

**CENTERLINK, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**CENTERLINK, INC.**

**TABLE OF CONTENTS**

	PAGE
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position at December 31, 2020 and 2019	2
Statements of Activities and Changes in Net Assets for the Years Ended December 31, 2020 and 2019	3
Schedule of Functional Expense – 2020	4
Schedule of Functional Expense – 2019	5
Statements of Cash Flows for the Years Ended December 31, 2020 and 2019	6
Notes to Financial Statements	7-16

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
CenterLink, Inc.  
1001 W. Cypress Creek Rd.  
Fort Lauderdale, FL 33309

**Report on the Financial Statements**

We have audited the accompanying financial statements of CenterLink, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the two years then ended, and the related notes to the financial statements.

***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 control 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***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***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, 2020 and 2019, and the changes in its net assets and its cash flows for the two years then ended in accordance with accounting principles generally accepted in the United States of America.

*Liggett & Webb, P.A.*  
LIGGETT & WEBB P.A.  
Certified Public Accountants  
Boynton Beach, Florida  
November 10, 2021

**CENTERLINK, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2020 AND 2019**

	<b><u>ASSETS</u></b>	
	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 2,000,920	\$ 545,077
Investments	2,036	994
Accounts and Grants Receivable, Net of Provision for Uncollectible Accounts of \$0 and \$0, respectively	74,138	706,331
Prepaid Expenses	10,926	13,907
Total Current Assets	<u>2,088,020</u>	<u>1,266,309</u>
<b>FURNITURE AND EQUIPMENT</b>		
Furniture and Computer Equipment	27,557	27,557
Website	5,000	-
Less: Accumulated Depreciation	<u>(25,249)</u>	<u>(23,608)</u>
Net Furniture and Equipment	7,308	3,949
<b>DEPOSITS</b>	6,441	6,441
<b>TOTAL ASSETS</b>	<u>\$ 2,101,769</u>	<u>\$ 1,276,699</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 264,047	\$ 59,046
Deferred Revenue	-	1,171
Total Current Liabilities	<u>264,047</u>	<u>60,217</u>
<b>COMMITMENTS AND CONTINGENCIES (SEE NOTE 5)</b>	-	-
Net Assets		
Without Donor Restrictions	958,122	445,130
With Donor Restrictions	879,600	771,352
Total Net Assets	<u>1,837,722</u>	<u>1,216,482</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,101,769</u>	<u>\$ 1,276,699</u>

See accompanying notes to financial statements.



**CENTERLINK, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<b>2020</b>			<b>2019</b>		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue</b>						
Federal Grants	\$ 419,532	\$ -	\$ 419,532	\$ 394,491	\$ 8,177	\$ 402,668
Other Grants	1,164,289	283,000	1,447,289	702,529	763,175	1,465,704
Contributions	995,512	250,000	1,245,512	323,061	-	323,061
Membership Dues	116,205	-	116,205	111,449	-	111,449
Conference Income	27,325	-	27,325	53,572	-	53,572
Program Service Fees	21,134	-	21,134	103,612	-	103,612
In-kind	1,640	-	1,640	8,957	-	8,957
Rental Income	7,700	-	7,700	3,950	-	3,950
Miscellaneous Income	1,837	-	1,837	50	-	50
Interest Income	7,466	-	7,466	7,306	-	7,306
Net Assets Released from Restrictions	424,752	(424,752)	-	354,213	(354,213)	-
Total Revenue	3,187,392	108,248	3,295,640	2,063,190	417,139	2,480,329
<b>Expenses</b>						
Program Services	2,561,572	-	2,561,572	1,914,847	-	1,914,847
General and Administrative	26,253	-	26,253	31,549	-	31,549
Fundraising Services	86,575	-	86,575	78,528	-	78,528
Total Expenses	2,674,400	-	2,674,400	2,024,924	-	2,024,924
<b>Change in Net Assets</b>	512,992	108,248	621,240	38,266	417,139	455,405
Net Assets, Beginning of Year	445,130	771,352	1,216,482	406,864	354,213	761,077
Net Assets, End of Year	\$ 958,122	\$ 879,600	\$ 1,837,722	\$ 445,130	\$ 771,352	\$ 1,216,482

See accompanying notes to financial statements.

