

**CENTERLINK, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**CENTERLINK, INC.**

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
CenterLink, Inc.  
P.O. Box 24490  
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, 2022 and 2021, 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, 2022 and 2021, 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 26, 2023



**CENTERLINK, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2022 AND 2021**

	<u>ASSETS</u>	
	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 759,224	\$ 2,169,108
Investments	3,731,706	516,555
Accounts and Grants Receivable, Net of Provision for Uncollectible Accounts of \$0 and \$0, respectively	259,746	254,751
Prepaid Expenses	11,324	22,357
Total Current Assets	<u>4,762,000</u>	<u>2,962,771</u>
<b>FURNITURE AND EQUIPMENT</b>		
Furniture and Computer Equipment	51,640	39,022
Website	10,000	5,000
Less: Accumulated Depreciation	<u>(43,073)</u>	<u>(31,712)</u>
Net Furniture and Equipment	18,567	12,310
<b>DEPOSITS</b>	6,441	6,441
<b>TOTAL ASSETS</b>	<u>\$ 4,787,008</u>	<u>\$ 2,981,522</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 110,625	\$ 149,650
Deferred Revenue	<u>62,953</u>	<u>78,811</u>
Total Current Liabilities	<u>173,578</u>	<u>228,461</u>
<b>COMMITMENTS AND CONTINGENCIES (SEE NOTE 6)</b>	-	-
Net Assets		
Undesignated	3,279,930	1,928,798
Board Designated for Grant Writer & Program Assistant positions	215,000	-
Board Designated for Strategic Planning Consultant	40,000	-
Board Designated for DEI/HR Consultant	30,000	-
Board Designated for Security Consultant	50,000	-
Board Designated for PR Firm	60,000	-
Board Designated for Board Travel	<u>5,000</u>	<u>-</u>
Without Donor Restrictions	3,679,930	1,928,798
With Donor Restrictions	<u>933,500</u>	<u>824,263</u>
Total Net Assets	<u>4,613,430</u>	<u>2,753,061</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 4,787,008</u>	<u>\$ 2,981,522</u>

See accompanying notes to financial statements.

**CENTERLINK, INC.**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue</b>						
Federal Grants	\$ 277,171	\$ -	\$ 277,171	\$ 416,985	\$ -	\$ 416,985
Other Grants	1,161,299	678,200	1,839,499	1,221,862	473,338	1,695,200
Contributions	2,589,597	250,000	2,839,597	983,962	250,000	1,233,962
Membership Dues	154,926	-	154,926	74,468	-	74,468
Conference Income	39,014	-	39,014	29,488	-	29,488
Program Service Fees	22,168	-	22,168	281,650	-	281,650
In-kind	-	-	-	677	-	677
Rental Income	8,262	-	8,262	14,032	-	14,032
Miscellaneous Income	11,944	-	11,944	1,719	-	1,719
Interest Income	23,445	-	23,445	7,502	-	7,502
(Un)Realized Gains (Losses), net	(92,143)	-	(92,143)	2,669	-	2,669
Net Assets Released from Restrictions	818,963	(818,963)	-	778,675	(778,675)	-
Total Revenue	5,014,646	109,237	5,123,883	3,813,689	(55,337)	3,758,352
<b>Expenses</b>						
Program Services	3,012,668	-	3,012,668	2,711,986	-	2,711,986
General and Administrative	56,986	-	56,986	30,066	-	30,066
Fundraising Services	193,860	-	193,860	100,961	-	100,961
Total Expenses	3,263,514	-	3,263,514	2,843,013	-	2,843,013
<b>Change in Net Assets</b>	1,751,132	109,237	1,860,369	970,676	(55,337)	915,339
Net Assets, Beginning of Year	1,928,798	824,263	2,753,061	958,122	879,600	1,837,722
Net Assets, End of Year	\$ 3,679,930	\$ 933,500	\$ 4,613,430	\$ 1,928,798	\$ 824,263	\$ 2,753,061

See accompanying notes to financial statements.

