

CENTERLINK, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

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, 2019 and 2018, 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, 2019 and 2018, 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
April 21, 2020

CENTERLINK, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 AND 2018

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|-------------------|
| <u>ASSETS</u> | | |
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | \$ 546,071 | \$ 778,105 |
| Accounts and Grants Receivable, Net of Provision for Uncollectible Accounts of \$0 and \$0, respectively | 706,331 | 40,291 |
| Prepaid Expenses | 13,907 | 18,520 |
| Total Current Assets | <u>1,266,309</u> | <u>836,916</u> |
| FURNITURE AND EQUIPMENT | | |
| Furniture and Computer Equipment | 27,557 | 22,461 |
| Less: Accumulated Depreciation | 23,608 | 19,679 |
| Net Furniture and Equipment | <u>3,949</u> | <u>2,782</u> |
| DEPOSITS | 6,441 | 6,441 |
| TOTAL ASSETS | <u>\$ 1,276,699</u> | <u>\$ 846,139</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Accounts Payable and Accrued Expenses | \$ 59,046 | \$ 80,592 |
| Deferred Revenue | 1,171 | 4,470 |
| Total Current Liabilities | <u>60,217</u> | <u>85,062</u> |
| COMMITMENTS AND CONTINGENCIES (SEE NOTE 4) | - | - |
| Net Assets | | |
| Without Donor Restrictions | 445,130 | 406,864 |
| With Donor Restrictions | 771,352 | 354,213 |
| Total Net Assets | <u>1,216,482</u> | <u>761,077</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 1,276,699</u> | <u>\$ 846,139</u> |

See accompanying notes to financial statements.

CENTERLINK, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

| | 2019 | | | 2018 | | |
|---------------------------------------|----------------------------|-------------------------|--------------|----------------------------|-------------------------|------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Revenue | | | | | | |
| Federal Grants | \$ 394,491 | \$ 8,333 | \$ 402,824 | \$ 566,465 | \$ 40,024 | \$ 606,489 |
| Other Grants | 702,529 | 763,019 | 1,465,548 | 744,346 | 314,189 | 1,058,535 |
| Contributions | 323,061 | - | 323,061 | 414,487 | - | 414,487 |
| Membership Dues | 111,449 | - | 111,449 | 98,292 | - | 98,292 |
| Conference Income | 53,572 | - | 53,572 | 22,595 | - | 22,595 |
| Program Service Fees | 103,612 | - | 103,612 | 92,244 | - | 92,244 |
| In-kind | 8,957 | - | 8,957 | 7,874 | - | 7,874 |
| Rental Income | 3,950 | - | 3,950 | - | - | - |
| Miscellaneous Income | 50 | - | 50 | 3,847 | - | 3,847 |
| Interest Income | 7,306 | - | 7,306 | 4,162 | - | 4,162 |
| Net Assets Released from Restrictions | 354,213 | (354,213) | - | 68,343 | (68,343) | - |
| Total Revenue | 2,063,190 | 417,139 | 2,480,329 | 2,022,655 | 285,870 | 2,308,525 |
| Expenses | | | | | | |
| Program Services | 1,914,847 | - | 1,914,847 | 1,881,588 | - | 1,881,588 |
| General and Administrative | 31,549 | - | 31,549 | 41,580 | - | 41,580 |
| Fundraising Services | 78,528 | - | 78,528 | 28,849 | - | 28,849 |
| Total Expenses | 2,024,924 | - | 2,024,924 | 1,952,017 | - | 1,952,017 |
| Change in Net Assets | 38,266 | 417,139 | 455,405 | 70,638 | 285,870 | 356,508 |
| Net Assets, Beginning of Year | 406,864 | 354,213 | 761,077 | 336,226 | 68,343 | 404,569 |
| Net Assets, End of Year | \$ 445,130 | \$ 771,352 | \$ 1,216,482 | \$ 406,864 | \$ 354,213 | \$ 761,077 |