**CENTERLINK, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSE**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 531,107	\$ 13,748	\$ 64,351	\$ 609,206
Employee Benefits	85,373	1,611	6,440	93,424
Payroll Taxes	41,481	1,356	5,118	47,955
Total Salaries and Related Employee Benefits	<u>657,961</u>	<u>16,715</u>	<u>75,909</u>	<u>750,585</u>
 In-kind Expenses	 1,640	 -	 -	 1,640
Occupancy	27,255	1,689	724	29,668
Consultants	230,527	-	2,337	232,864
Grants	1,416,847	-	-	1,416,847
Conferences and Meetings	5,930	-	249	6,179
Technical Assistance	38,140	3,348	1,619	43,107
Bad Debt Expense	35,606	-	-	35,606
 Travel and Lodging	 18,550	 -	 750	 19,300
Office Supplies and Expense	16,833	-	-	16,833
Advertising	22,546	670	166	23,382
Accounting and Auditing	7,225	850	425	8,500
Telephone and Fax	8,682	357	256	9,295
 Insurance	 8,653	 728	 396	 9,777
Printing and Publications	3,383	-	-	3,383
Postage and Shipping	5,925	100	-	6,025
Depreciation	1,395	164	82	1,641
 Dues and Subscriptions	 31,026	 682	 863	 32,571
Board Expense	320	-	-	320
Repairs and Maintenance	2,864	293	146	3,303
Bank & Credit Card Fees	3,216	250	1,440	4,906
 Miscellaneous	 <u>17,048</u>	 <u>407</u>	 <u>1,213</u>	 <u>18,668</u>
 Total Expenses	 \$ <u>2,561,572</u>	 \$ <u>26,253</u>	 \$ <u>86,575</u>	 \$ <u>2,674,400</u>

See accompanying notes to financial statements.

**CENTERLINK, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSE**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 606,088	\$ 19,433	\$ 50,811	\$ 676,332
Employee Benefits	78,462	636	7,134	86,232
Payroll Taxes	46,628	1,487	3,688	51,803
Total Salaries and Related Employee Benefits	<u>731,178</u>	<u>21,556</u>	<u>61,633</u>	<u>814,367</u>
In-kind Expenses	8,957	-	-	8,957
Occupancy	31,337	2,578	1,052	34,967
Consultants	227,943	-	2,114	230,057
Grants	594,500	-	-	594,500
Conferences and Meetings	59,439	-	1,731	61,170
Technical Assistance	32,156	2,839	1,420	36,415
Travel and Lodging	118,083	-	6,198	124,281
Office Supplies and Expense	14,436	-	-	14,436
Advertising	13,804	-	-	13,804
Accounting and Auditing	6,895	870	435	8,200
Telephone and Fax	7,331	859	430	8,620
Insurance	7,048	818	409	8,275
Printing and Publications	11,636	-	-	11,636
Postage and Shipping	3,956	-	-	3,956
Depreciation	3,340	511	78	3,929
Dues and Subscriptions	16,440	665	739	17,844
Board Expense	2,100	-	-	2,100
Repairs and Maintenance	3,889	205	411	4,505
Bank & Credit Card Fees	4,769	250	850	5,869
Miscellaneous	<u>15,610</u>	<u>398</u>	<u>1,028</u>	<u>17,036</u>
Total Expenses	<u>\$ 1,914,847</u>	<u>\$ 31,549</u>	<u>\$ 78,528</u>	<u>\$ 2,024,924</u>

See accompanying notes to financial statements.



