

**CENTERLINK, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**



**Webb & Company, P.A.**

*Certified Public Accountants*

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**CENTERLINK, INC.**

**TABLE OF CONTENTS**

|  | PAGE |
|--|------|
| Independent Auditors' Report   | 1    |
| Financial Statements   |      |
| Statements of Financial Position at December 31, 2010 and 2009                                       | 2    |
| Statements of Activities and Changes in Net Assets for the Years Ended<br>December 31, 2010 and 2009 | 3    |
| Statements of Cash Flows for the Years Ended December 31, 2010 and<br>2009                           | 4    |
| Notes to Financial Statements  | 5-9  |
| Supplementary Financial Information  |      |
| Independent Auditors' Report on Supplemental Financial Information                                   | 10   |
| Schedule of Functional Expense - 2010  | 11   |
| Schedule of Functional Expense - 2009  | 12   |



**Webb & Company, P.A.**

*Certified Public Accountants*

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
CenterLink, Inc.  
New York, NY

We have audited the accompanying statements of financial position of CenterLink, Inc. (a nonprofit organization) as of December 31, 2010 and 2009 and the related statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of CenterLink, Inc.'s management. 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 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 that our audits provide 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 CenterLink, Inc. as of December 31, 2010 and 2009, and its changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Webb & Company, P.A.*

WEBB & COMPANY, P.A.  
*Certified Public Accountants*  
Boynton Beach, Florida

February 22, 2011

**CENTERLINK, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31**

|  | <b><u>ASSETS</u></b> |                   |
|--|----------------------|-------------------|
|  | <u>2010</u>          | <u>2009</u>       |
| <b>ASSETS</b>  |                      |                   |
| Current assets   |                      |                   |
| Cash and cash equivalents  | \$ 120,620           | \$ 144,634        |
| Accounts receivable, net of provision for uncollectible<br>accounts of \$0 and \$0, respectively | 13,692               | 14,391            |
| Grants receivable, net of provision for uncollectible<br>accounts of \$0 and \$0, respectively   | 50,000               | 50,000            |
| Prepaid expenses   | 4,540                | 2,442             |
| Total Current Assets   | <u>188,852</u>       | <u>211,467</u>    |
| <b>PROPERTY AND EQUIPMENT</b>  |                      |                   |
| Computers  | 5,484                | 4,554             |
| Less: Accumulated depreciation   | <u>(4,476)</u>       | <u>(3,282)</u>    |
| Net property and equipment   | 1,008                | 1,272             |
| <b>OTHER ASSETS</b>  |                      |                   |
| Deposit  | 650                  | 650               |
| <b>TOTAL ASSETS</b>  | <u>\$ 190,510</u>    | <u>\$ 213,389</u> |
| <br><b><u>LIABILITIES AND NET ASSETS</u></b>   |                      |                   |
| <b>LIABILITIES AND NET ASSETS</b>  |                      |                   |
| Current liabilities  |                      |                   |
| Accounts payable and accrued expenses  | \$ 4,921             | \$ 8,963          |
| Deferred revenue   | 18,341               | 56,845            |
| Total liabilities  | <u>23,262</u>        | <u>65,808</u>     |
| Net assets   |                      |                   |
| Unrestricted   | 117,248              | 77,478            |
| Temporarily restricted   | 50,000               | 70,103            |
| Total Net Assets   | <u>167,248</u>       | <u>147,581</u>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>  | <u>\$ 190,510</u>    | <u>\$ 213,389</u> |

See accompanying notes to financial statements.

