

Community Link, Inc.

FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA

June 30, 2010 and 2009

Community Link, Inc.
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INDEPENDENT AUDITORS' REPORT

December 17, 2010

Board of Directors
Community Link, Inc.
Breese, Illinois 62230

We have audited the accompanying Statements of Financial Position of Community Link, Inc. (a nonprofit organization) as of June 30, 2010 and 2009, and its related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended. These basic financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We performed our audits 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Link, Inc. as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a separate report dated December 17, 2010, on our consideration of Community Link, Inc. internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

December 17, 2010

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Community Link, Inc. taken as a whole. The supplementary information on pages 21 through 35 including the Consolidated Financial Report and Grant Report for the State of Illinois Fiscal Year ended June 30, 2010, is presented for purposes of additional analysis as required by the Illinois Department of Human Services and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements of Community Link, Inc. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Respectfully submitted,

Glass and Shuffett, Ltd.

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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

December 17, 2010

Board of Directors
Community Link, Inc.
Breese, Illinois 62230

We have audited the financial statements of Community Link, Inc. as of and for the year ended June 30, 2010, and have issued our report thereon dated December 17, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Community Link, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Link, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the organization's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

December 17, 2010

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Link, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 one instance of noncompliance that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs and identified as Finding 10-01

In accordance with SAS No. 114 *The Auditors' Communication with Those Charged with Governance* we have issued a separate letter dated December 17, 2010, to the Board of Directors addressing those required communications.

Community Link, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Community Link, Inc.'s response and we express no opinion on it.

This report is intended for the information of the Board of Directors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Glass and Shuffett, Ltd.

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

December 17, 2010

Board of Directors
Community Link, Inc.
Breese, Illinois 62230

Compliance

We have audited the compliance of Community Link, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

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 the Organization'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. Our audit does not provide a legal determination on the Organization's compliance with those requirements.

As described in Finding 10-01 in the accompanying schedule of findings and questioned costs, Community Link, Inc. did not provide assurance that they complied with the Davis-Bacon Act in regard to renovations made to their Early Head Start facility. Compliance with such requirement is necessary, in our opinion, for Community Link, Inc. to comply with the requirements applicable to that program.

In our opinion, except for the non-compliance described in the preceding paragraph, the Organization complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

December 17, 2010

Internal Control Over Compliance

The management of Community Link, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Community Link, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Community Link, 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 federal program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness as defined above.

This report is intended for the information of the Board of Directors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Glass and Shuffett, Ltd.

Community Link, Inc.
STATEMENT OF FINANCIAL POSITION
June 30, 2010 and 2009

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Current Assets:		
Cash on Hand and in Bank -- Operating	\$ 436,935	\$ 457,057
Cash in Bank -- Reserves	91,027	87,672
Accounts Receivable -- Trade	1,513,465	1,139,078
Prepaid Expenses	72,528	72,083
Deposit	-	100
	<hr/>	<hr/>
Total Current Assets	2,113,955	1,755,990
	<hr/>	<hr/>
Property and Equipment:		
Land and Land Improvements	267,530	267,530
Buildings and Improvements	3,150,005	3,111,179
Furniture, Fixtures and Equipment	162,424	270,159
Vehicles	374,999	310,459
	<hr/>	<hr/>
Total Cost	3,954,958	3,959,327
	<hr/>	<hr/>
Less -- Accumulated Depreciation	1,646,263	1,628,569
	<hr/>	<hr/>
Net Property and Equipment	2,308,695	2,330,758
	<hr/>	<hr/>
	<hr/>	<hr/>
Total Assets	\$ 4,422,650	\$ 4,086,748
	<hr/>	<hr/>

EXHIBIT A

LIABILITIES AND NET ASSETS

	<u>2010</u>	<u>2009</u>
Current Liabilities:		
Accounts Payable	\$ 131,058	\$ 94,110
Notes Payable -- Due Within One Year	509,170	232,326
Package Insurance Payable	34,663	34,967
W/C Insurance Assessment Payable	37,500	36,380
Accrued Expenses	213,460	221,104
Unearned Income	-	2,800
Compensated Absences Payable	143,743	137,830
	<u>1,069,594</u>	<u>759,517</u>
 Long Term Liabilities (Due After One Year):		
W/C Insurance Assessment Payable	18,749	41,254
Notes Payable	1,728,951	1,890,105
	<u>1,747,700</u>	<u>1,931,359</u>
 Total Liabilities	<u>2,817,294</u>	<u>2,690,876</u>
 Net Assets:		
Unrestricted	<u>1,605,356</u>	<u>1,395,872</u>
 Total Liabilities and Net Assets	<u>\$ 4,422,650</u>	<u>\$ 4,086,748</u>

See accompanying notes to financial statements.