**CENTERLINK, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 621,240	\$ 455,405
Adjustments to Reconcile Change in Net Assets to Cash Provided by (Used in) Operating Activities:		
Depreciation	1,641	3,929
Bad Debt Expense	35,606	-
Forgiveness of PPP loan	(122,000)	-
(Increase) Decrease in Operating Assets:		
Accounts and Grants Receivable	596,587	(666,040)
Prepaid Expenses	2,981	4,613
Investments	(2,036)	-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	205,001	(21,546)
Deferred Revenue	(1,171)	(3,299)
Net Cash Provided by (Used in) Operating Activities	<u>1,337,849</u>	<u>(226,938)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Equipment and Website	<u>(5,000)</u>	<u>(5,096)</u>
Net Cash Used in Investing Activities	<u>(5,000)</u>	<u>(5,096)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from PPP Loan	<u>122,000</u>	<u>-</u>
Net Cash Provided by Financing Activities	<u>122,000</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,454,849</b>	<b>(232,034)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>546,071</u></b>	<b><u>778,105</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ <u>2,000,920</u></b>	<b>\$ <u>546,071</u></b>

See accompanying notes to financial statements.



**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

CenterLink, Inc. 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 324 community centers nationwide. Through our LGBT HealthLink program, we work to enhance LGBT health by eliminating tobacco use, and other health disparities within our communities.

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

**Basis of Presentation**

The financial statements of the Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

**Net Assets**

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of CenterLink, Inc. and changes therein are classified as follows:

**Without Donor Restrictions**

Net assets without donor restrictions 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 without donor imposed restricted contributions.

**With Donor Restrictions**

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

**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 2**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

Net assets with donor restrictions consist for the following purposes as of December 31, 2020:

<b>Subject to expenditure for specified purpose</b>	
Advocacy	\$ 8,000
LGBT Mental Health Initiative	50,000
Q Chat Space	75,000
Upswing Fund for Adolescent Mental Health	100,000
2021 General Programming Support	300,000
Howie Price Initiative	346,600
	<u>\$ 879,600</u>

Releases from net assets with donor restrictions for the year ended December 31, 2020 are as follows:

**Releases from restrictions:**

<b>Subject to expenditure for specified purpose</b>	
LGBT Mental Health Initiative	\$ 50,000
HIV Prevention	8,177
Q Chat Space	56,333
Howie Price Initiative	310,242
	<u>\$ 424,752</u>

**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.

**Cash and Cash Equivalents**

CenterLink, Inc. considers all highly liquid investments purchased with an original maturity of 90 days 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.



**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 2**     **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

**Furniture and Equipment**

Furniture 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 \$2,000 are charged to expense.

**Deferred Revenue**

Deferred grant revenue that fits the classification of an exchange transaction (as per FASB ASC 958-605-55-8). Grant revenue is recognized as it has been earned.

**Recognition of Contributions**

All contributions are considered to be available without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Grants and other contributions of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

The Foundation follows provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, "Revenue from Contracts with Customers", ("Topic ASC 606") and FASB Topic ASC 958, "Financial Statements of Not-for-Profit Organizations, ("Topic ASC 958"). Topic ASC 606 requires the Foundation to distinguish between contributions that increase net assets without donor restrictions or with donor restrictions. It also requires recognition of contributed services meeting certain criteria at fair values. Topic ASC 958 establishes standards for general-purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities and a statement of cash flows.



**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 2**     **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

**Federal Grants**

The organization receives various federal grants that are recognized when the expenses are incurred or services are performed in accordance with the terms of each grant. Federal grants received in advance are recorded as net assets with donor restrictions and reclassified to net assets without donor restrictions upon satisfaction of those restrictions.

**Other Grants**

Other grants consist of revenue from foundations and trusts. Other grants received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions and reclassified to net assets without donor restrictions upon satisfaction of those restrictions.