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 | 4,680 |
| Bank & Credit Card Fees | 4,769 | 250 | 850 | 5,869 |
| Miscellaneous | <u>15,610</u> | <u>398</u> | <u>1,028</u> | <u>17,039</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.
SCHEDULE OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Program</u> | <u>General and Administrative</u> | <u>Fundraising</u> | <u>Total</u> |
|---|---------------------|---------------------------------------|--------------------|---------------------|
| Salaries | \$ 523,323 | \$ 29,465 | \$ 18,421 | \$ 571,209 |
| Employee Benefits | 69,494 | 2,199 | 1,657 | 73,350 |
| Payroll Taxes | 39,934 | 2,135 | 1,334 | 43,403 |
| Total Salaries and Related Employee Benefits | <u>632,751</u> | <u>33,799</u> | <u>21,412</u> | <u>687,962</u> |
| In-kind Expenses | 7,874 | - | - | 7,874 |
| Occupancy | 36,875 | 2,432 | 820 | 40,127 |
| Consultants | 328,702 | - | 1,755 | 330,457 |
| Grants | 521,600 | - | - | 521,600 |
| Conferences and Meetings | 74,393 | - | 299 | 74,692 |
| Technical Assistance | 51,236 | 1,171 | 599 | 53,006 |
| Travel and Lodging | 108,652 | - | - | 108,652 |
| Office Supplies and Expense | 19,329 | - | - | 19,329 |
| Accounting and Auditing | 7,362 | 425 | 213 | 8,000 |
| Telephone and Fax | 6,935 | 655 | 294 | 7,884 |
| Insurance | 6,176 | 848 | 383 | 7,407 |
| Printing and Publications | 16,809 | - | - | 16,809 |
| Postage and Shipping | 7,760 | 16 | - | 7,776 |
| Depreciation | 1,994 | 304 | 47 | 2,345 |
| Dues and Subscriptions | 23,419 | 571 | 1,585 | 25,575 |
| Board Expense | 1,704 | - | - | 1,704 |
| Repairs and Maintenance | 3,978 | 468 | 234 | 4,680 |
| Bank Charges | 318 | 258 | - | 576 |
| Miscellaneous | <u>23,721</u> | <u>633</u> | <u>1,208</u> | <u>25,562</u> |
| Total Expenses | <u>\$ 1,881,588</u> | <u>\$ 41,580</u> | <u>\$ 28,849</u> | <u>\$ 1,952,017</u> |

See accompanying notes to financial statements.

CENTERLINK, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

| | <u>2019</u> | <u>2018</u> |
|--|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in Net Assets | \$ 455,405 | \$ 356,508 |
| Adjustments to Reconcile Change in Net Assets to Cash Provided by (Used in) Operating Activities: | | |
| Depreciation | 3,929 | 2,345 |
| (Increase) Decrease in Operating Assets: | | |
| Accounts and Grants Receivable | (666,040) | 130,525 |
| Prepaid Expenses | 4,613 | (4,496) |
| Increase (Decrease) in Operating Liabilities: | | |
| Accounts Payable and Accrued Expenses | (21,546) | 11,074 |
| Deferred Revenue | (3,299) | 1,265 |
| Net Cash Provided by (Used in) Operating Activities | <u>(226,938)</u> | <u>497,221</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of Equipment | <u>(5,096)</u> | <u>(2,000)</u> |
| Net Cash Used in Investing Activities | <u>(5,096)</u> | <u>(2,000)</u> |
| NET (INCREASE) DECREASE IN CASH AND CASH EQUIVALENTS | (232,034) | 495,221 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>778,105</u> | <u>282,884</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ <u>546,071</u> | \$ <u>778,105</u> |

See accompanying notes to financial statements.

CENTERLINK, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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 253 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 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.

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, 2019 AND 2018

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

Net assets with donor restrictions consist for the following purposes as of December 31, 2019:

Subject to expenditure for specified purpose

| | | |
|-------------------------------|-----------|----------------|
| LGBT Mental Health Initiative | \$ | 50,000 |
| HIV Prevention | | 8,177 |
| Q Chat Space | | 56,333 |
| Howie Price Initiative | | 656,842 |
| | <u>\$</u> | <u>771,352</u> |

Releases from net assets with donor restrictions for the year ended December 31, 2019 are as follows:

Releases from restrictions:

Subject to expenditure for specified purpose

| | | |
|-------------------------------|-----------|----------------|
| LGBT Mental Health Initiative | \$ | 50,000 |
| Healthlink – Research Program | | 40,024 |
| Q Chat Space | | 173,487 |
| General Operating | | 90,702 |
| | <u>\$</u> | <u>354,213</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 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.

CENTERLINK, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

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 \$2,000 are charged to expense.