**CENTERLINK, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31**

|   | 2010         |                        |            | 2009         |                        |            |
|---|--------------|------------------------|------------|--------------|------------------------|------------|
|   | Unrestricted | Temporarily Restricted | Total      | Unrestricted | Temporarily Restricted | Total      |
| <b>Revenue</b>  |              |                        |            |              |                        |            |
| Grants  | \$ 171,682   | \$ 50,000              | \$ 221,682 | \$ 153,127   | \$ 70,103              | \$ 223,230 |
| Membership dues                                       | 32,965       | -                      | 32,965     | 30,150       | -                      | 30,150     |
| In-kind   | 21,045       | -                      | 21,045     | 16,289       | -                      | 16,289     |
| Contributions   | 73,377       | -                      | 73,377     | 75,678       | -                      | 75,678     |
| Conference income                                     | 9,383        | -                      | 9,383      | 8,304        | -                      | 8,304      |
| Interest Income                                       | 350          | -                      | 350        | 646          | -                      | 646        |
| Net assets released from purpose and time restriction | 70,103       | (70,103)               | -          | 59,583       | (59,583)               | -          |
| Total Revenue   | 378,905      | (20,103)               | 358,802    | 343,777      | 10,520                 | 354,297    |
| <b>Expenses</b>                                       |              |                        |            |              |                        |            |
| Program services                                      | 317,136      | -                      | 317,136    | 324,056      | -                      | 324,056    |
| General and administrative                            | 9,313        | -                      | 9,313      | 13,214       | -                      | 13,214     |
| Fundraising services                                  | 12,686       | -                      | 12,686     | 8,981        | -                      | 8,981      |
| Total Expenses  | 339,135      | -                      | 339,135    | 346,251      | -                      | 346,251    |
| <b>Change in Net Assets</b>                           | 39,770       | (20,103)               | 19,667     | (2,474)      | 10,520                 | 8,046      |
| Net Assets, Beginning of year                         | 77,478       | 70,103                 | 147,581    | 79,952       | 59,583                 | 139,535    |
| Net Assets, End of year                               | \$ 117,248   | \$ 50,000              | \$ 167,248 | \$ 77,478    | \$ 70,103              | \$ 147,581 |

See accompanying notes to financial statements.

**CENTERLINK, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31**

|  | <u>2010</u>              | <u>2009</u>              |
|--|--------------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                          |                          |
| Change in net assets   | \$ 19,667                | \$ 8,046                 |
| Adjustments to reconcile change in net assets to cash provided by<br>(used in) operating activities: |                          |                          |
| Depreciation   | 1,194                    | 1,039                    |
| (Increase) decrease in operating assets:   |                          |                          |
| Accounts receivable  | 699                      | (764)                    |
| Grants receivable  | -                        | (25,000)                 |
| Prepaid expenses   | (2,098)                  | (1,377)                  |
| Deposits   | -                        | (500)                    |
| Increase (decrease) in operating liabilities:  |                          |                          |
| Accounts payable and accrued expenses  | (4,042)                  | 5,596                    |
| Deferred income  | (38,504)                 | 56,745                   |
| Net Cash Provided By (Used In) Operating Activities  | <u>(23,084)</u>          | <u>43,785</u>            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                          |                          |
| Purchase of Property and Equipment   | <u>(930)</u>             | <u>-</u>                 |
| Net Cash Used In Investing Activities  | <u>(930)</u>             | <u>-</u>                 |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH<br/>EQUIVALENTS</b>                                      | <b>(24,014)</b>          | <b>43,785</b>            |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>  | <b><u>144,634</u></b>    | <b><u>100,849</u></b>    |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>  | <b>\$ <u>120,620</u></b> | <b>\$ <u>144,634</u></b> |

See accompanying notes to financial statements.

**CENTERLINK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE 1**     **ORGANIZATION AND NATURE OF ACTIVITIES**

CenterLink, Inc. (formerly The National Association of Lesbian, Gay, Bisexual, and Transgender Community Centers) is a Not-for-Profit organization incorporated in Delaware in January of 2001. Its purpose is to provide technical assistance, training, cross-training and regional and national networking opportunities for 200 community centers nationwide. The organization formally changed its name to CenterLink, Inc. in February 2008.

**NOTE 2**     **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

Financial statement presentation follows the recommendations of FASB ASC 958, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, CenterLink, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, the net assets of CenterLink, Inc. and changes therein are classified and reported as follows:

**Unrestricted Funds**

Unrestricted net assets represent resources over which the Board of Directors has discretionary control and are used to carry out operations of CenterLink, Inc. in accordance with its bylaws. CenterLink, Inc. has elected to report contributions which are released from restrictions in the year received as unrestricted contributions.