EXHIBIT B

Community Link, Inc.
STATEMENT OF ACTIVITIES
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Support and Revenue:		
Support		
Grants	\$ 991,653	\$ 872,841
Contributions	203,379	451,392
Total Support	<u>1,195,032</u>	<u>1,324,233</u>
Revenue:		
Fees for Services	5,183,536	5,113,088
Investment Income	3,517	5,164
Other Income	440,896	425,788
Gain (Loss) on Sale of Assets	-	95
Total Revenue	<u>5,627,949</u>	<u>5,544,135</u>
Total Support and Revenue	<u>6,822,981</u>	<u>6,868,368</u>
Expenses:		
Program Services:		
Adult Day Programs	3,380,629	3,374,462
Community Living Programs	1,628,614	1,604,985
Infant Programs	796,698	838,332
General and Administrative Services	<u>876,921</u>	<u>726,504</u>
Total Expenses	<u>6,682,862</u>	<u>6,544,283</u>
Other Changes in Net Assets:		
Capital Assets Expensed Per Grant Award	79,992	-
Depreciation on Capital Assets Expensed	<u>(5,819)</u>	<u>-</u>
Total Other Changes in Net Assets	<u>74,173</u>	<u>-</u>
Change in Unrestricted Net Assets	214,292	324,085
Unrestricted Net Assets, Beginning of Year	1,395,872	1,101,642
Prior Period Adjustment	<u>(4,808)</u>	<u>(29,855)</u>
Unrestricted Net Assets, End of Year	<u>\$ 1,605,356</u>	<u>\$ 1,395,872</u>

See accompanying notes to financial statements.

EXHIBIT C

Community Link, Inc.
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash Flows Used for Operating Activities:		
Change in Unrestricted Net Assets	\$ 214,292	\$ 324,085
Adjustments to Reconcile Change in Unrestricted Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	150,496	144,477
Prior Period Adjustment	(4,808)	(29,855)
(Increase) Decrease in Accounts Receivable	(374,387)	(443,146)
(Increase) Decrease in Prepaid Expenses	(445)	(6,506)
(Increase) Decrease in Deposits	100	-
Increase (Decrease) in Accounts Payable and Accrued Expenses	7,615	7,891
Increase (Decrease) in Unearned Income	(2,800)	(33,443)
Increase (Decrease) in Compensated Absences Payable	5,913	7,836
Total Adjustments	<u>(218,316)</u>	<u>(352,746)</u>
Net Cash Provided by Operating Activities	<u>(4,024)</u>	<u>(28,661)</u>
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	(128,433)	(65,668)
(Gain) Loss on Sale of Assets	-	(95)
	<u>(128,433)</u>	<u>(65,763)</u>
Cash Flows from Financing Activities:		
Loan Proceeds	1,220,000	1,475,802
Principal Payments on Notes Payable	(1,104,310)	(1,520,555)
	<u>115,690</u>	<u>(44,753)</u>
Net Increase (Decrease) in Cash and Equivalents	(16,767)	(139,177)
Cash and Equivalents at Beginning of Year	<u>544,729</u>	<u>683,906</u>
Cash and Equivalents at End of Year	<u>\$ 527,962</u>	<u>\$ 544,729</u>
Supplemental Data:		
Interest Paid	<u>\$ 115,359</u>	<u>\$ 121,092</u>

See accompanying notes to financial statements.