**Contributions**

Individual, foundation, and organization contributions are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. Time- restricted and purpose-restricted contributions are required to be reported as donor restricted support. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

**Membership Income**

Membership income consist of annual memberships that grant members access to resources, links, videos, and information to help develop a strong LGBTQ+ center and create a healthy LGBTQ+ community. Membership income is recognized when received.

**Conference Income**

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

**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 2**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

**Program Service Fees**

Program service fees consist of earned revenue from various sources derived from the delivery of services. Program service fees are recognized when the services are provided.

**In-Kind Contribution**

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not contributed, and are recorded at their fair values in the period received.

**Rental Income**

Rental income consists of income from Centerlink subleasing a portion of their office space to another not-for-profit. Rental income is recognized on a monthly basis over the course of the sublease term.

**Use of Estimates in the Preparation of Financial Statements**

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. Significant estimates include the useful lives of property and equipment and allowance for doubtful accounts. Accordingly, actual results could differ from those estimates, which were assumed in preparing the financial statements.

**Measure of Operations**

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the organizations ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.



**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 2**     **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

**Functional Allocation of Expense**

The cost of providing the program and other activities have been presented on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that are common to program services, development and management and general administration are allocated based on management's determination. The expenses that are allocated include depreciation, interest, & office & occupancy, which are allocated on a square-footage basis, as well as salaries & benefits, which are allocated on the basis of estimates of time & effort.

**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.

The organizations federal income tax returns for the years ended December 31, 2017 through December 31, 2020 remain subject to examination by the Internal Revenue Service as of December 31, 2020.

**Concentration of Credit Risk**

CenterLink, Inc. maintains four bank accounts at one financial institution, which, at times, may have balances that exceed federally insured limits. CenterLink, Inc. maintains one investment account at one financial institution, which, include FDIC insured deposits and US Equities, at times, may have balances that 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. At December 31, 2020 and 2019, the Organization had cash balances in excess of FDIC limits of \$1,385,160 and \$365,728, respectively.

**Concentrations of Contributions**

During 2020, the organization recognized revenue from one grantor that made up approximately 14% and one contributor that made up approximately 18% of total revenue. During 2019, the organization recognized revenue from one federal grantor that made up approximately 11% and two other grantors that made up approximately 26% and 16% of total revenue, respectively.



**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 2**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D**

As of December 31, 2020, 67% of the accounts and grant receivable balance were owed from one donor. As of December 31, 2019, 93% of the accounts and grant receivable balance was owed from one donor.

**Recent Accounting Pronouncements**

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" ("ASU 2016-02"), which affects any entity that enters into a lease (as that term is defined in ASU 2016-02), with some specified scope exceptions. The main difference between the guidance in ASU 2016-02 and current GAAP is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under current GAAP. Recognition of these assets and liabilities will have a material impact to our consolidated balance sheets upon adoption. Under ASU 2016-02, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients. The ASU will be effective for not-for-profits for annual reporting periods being after December 15, 2020. We are currently evaluating the potential impact of this guidance.

**Advertising**

Advertising costs are expensed as incurred. These costs are included in direct operating & occupancy expenses and totaled \$23,382 and \$13,804 for the years ended December 31, 2020 and 2019, respectively.

**NOTE 3**      **LIQUIDITY AND AVAILABILITY**

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$ 2,000,920
Investments	2,036
Accounts and grants receivable, net	74,138
Prepaid expenses	10,926
Financial assets at year end	\$ <u>2,088,020</u>
Less those unavailable for general expenditure within one year due to:	
Restricted by donor with time or purpose restrictions	<u>(879,600)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,208,420</u>

**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 3**     **LIQUIDITY AND AVAILABILITY CONT'D**

The Organization financial assets have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the balance sheet date and amounts set aside for long-term investing in endowments.

