unrestricted net assets	<u>1,138,907</u>	<u>1,127,488</u>
TOTAL NET ASSETS	<u>1,544,735</u>	<u>1,392,437</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$1,550,851</u>	<u>\$1,470,589</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NEIGHBORS' LINK, CORPORATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2013

(With Comparative Totals for the Year Ended December 31, 2012)

	<u>Unrestricted</u>	<u>2013 Temporarily Restricted</u>	<u>Total</u>	<u>2012 Total</u>
REVENUE AND SUPPORT:				
Event income	\$327,713		\$327,713	\$393,723
Family Center Individuals (Note 5)	-	\$281,544	281,544	465,750
foundations	-	252,275	252,275	113,500
Program income	177,402		177,402	167,890
Foundation and other grants	76,000	150,922	226,922	151,500
Use of space	4,800		4,800	12,900
Contributions community organizations	17,256		17,256	21,483
individuals	167,453		167,453	162,588
Interest	<u>1,695</u>		<u>1,695</u>	<u>2,116</u>
	772,319	684,741	1,457,060	1,491,450
Donated services	<u>364,025</u>		<u>364,025</u>	<u>379,875</u>
	1,136,344	684,741	1,821,085	1,871,325
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>543,862</u>	<u>(543,862)</u>		
TOTAL REVENUE AND SUPPORT	<u>1,680,206</u>	<u>140,879</u>	<u>1,821,085</u>	<u>1,871,325</u>
EXPENSES:				
Program expenses	1,406,950		1,406,950	1,221,920
General and supporting expenses	75,239		75,239	62,646
Fundraising expenses	<u>186,598</u>		<u>186,598</u>	<u>211,621</u>
TOTAL EXPENSES	<u>1,668,787</u>		<u>1,668,787</u>	<u>1,496,187</u>
INCREASE IN NET ASSETS	11,419	140,879	152,298	375,138
Net Assets, Beginning of year	<u>1,127,488</u>	<u>264,949</u>	<u>1,392,437</u>	<u>1,017,299</u>
Net Assets, End of year	<u>\$1,138,907</u>	<u>\$405,828</u>	<u>\$1,544,735</u>	<u>\$1,392,437</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NEIGHBORS' LINK, CORPORATION
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Increase in net assets	\$152,298	\$375,138
Adjustments to reconcile increase in net income to cash provided by operating activities:		
Depreciation	31,589	19,336
(Increase) in prepaid assets	(6,129)	(10)
Decrease in other assets	2,024	1,283
(Decrease) in deferred revenue	(68,000)	(15,000)
(Decrease) in accounts payable	<u>(4,036)</u>	<u>(13,026)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>107,746</u>	<u>367,721</u>
CASH (USED) FOR INVESTING ACTIVITIES		
Investment in equipment	<u>(35,238)</u>	<u>(55,829)</u>
NET INCREASE IN CASH	72,508	311,892
Balance at January 1,	<u>1,395,018</u>	<u>1,083,126</u>
Balance at December 31,	<u>\$1,467,526</u>	<u>\$1,395,018</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NEIGHBORS' LINK, CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013
(With Comparative Totals for the Year Ended December 31, 2012)

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fundraising</u>	<u>2013 Total</u>	<u>2012 Total</u>
Salaries	\$561,109	\$45,965	\$64,781	\$671,855	\$519,190
Payroll taxes	43,878	2,742	8,227	54,847	43,635
Payroll service	4,863	398	561	5,822	4,435
Employee health benefits	20,010	1,332	3,997	25,339	16,938
Professional development				-	1,269
Program - cafe	55,494			55,494	52,156
community	78,178			78,178	64,742
Lease obligation	105,335	2,162	2,162	109,659	136,751
Custodial and maintenance	19,527			19,527	19,805
Utilities	30,349	1,000	1,000	32,349	24,142
Insurance	12,309	1,000	1,000	14,309	8,453
Office expenses	17,497	715	620	18,832	19,019
Professional fees	18,000	8,732	4,250	30,982	32,334
Advertising and promotion	17,996	1,400	3,500	22,896	13,471
Volunteers	9,943			9,943	6,631
Fundraising: events				51,829	51,502
other				13,371	30,486
Affiliation fee	28,280			28,280	29,698
Depreciation	<u>29,796</u>	<u>1,793</u>		<u>31,589</u>	<u>19,336</u>
Non-recurring expenses -	1,052,564	67,239	155,298	1,275,101	1,093,993
Strategic review and database development	<u>29,661</u>			<u>29,661</u>	<u>22,319</u>
	1,082,225	67,239	155,298	1,304,762	1,116,312
Donated services	<u>324,725</u>	<u>8,000</u>	<u>31,300</u>	<u>364,025</u>	<u>379,875</u>
Total	<u>\$1,406,950</u>	<u>\$75,239</u>	<u>\$186,598</u>	<u>\$1,668,787</u>	<u>\$1,496,187</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**NEIGHBORS LINK CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, computer skills, 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, Mount Kisco Elementary Schools, Bedford Central School District, the Mount Kisco Police Department 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 \$28,280 and \$29,698 for 2013 and 2012, 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, 2013 and 2012 property, plant and equipment consisted of the following:

	<u>2013</u>	<u>2012</u>
Equipment	\$104,543	\$69,305
Leasehold improvements	<u>38,036</u>	<u>38,036</u>
Total assets	142,579	107,341
Less: accumulated depreciation	<u>(75,390)</u>	<u>(43,801)</u>
Net assets	\$67,189	\$63,540

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 five years are as follows:

2014	75,441	2017	77,723
2015	76,197	2018	32,520
2016	76,953		

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 2013 and 2012 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

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. A total of \$533,819 and \$579,250 was raised in 2013 and 2012, respectively. Expenses totaling \$ 392,940 \$314,301 were incurred. The balance of \$405,828, together with \$25,000 of unrestricted seed funds from prior years, remains available for future expenses of the Family Center. In addition, approximately \$230,000 was received in pledges for the Family Center to be paid over the next two years.

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, 2012 in the accompanying financial statements are included to provide a basis for comparison with 2013 and present summarized totals only. Accordingly, the 2012 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.

Note 8 - SUBSEQUENT EVENTS

Management has evaluated subsequent events that occurred after December 31, 2013 and through May 20, 2014 and determined that no adjustment or disclosure to the financial statements was required.