Community Link, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2010

EXHIBIT D

	Program Services			Total Program Services	General and Administrative	Total Expenses
	Adult Day Programs	Community Living Programs	Infant Programs			
Expenses						
Staff Salaries	\$ 1,716,512	\$ 1,022,715	\$ 286,650	\$ 3,025,877	\$ 498,288	\$ 3,524,165
Payroll Taxes	164,590	79,334	38,380	280,304	41,236	321,540
Fringe Benefits	378,956	221,092	43,072	643,120	90,455	733,575
Consultants	-	569	131,847	132,416	60,339	192,755
Volunteer Wages	-	-	108,716	108,716	-	108,716
Consumer Wages & Fringes	186,630	-	-	186,630	-	186,630
Medical Supplies	1,941	570	-	2,511	-	2,511
Office Supplies	13,362	1,584	5,608	20,554	20,678	41,232
Program Supplies	30,784	6,110	7,362	44,256	-	44,256
Housekeeping Supplies & Services	19,863	12,744	706	33,313	1,480	34,793
Specific Assistance to Individuals	49	12,801	680	13,530	-	13,530
Food	-	63,584	-	63,584	-	63,584
Maintenance Supplies	18,307	1,607	2,802	26,716	506	27,222
Rent	12,380	1,247	7,665	25,292	1,620	26,912
Utilities	68,047	38,280	4,989	111,316	2,581	113,897
Maintenance Service and Repairs	40,909	19,169	27,229	87,307	1,398	88,705
Computer Repairs and Maintenance	16,227	4,735	2,311	23,273	14,712	37,985
Insurance	16,763	13,035	4,084	33,882	20,170	54,052
Travel and Transportation	466,037	26,273	13,034	499,344	4,407	503,751
Telephone	15,282	11,884	8,351	35,517	9,823	45,340
Staff Training and Conferences	1,589	433	9,598	11,620	15,527	27,147
Dues and Subscriptions	275	113	2,973	3,361	15,031	18,392
Small Equipment	10,519	9,007	87,207	106,733	14,370	121,103
Public Relations	730	-	63	793	19,001	19,794
Interest	100,700	27,472	587	128,759	2,178	130,937
Miscellaneous Expenses	15,150	846	1,275	17,271	38,390	55,661
Depreciation Expenses	85,027	53,410	1,509	139,946	4,731	144,677
Total Expenses	\$ 3,380,629	\$ 1,628,614	\$ 796,698	\$ 5,805,941	\$ 876,921	\$ 6,682,862

(Continued on next page)

Community Link, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2009

EXHIBIT D

	Program Services			Total Program Services	General and Administrative	Total Expenses
	Adult Day Programs	Community Living Programs	Infant Programs			
Expenses						
Staff Salaries	\$ 1,742,467	\$ 984,467	\$ 329,032	\$ 3,055,966	\$ 437,531	\$ 3,493,497
Payroll Taxes	140,528	77,201	30,702	248,431	39,444	287,875
Fringe Benefits	380,708	227,890	54,202	662,800	91,815	754,615
Consultants	-	337	101,062	101,399	7,355	108,754
Volunteer Wages	-	-	217,813	217,813	-	217,813
Consumer Wages & Fringes	186,143	-	-	186,143	-	186,143
Medical Supplies	2,633	352	51	3,036	-	3,036
Office Supplies	8,216	1,635	5,423	15,274	17,969	33,243
Program Supplies	20,988	6,630	3,550	31,168	-	31,168
Housekeeping Supplies & Services	37,727	11,754	1,089	50,570	2,438	53,008
Specific Assistance to Individuals	-	27,448	-	27,448	-	27,448
Food	-	52,798	-	52,798	-	52,798
Maintenance Supplies	14,735	7,839	395	22,969	668	23,637
Rent	-	-	22,155	22,155	-	22,155
Utilities	68,097	37,713	4,723	110,533	7,092	117,625
Maintenance Service and Repairs	30,695	16,345	6,043	53,083	2,745	55,828
Computer Repairs and Maintenance	21,222	5,918	1,618	28,758	2,801	31,559
Insurance	19,205	14,334	4,301	37,840	24,222	62,062
Travel and Transportation	480,141	21,188	32,774	534,103	5,702	539,805
Telephone	3,701	10,997	5,694	20,392	11,864	32,256
Staff Training and Conferences	1,397	909	4,378	6,684	8,194	14,878
Dues and Subscriptions	362	142	703	1,207	22,449	23,656
Small Equipment	16,360	6,055	9,076	31,491	4,507	35,998
Public Relations	-	-	6	6	5,922	5,928
Interest	97,709	35,370	1,069	134,148	5,282	139,430
Miscellaneous Expenses	19,382	2,292	982	22,656	22,935	45,591
Depreciation Expenses	82,046	55,371	1,491	138,908	5,569	144,477
Total Expenses	\$ 3,374,462	\$ 1,604,985	\$ 838,332	\$ 5,817,779	\$ 726,504	\$ 6,544,283

Community Link, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

Community Link, Inc. is a non-for-profit community service agency whose goal is to promote the general welfare of adults and infants with developmental disabilities residing in Clinton County, Illinois, and surrounding area by fostering the development of programs in their behalf, providing rehabilitation and habilitation services, and assisting those individuals and their families in acquiring other needed services.