As part of the organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 4**     **NOTE PAYABLE**

On April 20, 2020, Centerlink, Inc. ("Borrower") received loan proceeds in the amount of \$122,000 from Bank United (the "Lender") under the Paycheck Protection Program ("PPP") established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The loan matures on April 20, 2022 and bears an interest rate of 1.00% fixed per annum, payable monthly commencing on November 20, 2020. The loan may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the PPP loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. Centerlink used the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the PPP Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

The Organization had chosen to account for the PPP loan as a conditional contribution in accordance with FASB ASC 958-605, Not-for-Profit Entities: Revenue Recognition. Centerlink had adopted the approach to recognize contribution income as the qualifying expense are incurred. On April 21, 2021, \$122,000 of the principal balance and related interest was forgiven.

**NOTE 5**     **COMMITMENTS AND CONTINGENCIES**

On February 2, 2016, the Organization began to offer a retirement plan (401K) to its employees. The plan is available to employees upon the completion of six months of employment and with a minimum age requirement of 21 years of age. The Organization has agreed to match 100% of the first 8% of compensation that each employee contributes up to \$2,000. During the years ended December 31, 2020 and December 31, 2019, the organization contributed \$14,084 and \$18,000, respectively.



**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 5**      **COMMITMENTS AND CONTINGENCIES**

On March 15, 2016, the Organization entered into a three year lease agreement for office space in Fort Lauderdale, Florida for a total of \$3,180/month, including sales tax, through June 30, 2019. On June 19, 2019, the Organization extended their lease for an additional two years for a total of \$2,575/month, including sales tax, through June 30, 2021. On October 15, 2020, the Organization extended their lease for an additional year for a total of \$2,413/month, including sales tax, through June 30, 2022.

Future minimum commitments related to non-cancelable leases as of December 31, 2020 are as follows:

For the Year Ended December 31,	
2021	\$ 29,928
2022	14,478
	<u>\$ 44,406</u>

Rent expense for the years ended December 31, 2020 and 2019, was \$28,956 and \$33,350, respectively.

The Organization has been and continues to be affected by the Covid-19 pandemic. Measures taken to contain the virus have affected our operations and could continue to affect our operations in the future, which include government ordered shut downs and limitations on social gatherings. The future impact to our operations cannot be predicted.

**NOTE 6**      **ASSISTANCE FROM GOVERNMENTAL AGENCIES**

The Organization received two pass-through federal awards from two separate entities for HIV Prevention and Healthlink Research Programs. During the year ended December 31, 2020, the Organization received \$297,332 in pass-through federal awards. During the year ended December 31, 2019, the Organization received \$402,668 in pass-through federal awards.

The Organization received funds in the amount of \$122,000 under the Paycheck Protection Program ("PPP") established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") (See Note 4).

**NOTE 7**      **RELATED PARTY TRANSACTIONS**

During the years ended December 31, 2020 and December 31, 2019, various board members contributed \$17,715 and \$24,279, respectively, as donations.



**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 7**      **RELATED PARTY TRANSACTIONS (CONT'D)**

On May 30, 2017, the Organization entered into a consulting agreement with a former CEO to be renewed and updated each year. For the year ended December 31, 2020, the consulting agreement was for \$4,000 a month. During the years ended December 31, 2020 and December 31, 2019, the former CEO was paid \$48,000 and \$60,000, respectively.

**NOTE 8**      **DONATED ITEMS**

The value of donated placement services and office supplies in 2020 and 2019 was \$1,640 and \$8,957. 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 9**      **SUBSEQUENT EVENTS**

In preparing the financial statements, the Company has evaluated events and transaction for potential recognition or disclosure through November 10, 2021, the date the financial statements were issued.

On April 21, 2021, \$122,000 of the principal balance and related interest was forgiven related to the April 20, 2020 PPP loan.

During February 2021, the organization received \$149,585 of monies under round two of the Payroll Protection Program. The amounts are required to be spent on payroll and certain overhead costs within six months of funding. As of November 10, 2021, the organization has spent the monies on qualifying expenses and expect those amounts to be fully forgiven.