

**CENTERLINK, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**CENTERLINK, INC.**  
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**INDEPENDENT AUDITORS' REPORT**

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

**Opinion**

We have audited the accompanying financial statements of CenterLink, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CenterLink, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CenterLink, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 CenterLink, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CenterLink, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Liggett & Webb, P.A.*

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

June 3, 2022



**CENTERLINK, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2021 AND 2020**

	<b><u>ASSETS</u></b>		
	<b><u>2021</u></b>	<b><u>2020</u></b>	
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 2,169,108	\$ 2,000,920	
Investments	516,555	2,036	
Accounts and Grants Receivable, Net of Provision for Uncollectible Accounts of \$0 and \$0, respectively	254,751	74,138	
Prepaid Expenses	22,357	10,926	
Total Current Assets	2,962,771	2,088,020	
<b>FURNITURE AND EQUIPMENT</b>			
Furniture and Computer Equipment	39,022	27,557	
Website	5,000	5,000	
Less: Accumulated Depreciation	(31,712)	(25,249)	
Net Furniture and Equipment	12,310	7,308	
<b>DEPOSITS</b>	6,441	6,441	
<b>TOTAL ASSETS</b>	<b>\$ 2,981,522</b>	<b>\$ 2,101,769</b>	
<b><u>LIABILITIES AND NET ASSETS</u></b>			
<b>LIABILITIES AND NET ASSETS</b>			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 149,650	\$ 264,047	
Deferred Revenue	78,811	-	
Total Current Liabilities	228,461	264,047	
<b>COMMITMENTS AND CONTINGENCIES (SEE NOTE 5)</b>	-	-	
Net Assets			
Without Donor Restrictions	1,928,798	958,122	
With Donor Restrictions	824,263	879,600	
Total Net Assets	2,753,061	1,837,722	
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,981,522</b>	<b>\$ 2,101,769</b>	

See accompanying notes to financial statements.

**CENTERLINK, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue</b>						
Federal Grants	\$ 416,985	\$ -	\$ 416,985	\$ 419,532	\$ -	\$ 419,532
Other Grants	1,221,862	473,338	1,695,200	1,164,289	283,000	1,447,289
Contributions	983,962	250,000	1,233,962	995,512	250,000	1,245,512
Membership Dues	74,468	-	74,468	116,205	-	116,205
Conference Income	29,488	-	29,488	27,325	-	27,325
Program Service Fees	281,650	-	281,650	21,134	-	21,134
In-kind	677	-	677	1,640	-	1,640
Rental Income	14,032	-	14,032	7,700	-	7,700
Miscellaneous Income	1,719	-	1,719	1,837	-	1,837
Interest Income	7,502	-	7,502	7,466	-	7,466
(Un)Realized Gains (Losses), net	2,669	-	2,669	-	-	-
Net Assets Released from Restrictions	778,675	(778,675)	-	424,752	(424,752)	-
Total Revenue	3,813,689	(55,337)	3,758,352	3,187,392	108,248	3,295,640
<b>Expenses</b>						
Program Services	2,711,986	-	2,711,986	2,561,572	-	2,561,572
General and Administrative	30,066	-	30,066	26,253	-	26,253
Fundraising Services	100,961	-	100,961	86,575	-	86,575
Total Expenses	2,843,013	-	2,843,013	2,674,400	-	2,674,400
<b>Change in Net Assets</b>	970,676	(55,337)	915,339	512,992	108,248	621,240
Net Assets, Beginning of Year	958,122	879,600	1,837,722	445,130	771,352	1,216,482
Net Assets, End of Year	\$ 1,928,798	\$ 824,263	\$ 2,753,061	\$ 958,122	\$ 879,600	\$ 1,837,722

See accompanying notes to financial statements.

**CENTERLINK, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSE**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 748,208	\$ 14,868	\$ 68,068	\$ 831,144
Employee Benefits	99,417	1,792	7,745	108,954
Payroll Taxes	58,711	1,209	5,327	65,247
Total Salaries and Related Employee Benefits	<u>906,336</u>	<u>17,869</u>	<u>81,140</u>	<u>1,005,345</u>
In-kind Expenses	677	-	-	677
Occupancy	26,588	2,172	965	29,725
Consultants	179,980	-	11,300	191,280
Grants	1,388,035	-	-	1,388,035
Conferences and Meetings	6,500	2,200	-	8,700
Technical Assistance	39,150	2,722	1,511	43,383
Travel and Lodging	433	-	-	433
Office Supplies and Expense	34,289	-	711	35,000
Advertising	14,911	-	-	14,911
Accounting and Auditing	7,225	850	425	8,500
Telephone and Fax	16,088	1,255	637	17,980
Insurance	7,263	665	455	8,383
Printing and Publications	3,527	-	-	3,527
Postage and Shipping	6,140	-	-	6,140
Depreciation	5,493	647	323	6,463
Dues and Subscriptions	33,656	493	1,107	35,256
Board Expense	270	-	-	270
Repairs and Maintenance	6,201	375	188	6,764
Bank & Credit Card Fees	4,490	245	766	5,501
Miscellaneous	<u>24,734</u>	<u>573</u>	<u>1,433</u>	<u>26,740</u>
Total Expenses	<u>\$ 2,711,986</u>	<u>\$ 30,066</u>	<u>\$ 100,961</u>	<u>\$ 2,843,013</u>

