

**CENTERLINK, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**CENTERLINK, INC.**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
CenterLink, Inc.  
PO Box 24490  
Fort Lauderdale, FL 33307

### **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, 2014 and 2013, and the related statements of activities and cash flows for the 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2014 and 2013, 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.

## ***Other Matters***

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2015, on our consideration of CenterLink, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CenterLink, Inc.'s internal control over financial reporting and compliance.

*Liggett, Vegt & Webb, P.A.*

LIGGETT, VOGT & WEBB P.A.  
*Certified Public Accountants*

Boynton Beach, Florida  
April 21, 2015

**CENTERLINK, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b><u>ASSETS</u></b>		
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 297,145	\$ 457,573
Accounts and grants receivable, net of provision for uncollectible accounts of \$0 and \$0, respectively	45,724	43,225
Prepaid expenses	11,692	8,861
<b>Total Current Assets</b>	<u>354,561</u>	<u>509,659</u>
<b>FURNITURE AND EQUIPMENT</b>		
Furniture and Computer Equipment	15,769	12,325
Less: Accumulated depreciation	<u>(8,863)</u>	<u>(4,701)</u>
<b>Net Furniture and Equipment</b>	6,906	7,624
<b>TOTAL ASSETS</b>	<u>\$ 361,467</u>	<u>\$ 517,283</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 36,874	\$ 18,855
Grants Payable	-	158,244
Deferred revenue	4,324	148,026
<b>Total liabilities</b>	<u>41,198</u>	<u>325,125</u>
Net assets		
Unrestricted	283,143	192,158
Temporarily Restricted	37,126	-
<b>Total Net Assets</b>	<u>320,269</u>	<u>192,158</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 361,467</u>	<u>\$ 517,283</u>

See accompanying notes to financial statements.

**CENTERLINK, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenue</b>						
Federal Grants	\$ 638,128	\$ -	\$ 638,128	\$ 85,243	\$ -	\$ 85,243
Other Grants	517,610	37,126	554,736	283,042	-	283,042
Contributions	136,887	-	136,887	134,333	-	134,333
Membership dues	61,750	-	61,750	57,044	-	57,044
Conference income	16,375	-	16,375	14,235	-	14,235
Program Service Fees	11,540	-	11,540	11,570	-	11,570
In-kind	2,274	-	2,274	6,774	-	6,774
Interest Income	2,045	-	2,045	1,497	-	1,497
Total Revenue	<u>1,386,609</u>	<u>37,126</u>	<u>1,423,735</u>	<u>593,738</u>	<u>-</u>	<u>593,738</u>
<b>Expenses</b>						
Program services	1,244,979	-	1,244,979	543,572	-	543,572
General and administrative	38,968	-	38,968	18,266	-	18,266
Fundraising services	11,677	-	11,677	9,740	-	9,740
Total Expenses	<u>1,295,624</u>	<u>-</u>	<u>1,295,624</u>	<u>571,578</u>	<u>-</u>	<u>571,578</u>
<b>Change in Net Assets</b>	<u>90,985</u>	<u>37,126</u>	<u>128,111</u>	<u>22,160</u>	<u>-</u>	<u>22,160</u>
Net Assets, Beginning of year	<u>192,158</u>	<u>-</u>	<u>192,158</u>	<u>169,998</u>	<u>-</u>	<u>169,998</u>
Net Assets, End of year	<u>\$ 283,143</u>	<u>\$ 37,126</u>	<u>\$ 320,269</u>	<u>\$ 192,158</u>	<u>\$ -</u>	<u>\$ 192,158</u>

See accompanying notes to financial statements.