B. Financial Statement Presentation

The Organization has presented its financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. Under this guidance, the Organization 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. In addition, the Organization is required to present a statement of cash flows.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of their recognition.

The Organization maintained its accounting records and prepares its financial statements on the accrual basis. Under this basis, revenues are recognized when they are earned, and expenses are recognized when incurred.

D. Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within ninety (90) days of purchase.

E. Investments

In accordance with SFAS No. 124, investments in marketable securities are carried at readily determinable fair values.

F. Inventory

Inventories of supplies are immaterial and are expensed as purchased.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Allowance for Bad Debts

The Organization does not provide an allowance for bad debts. Bad debts are charged against revenue when they are determined uncollectible.

H. Property and Equipment

Property, plant and equipment is stated at cost, less accumulated depreciation unless donated. Donated items are valued at an amount determined to be fair market value. The Organization has a capitalization threshold of \$5,000. Depreciation is computed using the straight-line method over the estimated lives of the assets as follows:

Office Furniture and Fixtures	3-10 years
Tools and Workshop Equipment	5-12 years
Vehicles--Buses	5- 7 years
Vehicles--Other	5 years
Buildings	12-35 years
Home Furnishings	5- 7 years

Depreciation for the years ended June 30, 2010 and 2009, were \$150,496 and \$144,477, respectively.

I. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

J. Support and Revenue

The Organization receives fees for services from the Department of Human Services, other community agencies and its clients for billable client services and recognizes these fees as income when earned.

The Organization also receives direct grants from the Department of Human Services and Community Mental Health Act. These grants are generally recognized in the year the grant is awarded.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs benefited.

L. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

M. Compensated Absences

Employees of the Organization are entitled to paid vacation and paid sick leave depending on job classification, length of service, and other factors.

Upon termination, employees are paid for accrued vacation pay at current payroll rates. Sick pay is not paid to terminating employees and must be used or lost.

N. Federal Income Tax Status

The Organization has applied for and has been granted, exemption from Federal income taxation under Section 501 (c)(3) of the Internal Revenue Code.

O. Restatement of Prior Period Data

Certain prior period data has been restated to conform with the current financial statement presentation.

NOTE 2--SUMMARY OF GRANT FUNDING

The Organization received funding through the following grants during the years ended June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Illinois Department of Human Services	\$196,452	\$209,403
Illinois Department of Human Services --		
Title XX--DFI	61,799	61,799
Community M.H. Act (708)	79,124	72,450
U.S. Department of Health and		
Human Services	448,433	317,685
United Way	205,845	211,504
	<u>\$991,653</u>	<u>\$872,841</u>

NOTE 3--ACCOUNTS RECEIVABLE

Accounts receivable consists of various receivables as follows:

	<u>2010</u>	<u>2009</u>
Accounts Receivable—Trade	\$ 40,331	\$ 56,216
Illinois Department of Human Services	324,173	354,479
Long-term Care Facilities	1,087,478	680,997
U.S. Dept. of Health & Human Services	29,713	21,922
Washington County Workshop	1,879	1,879
Central Billing Office (Medicaid)	29,891	20,557
Other	-	3,028
	<u>\$1,513,465</u>	<u>\$1,139,078</u>

Aging of accounts receivable at June 30, 2010, are as follows:

0-30 Days	\$ 530,409	35%
31-60 Days	12,829	1%
61-90 Days	169,142	11%
91 Days or Over	<u>801,085</u>	<u>53%</u>
	<u>\$1,513,465</u>	<u>100%</u>

NOTE 4--NOTES PAYABLE

At June 30, 2010, the Organization was indebted to First Bank, Breese, Illinois as follows:

<u>Description</u>	<u>Date of Note</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Balance</u>	<u>Due Within One Year</u>
Operating	02-20-09	02-18-11	5.25%	\$ 350,000	\$ 350,000
Carlyle CILA Home	10-25-05	10-25-11	6.25%	14,276	10,306
Germantown					
CILA Home	10-25-05	10-25-10	6.25%	58,367	11,775
Building Addition	12-05-02	04-24-20	6.25%	123,119	9,626
2007 Dodge Vans	05-04-07	05-04-12	6.74%	21,572	10,907
2008 Ford Van	10-12-07	10-12-12	6.74%	16,752	6,854
Fairview Heights					
Real Estate	10-10-08	10-01-28	6.85%	678,690	19,115
West Building	12-16-08	12-16-11	7.00%	<u>157,016</u>	<u>3,979</u>
				<u>\$1,419,792</u>	<u>\$422,562</u>

The above notes are secured by accounts receivable, equipment and buildings owned by the Organization.

NOTE 4--NOTES PAYABLE (CONTINUED)

At June 30, 2010, the Organization was indebted to the USDA - Rural Development as follows:

<u>Description</u>	<u>Date of Note</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Balance</u>	<u>Due Within One Year</u>
Buildings	12-7-94	12-7-24	5.25%	<u>\$616,210</u>	<u>\$28,466</u>

The USDA - Rural Development originally approved two separate promissory notes totaling \$823,000 and \$85,000 for refinancing and improvements to Organization buildings. Principal payments commenced January 7, 1996, at \$5,095 per month. The notes are secured by a mortgage on the Organization's buildings.

At June 30, 2010, the Organization was indebted to the Illinois State Council Knights of Columbus Charities, Inc., on two promissory notes, originally issued in the amounts of \$192,000, and \$215,000, respectively, as follows:

<u>Description</u>	<u>Date of Note</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Balance</u>	<u>Due Within One Year</u>
Aviston CILA					
Home	1-18-05	1-18-12	0%	\$ 43,429	\$ 27,428
Breese 555 CILA					
Home	7-25-08	8-10-15	0%	<u>158,690</u>	<u>30,714</u>
				<u>\$202,119</u>	<u>\$ 58,142</u>

The notes require monthly payments of \$2,286, and \$2,560, respectively, and are secured by real estate. Imputed interest on these zero percent loans is included in expense totaling \$15,579. The effective interest rate used is 6.25%.

Annual debt maturities for future years follow:

2011	\$ 509,170
2012	295,277
2013	111,709
2014	114,279
2015	111,009
Thereafter	<u>1,096,677</u>
	<u>\$2,238,121</u>

NOTE 5--RESERVE ACCOUNTS

In accordance with the terms of the Rural Economic and Community Development agreement, the Organization is required to segregate revenues and restrict their use in separate account for the following purposes:

- 1) Payment of note principal and interest when other funds are not available
- 2) Payment of cost of repairs caused by catastrophe
- 3) Extensions or improvements

The maximum required reserve balance for the Rural Economic and Community Development agreement is \$61,200.

The Organization has continued to fund the reserve with investment earnings in excess of the maximum required reserve balance. As of June 30, 2010, the Organization's reserved balance was invested in Certificates of Deposit totaled \$91,027.

The Organization has complied with the financial loan agreement for the year ended June 30, 2010.