**Temporarily Restricted Funds**

Temporarily restricted net assets represent contributions which have been restricted by donors for specific programs or activities. Donor-restricted support is reported as an increase in temporarily restricted net assets. Restrictions which have been met by the passage of time of expenditure of net assets are reported as net assets released from restrictions on the Statement of Activities.

CenterLink, Inc. does not have permanently restricted net assets.

**Basis of Accounting**

The financial statements of CenterLink, Inc. have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses when incurred.

**CENTERLINK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

**Cash and Cash Equivalents**

CenterLink, Inc. considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

**Accounts and Grants Receivable**

Accounts receivable are stated at their realizable value. Accounts receivable consist of amounts due from members and grants receivable represent commitments due from supporting organizations. It is the CenterLink, Inc's policy to charge off uncollectible accounts and grants receivable when management determines the receivable will not be collected.

**Property and Equipment**

Property and equipment are carried at cost and depreciated on a straight line method over the estimated useful lives of the assets, which is three years. Items costing less than \$500 are charged to expense.

**Contributions Revenue**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or absence of donor restrictions.

**Use of Estimates**

Management uses estimates and assumptions in the preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the reported revenues and expenses, and disclosures. Accordingly, actual results could differ from those estimates, which were assumed in preparing the financial statements.

**Income Taxes**

CenterLink, Inc. is a Not-for-Profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.



**CENTERLINK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

**Concentration of Credit Risk**

CenterLink, Inc. maintains four bank accounts at two banks, which, at times, may exceed federally insured limits. CenterLink, Inc. believes it is not exposed to any significant credit risk on its cash balances and has not experienced any losses in such accounts as of December 31, 2010 and 2009. The organization did not have any balances in excess of FDIC limits.

**Concentrations of Contributions**

During 2010 and 2009, the organization received contributions from one donor that made up approximately 13% and 12% of total revenue, respectively. In addition, in 2010 and 2009, the organization received contributions from different donors that made up approximately 14% and 28%, respectively. In 2010 and 2009, the organization received contributions from a third donor that made up approximately 21% and 7%, respectively.

As of December 31, 2010, 100% of the grant receivable balance was owed from donor A and as of December 31, 2009, 100% of the grant receivable balance was owed from donor A.

As of December 31, 2010, 73% of the accounts receivable balance was owed from donor B. As of December 31, 2009, 32% of the accounts receivable balance was owed from donor C.

**Conference Income**

Conference income consists of revenue earned from the executive summit held annually. Conference income is recognized when the conference is held.

**Deferred Income**

Deferred income consists of grants and membership dues received in advance, applicable to the following year. Membership revenue is recognized as soon as it has been earned. Grant revenue is recognized over the grant period.

**NOTE 3**     **PROPERTY AND EQUIPMENT**

Depreciation expense was \$1,194 and \$1,039 for the years ended December 31, 2010 and December 31, 2009.

**CENTERLINK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE 4**      **COMMITMENTS**

From 2008 to June 2009, CenterLink, Inc. was subleasing an office space in Lake Worth, FL on a month-to-month arrangement. In June 2009, the organization terminated the lease and began a new lease for office space in Ft. Lauderdale, FL on a month-to-month arrangement.

From June 2009 to May 2010, the organization was leasing the office space in Ft. Lauderdale, FL. on a month-to-month arrangement. In May 2010, the organization terminated the lease in Ft. Lauderdale, FL and began a new lease for office space in Ft. Lauderdale, FL. on a month-to-month arrangement in a building owned by another community center. The executive director of this community center is a Centerlink board member. On November 1, 2010, the month-to-month arrangement was terminated and the organization signed a lease agreement for office space in the same building for \$700 per month through October 31, 2011. Per the terms of the lease agreement, at the end of the lease term, the organization will have the option to extend the terms of the lease for three additional terms of one year (See Note 5).