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

Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

The organization primarily relies on contributions and grants from federal organizations, foundations, and individuals to continue operations. Due to the current Coronavirus Pandemic, the governor of Florida issued a stay-at-home order effective April 2, 2020 temporarily closing all non-essential businesses. As the Coronavirus Pandemic evolves the organizations contributions will be impacted, however, the extent to which the situation will impact the organization cannot be predicted. Accordingly, the Organization cannot predict the extent to which its financial position, results of operations and cash flows will be affected.

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, 2019 AND 2018

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.

Deferred Revenue

Deferred revenue consists of membership dues received in advance, applicable to the following year and deferred grant revenue that fits the classification of an exchange transaction (as per FASB ASC 958-605-55-8). Membership and grant revenue is recognized as it has been earned.

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. 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.

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.

CENTERLINK, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

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, 2016 through December 31, 2019 remain subject to examination by the Internal Revenue Service as of December 31, 2019.

Concentration of Credit Risk

CenterLink, Inc. maintains four bank accounts at one bank, which, 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, 2019 and 2018, the Organization had cash balances in excess of FDIC limits of \$365,728 and \$624,404, respectively.

Concentrations of Contributions

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. During 2018, the organization recognized revenue from one federal grantor that made up approximately 21% and two other grantors that made up approximately 17% and 10% of total revenue, respectively.

As of December 31, 2019, 93% of the accounts and grant receivable balance was owed from one donor and as of December 31, 2018, 37%, 19%, 11%, and 10% of the accounts and grant receivable balance was owed from four donors.

CENTERLINK, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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

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.

In June 2018, the FASB issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This ASU will assist entities in (1) evaluating whether a transaction should be accounted for as a contribution or as an exchange transaction and (2) determining whether the contribution is conditional. If the transaction is considered a contribution, the Organization should follow the guidance in Subtopic 958-605, Not-for-Profit Entities – Revenue Recognition. If the transaction is considered an exchange transaction, the Organization should follow other guidance, namely Topic 606, Revenue from Contracts with Customers. This ASU calls for a prospective modification basis in which on the first set of financial statements to be issued after the effective date of the amendment, all agreements should be modified that are either not completed as of the effective date or entered into after the effective date. The ASU will be effective for not-for-profits for annual reporting periods being after December 15, 2018. The ASU has been applied to the period presented.

Advertising

Advertising costs are expensed as incurred. These costs are included in direct operating & occupancy expenses and totaled \$13,804 and \$2,582 for the years ended December 31, 2019 and 2018, respectively.

CENTERLINK, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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 | \$ | 546,071 |
| Accounts and grants receivable, net | | 706,331 |
| Prepaid expenses | | 13,907 |
| Financial assets at year end | | \$ 1,266,309 |
| Less those unavailable for general expenditure within one year due to: | | |
| Restricted by donor with time or purpose restrictions | | (771,352) |
| Financial assets available to meet cash needs for general expenditures within one year | | \$ 494,957 |

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 **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, 2019 and December 31, 2018, the organization contributed \$18,000 and \$12,239, 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. Future minimum commitments related to non-cancelable leases as of December 31, 2019 are as follows:

| | | |
|---------------------------------|----|--------|
| For the Year Ended December 31, | | |
| 2020 | \$ | 30,900 |
| 2021 | | 15,450 |
| | \$ | 46,350 |

CENTERLINK, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 4 **COMMITMENTS AND CONTINGENCIES CONT'D**

Rent expense for the years ended December 31, 2019 and 2018, was \$33,350 and \$37,268, respectively.

NOTE 5 **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, 2019, the Organization received \$402,824 in pass-through federal awards.

The Organization entered into a four year agreement with the Department of Health Centers for Disease Control and Prevention (CDC). The project period is from September 30, 2013 to September 29, 2018, with annual funding for the project of \$626,000 per contract year. During the year ended December 31, 2018, the organization had expended approximately \$486,489.

NOTE 6 **RELATED PARTY TRANSACTIONS**

During the years ended December 31, 2019 and December 31, 2018, various board members contributed \$24,279 and \$24,765, 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, 2019, the consulting agreement was for \$5,000 a month. During the years ended December 31, 2019 and December 31, 2018, the former CEO was paid \$60,000 and \$69,000, respectively.

NOTE 7 **DONATED ITEMS**

The value of donated placement services and office supplies in 2019 and 2018 was \$8,957 and \$7,874. 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 8 **SUBSEQUENT EVENTS**

In preparing the financial statements, the Company has evaluated events and transaction for potential recognition or disclosure through April 21, 2020, the date the financial statements were issued.