NOTE 6--INSURANCE COVERAGE

<u>Company</u>	<u>Description of Coverage</u>	<u>Expiration</u>																		
Philadelphia	General liability: bodily injury, personal injury and property damage--\$1 million each occurrence, \$1 million aggregate; medical coverage -- \$5,000 each person, \$1 million each accident; fire damage limit (any one fire) -- \$100,000 Property: Property coverages, including special form policy for mine subsidence -- comprehensive 100% co-insurance, \$1,000 deductible: Buildings are covered under Blanket #1 in the amount of \$8,691,073 Contents are covered under Blanket #2 in the amount of \$1,056,048	5-1-11																		
	<table><tr><th><u>Location</u></th><th><u>Property</u></th><th><u>Contents</u></th></tr><tr><td>8510 Old U.S. 50, Breese, IL -- Workshop</td><td>Blanket #1</td><td>Blanket #2</td></tr><tr><td>8510 Old U.S. 50, Breese, IL -- Gazebo</td><td>Blanket #1</td><td>Blanket #2</td></tr><tr><td>8510 Old U.S. 50, Breese, IL -- Storage Shed</td><td>Blanket #1</td><td>Blanket #2</td></tr><tr><td>1665 N. 4th St., Breese, IL -- Office/Workshop</td><td>Blanket #1</td><td>Blanket #2</td></tr><tr><td>1665 N. 4th St., Breese, IL -- Gazebo</td><td>Blanket #1</td><td>Blanket #2</td></tr></table>	<u>Location</u>	<u>Property</u>	<u>Contents</u>	8510 Old U.S. 50, Breese, IL -- Workshop	Blanket #1	Blanket #2	8510 Old U.S. 50, Breese, IL -- Gazebo	Blanket #1	Blanket #2	8510 Old U.S. 50, Breese, IL -- Storage Shed	Blanket #1	Blanket #2	1665 N. 4th St., Breese, IL -- Office/Workshop	Blanket #1	Blanket #2	1665 N. 4th St., Breese, IL -- Gazebo	Blanket #1	Blanket #2	
<u>Location</u>	<u>Property</u>	<u>Contents</u>																		
8510 Old U.S. 50, Breese, IL -- Workshop	Blanket #1	Blanket #2																		
8510 Old U.S. 50, Breese, IL -- Gazebo	Blanket #1	Blanket #2																		
8510 Old U.S. 50, Breese, IL -- Storage Shed	Blanket #1	Blanket #2																		
1665 N. 4th St., Breese, IL -- Office/Workshop	Blanket #1	Blanket #2																		
1665 N. 4th St., Breese, IL -- Gazebo	Blanket #1	Blanket #2																		

NOTE 6--INSURANCE COVERAGE (CONTINUED)

	<u>Location</u>	<u>Property</u>	<u>Contents</u>
	1665 N. 4th., Breese, IL -- Playground Equipment	Blanket #1	Blanket #2
	9815 Bunkurn Rd., Fairview Heights, IL -- Vocational School	Blanket #1	Blanket #2
	9815 Bunkurn Rd., Fairview Heights, IL -- Storage	Blanket #1	Blanket #2
	1665 N. 4th St., Breese, IL -- Storage Shed	Blanket #1	Blanket #2
	771 Fairfax St., Carlyle, IL -- CILA Home	Blanket #1	Blanket #2
	230 Keeven Drive, Highland, IL -- CILA Home	Blanket #1	Blanket #2
	1005 Church St., Germantown, IL -- CILA Home	Blanket #1	Blanket #2
	245 N. 6th, Breese, IL -- CILA Home	Blanket #1	Blanket #2
	599 West 2nd, Aviston, IL -- CILA Home	Blanket #1	Blanket #2
	955 N. Plum, Breese, IL	Contents only	Blanket #2
	555 N. 6th, Breese, IL	Blanket #1	Blanket #2
	Employee dishonesty--\$1,000,000, \$1,000 deductible		
	Money and securities--\$5,000 on/off premises, \$500 deductible		
Philadelphia	Computer/word processor equipment-- \$200,000 blanket for all locations, 100% co-insurance, \$500 deductible		5-1-11
Philadelphia	Earthquake and volcanic eruption-- blanket limit -- \$7,492,376, 5% deductible, same coverages as listed on property above		5-1-11
Zurich Insurance Company	Workers' compensation: statutory coverage; Employers' liability: \$1,000,000 each accident/ each employee policy limit		10-1-10

NOTE 6--INSURANCE COVERAGE (CONTINUED)

	<u>Location</u>	<u>Property</u>	<u>Contents</u>
Philadelphia	Automobile liability: fleet coverage--\$1 million per accident; uninsured motorist--\$1 million automobile medical pay--\$1,000 per person (non-owned and hired auto's also covered on Policy); all vehicles have comprehensive \$500 and \$1,000 deductible collision		5-1-11
Philadelphia	Excess blanket catastrophe liability policy--\$2 million over other limits		5-1-11
Philadelphia	Directors and officers liability coverage--\$1 million aggregate		5-1-11
Auto Owners	FHA schedule bond--\$400,000		10-1-10

NOTE 7--RETIREMENT AND FRINGE BENEFIT PLANS

The Organization maintains a defined contribution money purchase retirement plan for its employees. Provisions of the plan follow:

Underwriter -- Mutual of America
Effective Date of Plan -- July 1, 1984
Eligibility -- 21 Years of Age and One Year of Service
Vesting -- Upon Completion of 3 Years of Service
Contributions -- Employer Contributions Equal to 5% of Compensation
Maximum Contributions -- \$30,000 or 25% of Salary, Whichever is Less
Normal Retirement Age --65 (Election May be Made to Retire and Receive a Benefit any Time on or after Date Employee Reaches Age 55)

The cost of the plan for the year ended December 31, 2009, was \$147,600. Plan assets as of December 31, 2009, totaled \$1,335,527 for participants.