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.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 915,339	\$ 621,240
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Depreciation	6,463	1,641
Bad Debt Expense	-	35,606
Forgiveness of PPP loan	(149,585)	(122,000)
(Increase) Decrease in Operating Assets:		
Accounts and Grants Receivable	(180,613)	596,587
Prepaid Expenses	(11,431)	2,981
Investments	-	(2,036)
Unrealized Loss	(8,536)	-
Realized Gain	5,867	-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	(114,397)	205,001
Deferred Revenue	78,811	(1,171)
Net Cash Provided by Operating Activities	<u>541,918</u>	<u>1,337,849</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Investments	(511,850)	-
Purchase of Equipment and Website	(11,465)	(5,000)
Net Cash Used in Investing Activities	<u>(523,315)</u>	<u>(5,000)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from PPP Loan	149,585	122,000
Net Cash Provided by Financing Activities	<u>149,585</u>	<u>122,000</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>168,188</b>	<b>1,454,849</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>2,000,920</u></b>	<b><u>546,071</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ <u>2,169,108</u></b>	<b>\$ <u>2,000,920</u></b>
<b>SUPPLEMENTAL INFORMATION</b>		
Cash Paid for Interest	\$ -	\$ -
Cash Paid for Income Taxes	\$ -	\$ -

See accompanying notes to financial statements.

**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**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 300 community centers nationwide. Through our LGBT HealthLink program, we work to enhance LGBT health by eliminating health disparities within our communities. Through our YouthLink and ActionLink programs, we work to expand the youth and advocacy program capacity of community centers by helping to increase training opportunities for staff through direct technical assistance.

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

**Basis of Presentation**

The financial statements of the Organization 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, 2021 AND 2020**

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

Net assets with donor restrictions consist for the following purposes as of December 31, 2021:

<b>Subject to expenditure for specified purpose</b>	
Feeding Program	\$ 1,500
Federal Nondiscrimination Project	2,040
Anti-Conversion/Trans Youth Public Education	8,000
Q Chat Space	34,778
LGBT Tech's PowerOn Initiative	50,000
Advocacy	57,020
Howie Price Initiative	120,925
LGBT Mental Health Initiative	200,000
2022 General Programming Support	350,000
	<u>\$ 824,263</u>

Releases from net assets with donor restrictions for the year ended December 31, 2021 are as follows:

**Releases from restrictions:**

<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	100,000
Howie Price Initiative	245,675
2021 General Programming Support	300,000
	<u>\$ 778,675</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.



**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

**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.

**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, membership income, and sponsorships are 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 Organization 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 Organization 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, 2021 AND 2020**

**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 over the membership period.

**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, 2021 AND 2020**

**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, 2021 AND 2020**

**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, 2018 through December 31, 2021 remain subject to examination by the Internal Revenue Service as of December 31, 2021.

**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, 2021 and 2020, the Organization had cash balances in excess of FDIC limits of \$1,580,882 and \$1,385,160, respectively.

**Concentrations of Contributions**

During 2021, the organization recognized revenue from two grantors that made up approximately 21% and 12% of total revenue, respectively. 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.

**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

As of December 31, 2021, 74% of the accounts and grant receivable balance were owed from one donor. As of December 31, 2020, 67% 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, 2021. This guidance will have no impact on the organization.

**Advertising**

Advertising costs are expensed as incurred. These costs are included in direct operating & occupancy expenses and totaled \$14,911 and \$23,382 for the years ended December 31, 2021 and 2020, 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	\$ 2,169,108
Investments	516,555
Accounts and grants receivable, net	254,751
Prepaid expenses	22,357
Financial assets at year end	<u>\$ 2,962,771</u>
Less those unavailable for general expenditure within one year due to:	
Restricted by donor with time or purpose restrictions	<u>(824,263)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,138,508</u>



**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**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.

On February 16, 2021, Centerlink, Inc. ("Borrower") received loan proceeds in the amount of \$149,585 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 February 16, 2026 and bears an interest rate of 1.00% fixed per annum, payable monthly commencing on December 16, 2021, if the Borrower has not applied for forgiveness. 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.



**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 4**     **NOTE PAYABLE CONT'D**

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 December 17, 2021, \$149,585 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, 2021 and December 31, 2020, the organization contributed \$16,000 and \$14,084, respectively.

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, 2021 are as follows:

For the Year Ended December 31,	
2022	\$ 14,478
	<u>\$ 14,478</u>

Rent expense for the years ended December 31, 2021 and 2020, was \$28,956 and \$28,956, 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.

**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 6**      **ASSISTANCE FROM GOVERNMENTAL AGENCIES**

The Organization received two pass-through federal awards from two separate entities for Role of Alcohol Disparities in HIV Risk and Healthlink Research Programs. During the year ended December 31, 2021, the Organization received \$267,400 in pass-through federal awards. During the year ended December 31, 2020, the Organization received \$297,332 in pass-through federal awards.

The Organization received funds in the amount of \$149,585 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, 2021 and December 31, 2020, various board members contributed \$12,561 and \$17,715, respectively, as donations.

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. For the year ended December 31, 2021, Services were provided as needed. During the years ended December 31, 2021 and December 31, 2020, the former CEO was paid \$10,750 and \$48,000, respectively.

**NOTE 8**      **DONATED ITEMS**

The value of donated placement services and office supplies in 2021 and 2020 was \$677 and \$1,640. 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 June 3, 2022, the date the financial statements were issued.