In February 2009, the organization entered a sublease for office space in New York, New York on a month-to-month arrangement. Additionally, in October 2009, the organization leased a cubicle in New York, New York. The cubicle lease was terminated on January 1, 2010 and the office space sublease was terminated on December 31, 2010.

Rent expense and related expenses for the years ended December 31, 2010 and 2009, was \$11,676 and \$9,944, respectively.

**NOTE 5**      **RELATED PARTY TRANSACTIONS**

Through December 31, 2010 and December 31, 2009, various board members contributed \$13,892 and \$12,075, respectively, as donations.

In May 2010, the organization began a new lease for office space in Ft. Lauderdale, FL. on a month-to-month arrangement in a building owned by another community center. The executive director of this community center is a Centerlink board member. On November 1, 2010, the month-to-month arrangement was terminated and the organization signed a lease agreement for office space in the same building for \$700 per month through October 31, 2011. Per the terms of the lease agreement, the organization will have the option to extend the terms of the lease for three additional one year terms. Rent expense and related expenses paid to the related party for the years ended December 2010 and 2009, was \$4,700 and \$0, respectively. There are no amounts owed to the related party as of December 31, 2010 (See Note 4).

**CENTERLINK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE 6**     **DONATED ITEMS**

The value of donated services and in-kind organization related items in 2010 and 2009 was \$21,045 and \$16,289. These donated items have been recorded as in-kind revenue, as well as program services in the accompanying Statement of Activities and Changes in Net Assets.

**NOTE 7**     **TEMPORARILY RESTRICTED NET ASSETS**

At December 31, 2010 and 2009, the temporarily restricted net assets of CenterLink, Inc. were available for the following purposes:

| <u>Source</u>               | <u>Purpose</u>  | <u>2009</u>     | <u>Additions</u> | <u>Releases</u> | <u>2010</u>     |
|-----------------------------|-----------------|-----------------|------------------|-----------------|-----------------|
| H. Van Ameringen Foundation | General Support | \$50,000        | \$50,000         | \$50,000        | \$50,000        |
| Arcus Foundation            | General Support | -               | -                | -               | -               |
| Johnson Family Foundation   | General Support | 20,103          | -                | 20,103          | -               |
|                             | Total           | <u>\$70,103</u> | <u>\$50,000</u>  | <u>\$70,103</u> | <u>\$50,000</u> |

| <u>Source</u>               | <u>Purpose</u>  | <u>2008</u>     | <u>Additions</u> | <u>Releases</u> | <u>2009</u>     |
|-----------------------------|-----------------|-----------------|------------------|-----------------|-----------------|
| H. Van Ameringen Foundation | General Support | \$ -            | \$50,000         | \$ -            | \$50,000        |
| Arcus Foundadtion           | General Support | 45,000          | -                | 45,000          | -               |
| Johnson Family Foundation   | General Support | 14,583          | 20,103           | 14,583          | 20,103          |
|                             | Total           | <u>\$59,583</u> | <u>\$70,103</u>  | <u>\$59,583</u> | <u>\$70,103</u> |

**NOTE 8**     **SUBSEQUENT EVENT**

In preparing the financial statements, the Company has evaluated events and transaction for potential recognition or disclosure through February 22, 2011, the date the financial statements were issued.

## **SUPPLEMENTARY FINANCIAL INFORMATION**



**Webb & Company, P.A.**

*Certified Public Accountants*

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
CenterLink, Inc.  
New York, NY

Our report on our audits of the basic financial position of CenterLink, Inc. as of December 31, 2010 and 2009 appears on page 1. Our audits were performed for the purpose of forming an opinion on the basic financial statements of the organization taken as a whole. The schedule of functional expenses on pages 11 and 12 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Webb & Company, P.A.*