The Organization also maintains a section 125 cafeteria plan for its employees which maintained a balance of \$1,197 at June 30, 2010.

NOTE 8--LEASE OF REAL ESTATE

Effective January 1, 2006, the Organization entered into a lease with Mater Dei High School, Breese, Illinois, for real estate located at 955 North Plum, Breese, Illinois. The lease term was for one year at \$550 per month. The lease has been renewed annually under the same terms and conditions. The minimum required remaining lease payments at June 30, 2010 totaled \$6,600.

NOTE 9--PRIOR PERIOD ADJUSTMENTS/RECLASSIFICATIONS

Prior period adjustments were required for retro-active billing adjustments which increased (decreased) net assets for June 30, 2010 and 2009, in the amounts of \$(4,808) and \$(29,855), respectively.

NOTE 10--FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization has a number of financial instruments and estimates the fair value of all financial instruments at June 30, 2010 and 2009. All investments are recorded at fair market value on the statement of financial position.

NOTE 11--OTHER CHANGES IN NET ASSETS

Grant expenditures for the Early Head Start program include \$79,992 of equipment which was an authorized cost to the grant program. These assets are reported as a grant program expense in the year incurred to satisfy the expense reporting requirements of the grant. However, Generally Accepted Accounting Principles requires the cost of these assets to be depreciated over their estimated useful life. Therefore, the capital assets purchased from this grant are added back (\$79,992) and depreciation is recorded (\$5,819) on the Statement of Activities.

NOTE 12--IN-KIND CONTRIBUTIONS

The Organization routinely receives in-kind services in connection with the Early Head Start Program. The value of these services is included in revenues and expenditures when performed. During the fiscal years ended June 30, 2010 and 2009, the amount of services received was \$109,352 and \$234,748, respectively.

Additional in-kind contributions are recognized for imputed interest on zero percent loans (\$15,579). See Note 4.

NOTE 13--SUBSEQUENT EVENTS

Management have evaluated subsequent events through December 17, 2010, the date the financial statements were available to be issued.

NOTE 14--ACCOUNTING FOR UNCERTAIN TAX POSITIONS

Effective July 1, 2009 the Organization adopted the accounting standard regarding "Accounting for Uncertain Tax Positions." This accounting standard provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax provision recognized in the Organization's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not the position will be sustained upon examination. The Organization has not taken any tax position that is expected to significantly increase or decrease over the next twelve months. The adoption of this standard had no material effect on the Organization's financial position, change in net assets, or cash flows.

The Organization files income tax returns in the United States federal and State of Illinois jurisdictions. The Organization is no longer subject to United States federal or State of Illinois tax examinations for years ending before June 30, 2007.

The Organization includes penalties and interest assessed by income taxing authorities in operating expenses. The Organization did not have penalties and interest expenses for the years ended June 30, 2010 and 2009.

Community Link, Inc.

SUPPLEMENTAL DATA

Consolidated Financial Report

Schedule of Agency Information

Name of Agency: COMMUNITY LINK, INC.

County: Clinton

Mailing Address

Street: 1665 N. 4th Street

City: Breese

State: IL

Zip Code: 62230

Federal Employer Identification Number (FEIN): 37-0955971

Name of Person Completing Report: Fran Taylor
Job Title: Director of Finance
Telephone Number: 618-526-3906
Email Address: frant@commmlink.org

Begin Date of Report: 7/1/2009
End Date of Report: 6/30/2010

Number of Programs Reported: 4

Actual / Budgeted Costs: Actual

Quarters Reported: 4

Type of Ownership: Not-for-profit

Basis of Maintaining Accounting Records: Accrual

Agency Accreditation Completed By: CARF

Schedule of Programs

COMMUNITY LINK, INC.
37-0955971

Program Number	Program Name		Contract Numbers or Program Codes				Healthcare & Family
	Description 1	Description 2	DCFS	DHS	ISBE	Aging	
1	DT	31U/LTC		31ULTC			
2	SEP	36U/39U/ORS		36U39UORS			
3	DD CILA-24 hr.	60D		60D			
4	DD CILA-Intermi	60D		60D			