**CENTERLINK, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSE**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 430,306	\$ 28,441	\$ 8,667	\$ 467,414
Employee benefits	44,857	1,879	799	47,535
Payroll taxes	<u>34,058</u>	<u>2,392</u>	<u>698</u>	<u>37,148</u>
Total salaries and Related employee benefits	509,221	32,712	10,164	552,097
In-kind expenses	2,274	-	-	2,274
Occupancy	25,523	1,662	259	27,444
Consultants	106,428	-	-	106,428
Subcontractor Expense	311,429	-	-	311,429
Conferences and meetings	21,006	-	-	21,006
Technical Assistance	52,505	970	154	53,629
Travel and lodging	135,610	-	-	135,610
Office supplies and expense	21,010	179	29	21,218
Accounting and auditing	6,679	1,084	120	7,883
Telephone and fax	6,993	156	26	7,175
Insurance	2,148	390	35	2,573
Printing and publications	10,137	-	-	10,137
Postage and shipping	3,648	103	57	3,808
Depreciation	3,538	541	83	4,162
Dues and subscriptions	5,517	57	9	5,583
Board expense	2,027	56	-	2,083
Repairs and maintenance	2,347	201	31	2,579
Bank charges	1,451	432	420	2,303
Miscellaneous	<u>15,488</u>	<u>425</u>	<u>290</u>	<u>16,203</u>
Total Expenses	\$ <u>1,244,979</u>	\$ <u>38,968</u>	\$ <u>11,677</u>	\$ <u>1,295,624</u>

See accompanying notes to financial statements.

**CENTERLINK, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSE**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 236,572	\$ 10,222	\$ 6,322	\$ 253,116
Employee benefits	27,330	1,934	759	30,023
Payroll taxes	<u>20,058</u>	<u>782</u>	<u>484</u>	<u>21,324</u>
Total salaries and Related employee benefits	283,960	12,938	7,565	304,463
In-kind expenses	6,774	-	-	6,774
Occupancy	17,705	1,252	488	19,445
Consultants	17,046	118	-	17,164
Conferences and meetings	6,723	-	-	6,723
Technical Assistance	103,548	576	144	104,268
Travel and lodging	65,737	-	-	65,737
Office supplies and expense	8,617	386	-	9,003
Accounting and auditing	6,750	984	150	7,884
Telephone and fax	2,822	413	49	3,284
Insurance	1,397	412	28	1,837
Printing and publications	358	-	220	578
Postage and shipping	1,571	145	55	1,771
Depreciation	1,365	121	30	1,516
Dues and subscriptions	3,523	80	20	3,623
Board expense	784	-	-	784
Repairs and maintenance	540	309	-	849
Bank charges	1,204	58	590	1,852
Miscellaneous	<u>13,148</u>	<u>474</u>	<u>401</u>	<u>14,023</u>
Total Expenses	<u>\$ 543,572</u>	<u>18,266</u>	<u>9,740</u>	<u>571,578</u>

See accompanying notes to financial statements.



**CENTERLINK, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 128,111	\$ 22,160
Adjustments to reconcile change in net assets to cash provided by/(used in) operating activities:		
Depreciation	4,162	1,516
(Increase) decrease in operating assets:		
Accounts and grants receivable	(2,499)	13,799
Prepaid expenses	(2,831)	(4,116)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	18,019	9,661
Grants payable	(158,244)	158,244
Deferred revenue	(143,702)	98,301
Net Cash Provided By/(Used in) Operating Activities	(156,984)	299,565
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Property and Equipment	(3,444)	(8,447)
Net Cash Used In Investing Activities	(3,444)	(8,447)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(160,428)	291,118
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	457,573	166,455
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 297,145	\$ 457,573

See accompanying notes to financial statements.

**CENTERLINK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**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 200 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**

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

**Unrestricted Funds**

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

**Temporarily Restricted Funds**

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

**Permanently Restricted Funds**

Permanently restricted net assets represent contributions whose use by the Organization is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization. These net assets are invested in perpetuity, the income from which is expended for program purposes.

**CENTERLINK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

**Basis of Accounting**

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

**Cash and Cash Equivalents**

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

**Accounts and Grants Receivable**

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

**Property and Equipment**

Property and equipment are carried at cost and depreciated on a straight line method over the estimated useful lives of the assets, which is three years. Items costing less than \$1,500 are charged to expense.

**Contributions Revenue**

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

**Conference Income**

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

**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.

**CENTERLINK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**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.

**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 Company federal income tax returns for the years ended December 31, 2011 through December 31, 2014 remain subject to examination by the Internal Revenue Service as of December 31, 2014.

**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 as of December 31, 2014 and 2013. At December 31, 2014 and 2013, the Organization had cash balances in excess of FDIC limits of \$71,965 and \$205,410, respectively.

**Concentrations of Contributions**

During 2014, the organization recognized revenue from one federal grantor and one other grantor that made up approximately 46%, and 13% of total revenue, respectively. During 2013, the organization recognized revenues from three grantors that made up approximately 24%, 15% and 11% of total revenue, respectively.