WEBB & COMPANY, P.A.  
*Certified Public Accountants*  
Boynton Beach, Florida

February 22, 2011

**CENTERLINK, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSE**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

|   | <u>Program</u>    | <u>General and<br/>Administrative</u> | <u>Fundraising</u> | <u>Total</u>      |
|---|-------------------|---------------------------------------|--------------------|-------------------|
| Salaries  | \$ 147,935        | \$ 5,292                              | \$ 7,217           | \$ 160,444        |
| Employee benefits                               | 15,068            | 734                                   | 562                | 16,364            |
| Payroll taxes                                   | <u>12,327</u>     | <u>547</u>                            | <u>416</u>         | <u>13,290</u>     |
| Total salaries and<br>Related employee benefits | 175,330           | 6,573                                 | 8,195              | 190,098           |
| In-kind expenses                                | 20,272            | -                                     | 773                | 21,045            |
| Occupancy                                       | 11,046            | 536                                   | 94                 | 11,676            |
| Consultants                                     | 31,500            | -                                     | -                  | 31,500            |
| Conferences and meetings                        | 6,446             | -                                     | 945                | 7,391             |
| Technical Assistance                            | 24,974            | -                                     | -                  | 24,974            |
| Travel and lodging                              | 18,499            | -                                     | 1,325              | 19,824            |
| Office supplies and expense                     | 2,565             | 808                                   | 231                | 3,604             |
| Accounting and auditing                         | 7,623             | 611                                   | 260                | 8,494             |
| Telephone and fax                               | 3,340             | 84                                    | 46                 | 3,470             |
| Insurance                                       | 1,562             | 106                                   | 26                 | 1,694             |
| Printing and publications                       | 980               | -                                     | -                  | 980               |
| Postage and shipping                            | 801               | 327                                   | 73                 | 1,201             |
| Depreciation                                    | 1,074             | 96                                    | 24                 | 1,194             |
| Dues and subscriptions                          | 1,578             | -                                     | 284                | 1,862             |
| Board expense                                   | 495               | -                                     | -                  | 495               |
| Repairs and maintenance                         | 7,948             | 172                                   | -                  | 8,120             |
| Bank charges                                    | <u>1,103</u>      | <u>-</u>                              | <u>410</u>         | <u>1,513</u>      |
| Total Expenses                                  | \$ <u>317,136</u> | \$ <u>9,313</u>                       | \$ <u>12,686</u>   | \$ <u>339,135</u> |

**CENTERLINK, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSE**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

|   | Program           | General and<br>Administrative | Fundraising     | Total             |
|---|-------------------|-------------------------------|-----------------|-------------------|
| Salaries  | \$ 155,043        | \$ 8,364                      | \$ 5,383        | \$ 168,790        |
| Employee benefits                               | 21,718            | 874                           | 54              | 22,646            |
| Payroll taxes                                   | 12,659            | 640                           | 387             | 13,686            |
| Total salaries and<br>Related employee benefits | 189,420           | 9,878                         | 5,824           | 205,122           |
| In-kind expenses                                | 16,289            | -                             | -               | 16,289            |
| Occupancy                                       | 9,387             | 555                           | 2               | 9,944             |
| Consultants                                     | 47,715            | -                             | -               | 47,715            |
| Conferences and meetings                        | 7,935             | -                             | 870             | 8,805             |
| Travel and lodging                              | 28,405            | -                             | 1,207           | 29,612            |
| Office supplies and expense                     | 2,708             | 1,477                         | 12              | 4,197             |
| Accounting and auditing                         | 7,169             | 745                           | 21              | 7,935             |
| Telephone and fax                               | 3,207             | 135                           | 142             | 3,484             |
| Insurance                                       | 868               | 56                            | 4               | 928               |
| Printing and publications                       | 1,852             | -                             | -               | 1,852             |
| Postage and shipping                            | 955               | 133                           | 25              | 1,113             |
| Depreciation                                    | 935               | 83                            | 21              | 1,039             |
| Dues and subscriptions                          | 1,613             | -                             | 284             | 1,897             |
| Board expense                                   | 321               | -                             | -               | 321               |
| Repairs and maintenance                         | 4,903             | 105                           | 251             | 5,259             |
| Bank charges                                    | 374               | 47                            | 318             | 739               |
| Total Expenses                                  | \$ <u>324,056</u> | \$ <u>13,214</u>              | \$ <u>8,981</u> | \$ <u>346,251</u> |