**CENTERLINK, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSE**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 994,380	\$ 37,522	\$ 141,335	\$ 1,173,237
Employee Benefits	146,099	4,608	15,420	166,127
Payroll Taxes	79,868	3,051	11,051	93,970
Total Salaries and Related Employee Benefits	<u>1,220,347</u>	<u>45,181</u>	<u>167,806</u>	<u>1,433,334</u>
Occupancy	13,883	1,508	754	16,145
Consultants	123,792	-	10,150	133,942
Grants	1,259,227	-	-	1,259,227
Conferences and Meetings	98,711	-	505	99,216
Technical Assistance	41,399	4,867	2,504	48,770
Travel and Lodging	64,781	-	3,242	68,023
Office Supplies and Expense	23,059	-	700	23,759
Advertising	7,132	-	150	7,282
Accounting and Auditing	7,457	850	425	8,732
Legal	5,000	-	-	5,000
Telephone and Fax	12,941	744	918	14,603
Insurance	7,887	889	503	9,279
Printing and Publications	7,000	-	-	7,000
Postage and Shipping	9,778	-	-	9,778
Depreciation	9,657	568	1,136	11,361
Dues and Subscriptions	43,055	663	972	44,690
Board Expense	1,009	-	-	1,009
Repairs and Maintenance	3,437	180	90	3,707
Bank & Credit Card Fees	12,720	370	950	14,040
Miscellaneous	40,396	1,166	3,055	44,617
Total Expenses	<u>\$ 3,012,668</u>	<u>\$ 56,986</u>	<u>\$ 193,860</u>	<u>\$ 3,263,514</u>

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	24,734	573	1,433	26,740
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.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 1,860,369	\$ 915,339
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Depreciation	11,361	6,463
Unrealized Loss	(80,710)	(8,536)
Realized Gain (Loss)	(11,433)	5,867
Forgiveness of PPP loan	-	(149,585)
(Increase) Decrease in Operating Assets:		
Accounts and Grants Receivable	(4,995)	(180,613)
Prepaid Expenses	11,033	(11,431)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	(39,025)	(114,397)
Deferred Revenue	(15,858)	78,811
Net Cash Provided by Operating Activities	<u>1,730,742</u>	<u>541,918</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Investments	(3,123,008)	(511,850)
Purchase of Equipment and Website	(17,618)	(11,465)
Net Cash Used in Investing Activities	<u>(3,140,626)</u>	<u>(523,315)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from PPP Loan	-	149,585
Net Cash Provided by Financing Activities	<u>-</u>	<u>149,585</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,409,884)	168,188
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,169,108</u>	<u>2,000,920</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 759,224</u>	<u>\$ 2,169,108</u>
<b>SUPPLEMENTAL INFORMATION</b>		
Cash Paid for Interest	\$ -	\$ -
Cash Paid for Income Taxes	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**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 346 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, 2022 AND 2021**

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

Net assets with donor restrictions consist for the following purposes as of December 31, 2022:

<b>Subject to expenditure for specified purpose</b>	
Logo Trans Youth Town Hall event	\$ 1,500
IMI Implementation	73,500
Anti-Conversion/Trans Youth Public Education	17,300
ActionLink	141,000
YouthLink	25,000
Marketplace/Medicaid Outreach	125,200
LGBT Mental Health Initiative	200,000
2023 General Programming Support	350,000
	<u>\$ 933,500</u>

Releases from net assets with donor restrictions for the year ended December 31, 2022 are as follows:

**Releases from restrictions:**

<b>Subject to expenditure for specified purpose</b>	
Feeding Program	\$ 1,500
Federal Nondiscrimination Project	2,040
Anti-Conversion/Trans Youth Public	2,700
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>\$ 818,963</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, 2022 AND 2021**

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

**Investments**

Investments are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

**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 membership 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.

**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

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.

**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.



**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

**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.

**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.



**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

**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.

**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, 2019 through December 31, 2022 remain subject to examination by the Internal Revenue Service as of December 31, 2022.

**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, 2022 and 2021, the Organization had cash balances in excess of FDIC limits of \$137,765 and \$1,580,882. respectively.

**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

**Concentrations of Contributions**

During 2022, the organization recognized revenue from one grantor that made up approximately 39% of total revenue. During 2021, the organization recognized revenue from two grantors that made up approximately 21% and 12% of total revenue, respectively.

As of December 31, 2022, 10% and 16% of the accounts and grant receivable balance were owed from two donors, respectively. As of December 31, 2021, 74% of the accounts and grant receivable balance were owed from one donor.

**Leases**

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 was adopted effective January 1, 2022. This ASU had no impact on the organization.

**Advertising**

Advertising costs are expensed as incurred. These costs are included in direct operating & occupancy expenses and totaled \$7,282 and \$14,911 for the years ended December 31, 2022 and 2021, respectively.



**CENTERLINK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

**Recent Accounting Pronouncements**

In June 2016, the FASB issued ASU 2016-13, Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments. This standard update requires that certain financial assets be measured at amortized cost net of an allowance for estimated credit losses such that the net receivable represents the present value of expected cash collection. In addition, this standard update requires that certain financial assets be measured at amortized cost reflecting an allowance for estimated credit losses expected to occur over the life of the assets. The estimate of credit losses must be based on all relevant information including historical information, current conditions and reasonable and supportable forecasts that affect the collectability of the amounts. ASU 2016-13 is effective for fiscal years beginning after December 15, 2022. This guidance will have no impact on the organization.