As of December 31, 2014, 52% and 36% of the accounts and grant receivable balance was owed from two donors and as of December 31, 2013, 75% and 19% of the accounts and grant receivable balance was owed from two donors.

**NOTE 3**      **COMMITMENTS**

On July 1, 2013, the Organization entered into a three year lease agreement for office space in Oakland Park, Florida for a total of \$1,595/month, plus a 5% increase per year through

**CENTERLINK, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

June 30, 2016. Future minimum commitments related to non-cancelable leases as of December 31, 2014 are as follows:

For the year ended:		
December 31, 2015	\$	20,097
December 31, 2016		<u>10,527</u>
Total	\$	<u>30,624</u>

Rent expense for this non-cancelable lease for the years ended December 31, 2014 and 2013, was \$18,945 and \$9,570, respectively.

**NOTE 4 ASSISTANCE FROM GOVERNMENTAL AGENCIES**

The Organization entered into a five 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 year. During the year ended December 31, 2014, the organization had expended approximately \$628,000 of the grant. During the year ended December 31, 2013, the organization had expended approximately \$85,000 of the grant.

**NOTE 5 RELATED PARTY TRANSACTIONS**

During the years ended December 31, 2014 and December 31, 2013, various board members contributed \$14,618 and \$13,190, respectively, as donations.

**NOTE 6 DONATED ITEMS**

The value of donated services and in-kind organization related items in 2014 and 2013 was \$2,274 and \$6,774. These donated items have been recorded as in-kind revenue, as well as program services in the accompanying Statement of Activities and Changes in Net Assets.

**NOTE 7 SUBSEQUENT EVENTS**

In preparing the financial statements, the Company has evaluated events and transaction for potential recognition or disclosure through April 21, 2015, the date the financial statements were issued.

**SUPPLEMENTARY FINANCIAL INFORMATION**

**CENTERLINK, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Centerlink, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

<b>Federal Grantor</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>
U.S. Department of Health and Human Services:		
Centers for Disease Control and Prevention (9/30/13-9/29/14)	93.283	\$ 598,041
Centers for Disease Control and Prevention (9/30/14-9/29/15)	93.283	115,172
		\$ 713,213
<b>Total U.S. Department of Health and Human Services</b>		\$ 713,213
<b>Total expenditures of federal awards</b>		\$ 713,213

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees of  
Centerlink, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Centerlink, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 21, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Centerlink, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Centerlink, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Centerlink, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Liggett, Vegt & Webb, P.A.*  
LIGGETT, VOGT & WEBB, P.A.  
*Certified Public Accountants*  
Boynton Beach, Florida  
April 21, 2015



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Trustees of  
Centerlink, Inc.

**Report on Compliance for Each Major Federal Program**

We have audited Centerlink, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Centerlink, Inc.'s major federal programs for the year ended December 31, 2014. Centerlink, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Centerlink Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Centerlink, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Centerlink, Inc.'s compliance.

***Opinion on Each Major Federal Program***

In our opinion, Centerlink, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

**Report on Internal Control Over Compliance**

Management of Centerlink, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Centerlink, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not

for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Centerlink, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Liggett, Vegt & Webb, P.A.*

LIGGETT, VOGT & WEBB, P.A.  
*Certified Public Accountants*

Boynton Beach, Florida  
April 21, 2015

**CENTERLINK, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of Centerlink, Inc.
2. No instances of noncompliance material to the financial statements of Centerlink, Inc. which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
3. No reportable conditions or material weaknesses in internal control over major programs were disclosed during the audit.
4. The auditor's report on compliance for the major federal award programs for Centerlink, Inc. expresses an unqualified opinion on all major programs.
5. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
6. The program tested as the major program was the Centers for Disease Control and Prevention grant, CFDA number 93.283.
7. The threshold for distinguishing Type A and B Programs was \$300,000.
8. Centerlink, Inc. does not qualify as a low-risk auditee.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

No reportable conditions were disclosed.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT**

No audit findings that are required to be reported in accordance with Section 501(a) of OMB Circular A-133 or questioned costs were disclosed.

**OTHER ISSUES**

No summary schedule of prior audit findings is required as this is the initial audit of Federal programs.