**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	\$	759,224
Investments		3,731,706
Accounts and grants receivable, net		259,746
Prepaid expenses		11,324
Financial assets at year end	\$	<u>4,762,000</u>
Less those unavailable for general expenditure within one year due to:		
Restricted by donor with time or purpose restrictions		(933,500)
Board designations:		
Board Designated for Grant Writer & Program Assistant positions		(215,00)
Board Designated for Strategic Planning Consultant		(40,000)
Board Designated for DEI/HR Consultant		(30,000)
Board Designated for Security Consultant		(50,000)
Board Designated for PR Firm		(60,000)
Board Designated for Board Travel		(5,000)
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>3,428,500</u>

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.



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

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**    **INVESTMENTS AND FAIR VALUE MEASUREMENT**

FASB ASC 820, Fair Value Measurements and Disclosures, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of other than quoted prices included within Level 1 that are observable for the investments, either directly or indirectly; and Level 3 inputs that are unobservable inputs for the investments and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

The Organization's investments are in the custody of and managed by Our Fund Foundation, Inc. and RBC Wealth Management. Our Fund Foundation, Inc. has several investment pools and invests the funds according to the directions of the Pride Center. At December 31, 2022 and 2021, the investments are in two investment pools: diversified pool and balanced pool. The diversified pool invests in publicly traded stocks, bonds, mutual funds, money market funds, and cash; and the balanced pool invests in publicly traded stocks and equity funds, fixed income mutual funds, and government-backed bond funds. RBC Wealth Management invests in publicly traded stocks and equity funds and fixed income CDs. Under FASB ASC 958-320 Investments – Debt and Equity Securities, investments in marketable securities with readily determinable fair values are reported at fair value in the Statement of Financial Position with the amount of unrealized gains or losses on investments not previously recognized are reported in the Statement of Activities.

The following represents the investments carried at fair value as of December 31, 2022 and 2021 within the fair value hierarchy:

<b>Investments</b>	<b>December 31, 2022</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
US Large Cap Equity	\$ 4,596	\$ -	\$ 4,596
Fixed Income – Certificate of Deposit	-	3,297,447	3,297,447
CenterLink Agency Fund: Balance Pool	-	257,733	257,733
CenterLink Agency Fund: Diversified Pool	-	171,930	171,930
<b>Total</b>	<b>\$ 4,596</b>	<b>\$ 3,727,110</b>	<b>\$ 3,731,706</b>



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**NOTE 4**    **INVESTMENTS AND FAIR VALUE MEASUREMENT CONT'D**

<u>Investments</u>	<b>December 31, 2021</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
US Large Cap Equity	\$ 2,644	\$ -	\$ 2,644
CenterLink Agency Fund: Balance Pool	-	307,413	307,413
CenterLink Agency Fund: Diversified Pool	-	206,498	206,498
<b>Total</b>	<b>\$ 2,644</b>	<b>\$ 513,911</b>	<b>\$ 516,555</b>

**NOTE 5**    **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.



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**NOTE 5**      **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 6**      **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, 2022 and December 31, 2021, the organization contributed \$22,320 and \$16,000, 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.

On June 22, 2022, due to going fully remote, the Organization entered into a 1 year lease agreement for 90 SF of office room in an office space in Fort Lauderdale, Florida for a total of \$207/month, including sales tax, effective July 1, 2022 through June 30, 2023.

Rent expense for the years ended December 31, 2022 and 2021, was \$15,720 and \$28,956, respectively.

**NOTE 7**      **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, 2022, the Organization received \$277,171 in pass-through federal awards. During the year ended December 31, 2021, the Organization received \$267,400 in pass-through federal awards.

On February 16, 2021, 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"). On December 17, 2021, \$149,585 of the principal balance and related interest was forgiven (See Note 5).

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**NOTE 8**     **RELATED PARTY TRANSACTIONS**

During the years ended December 31, 2022 and December 31, 2021, various board members contributed \$14,677 and \$12,561, 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, 2022, the consulting agreement was for \$2,500 a month for four months. For the year ended December 31, 2021, services were provided as needed. During the years ended December 31, 2022 and December 31, 2021, the former CEO was paid \$10,000 and \$10,750, respectively.

**NOTE 9**     **DONATED ITEMS**

The value of donated placement services and office supplies in 2022 and 2021 was \$0 and \$667. 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 10**    **SUBSEQUENT EVENTS**

In preparing the financial statements, the Company has evaluated events and transaction for potential recognition or disclosure through June 26, 2023, the date the financial statements were issued.