Schedule of Program Costs

COMMUNITY LINK, INC.
37-0955971

	Agency Amount	All Other Not Allocated	DT 31U/LTC	SEP 36U/39U/ORS
Program Expenses				
1 Program Staff Salaries	2,786,855	471,657	1,439,446	18,783
2 Program Clerical Staff Salaries	110,049	32,004	51,070	287
3 Program Payroll Taxes and Fringe Benefits	882,982	137,586	475,893	4,844
4 Program Consultants	132,416	131,847	0	0
5 Consumer Wages and Fringe Benefits	186,629	58,731	127,898	0
6 Medicine and Drugs	2,455	19	1,919	3
7 All Other Program Equipment and Supplies	65,428	23,372	36,394	17
8 Staff Transportation	19,335	7,330	10,065	368
9 Client Transportation	507,275	43,017	427,756	3,453
10 Transportation To/From School	0	0	0	0
11 Direct Service Staff Conferences & Conventions	12,378	10,627	1,391	5
12 Program Insurance	176	176	0	0
13 Direct Client Specific Assistance	13,530	13,481	49	0
14 Telecommunication Costs Assigned to Program	35,166	8,906	14,766	47
15 Foster Care Payments	0	0	0	0
16 Other (Specify)	195,760	174,968	18,756	38
17 Total Program Expenses	4,950,434	1,113,721	2,605,403	27,845
Support Expenses				
18 Support Salaries	88,579	15,167	66,162	0
19 Support Payroll Taxes and Fringe Benefits	28,771	5,265	21,535	0
20 Dietary Supplies	63,584	0	0	0
21 Housekeeping and Laundry Supplies	29,817	2,646	16,662	0
22 Other (Specify)	1,909	527	1,269	0
23 Total Support Expenses	212,660	23,605	105,628	0
Occupancy Expenses				
24 Occupancy Salaries	40,391	7,228	24,202	0
25 Occupancy Payroll Taxes and Fringe Benefits	11,674	2,071	7,007	0
26 Building & Equipment Operations and Maintenance	261,045	62,025	129,852	18
27 Vehicle Depreciation	6,573	0	6,573	0
28 All Other Depreciation & Amorization	114,943	13,438	64,485	0
29 Vehicle Rent	18,340	2,629	11,079	35
30 All Other Lease/Rent/Taxes	6,600	6,600	0	0
31 Equipment Under \$500	56,467	42,404	5,903	0
32 Mortgage & Installment Interest	119,287	13,553	84,166	10
33 Operating Interest	6,229	1,123	3,589	0
34 Other (Specify)	1,298	235	948	0
35 Total Occupancy Expenses	642,847	151,306	337,804	63
Administrative and Office Expenses				
36 Administrative Salaries	0	0	0	0
37 Administrative Payroll Taxes and Fringe Benefits	0	0	0	0
38 Administrative Consultants	0	0	0	0
39 Telecommunication Costs Not Assigned to Program	0	0	0	0
40 Office Supplies and Equipment	0	0	0	0
41 Allocation of Management and General (G & A)	876,921	112,060	523,416	2,648
42 Other (Specify)	0	0	0	0
43 Total Administrative Expenses	876,921	112,060	523,416	2,648
44 Total Expenses	6,682,862	1,400,692	3,572,251	30,556
Non-reimbursable Expenses				
45 Depreciation on DMHDD Funded Capital Assets Included Above	0	0	0	0
46 Cost of Production and Workshop Client Wages Included Above	192,264	62,429	129,835	0
47 Other (Specify)	138,649	115,692	5,059	0
48 Total Non-Reimbursable Expenses	330,913	178,121	134,894	0
49 Net Expenses	6,351,949	1,222,571	3,437,357	30,556

Schedule of Program Costs

COMMUNITY LINK, INC.

37-0955971

		DD CILA-24 hr. 60D	DD CILA-Interm 60D		
Program Expenses					
1	Program Staff Salaries	841,431	15,538		
2	Program Clerical Staff Salaries	26,379	309		
3	Program Payroll Taxes and Fringe Benefits	260,424	4,235		
4	Program Consultants	569	0		
5	Consumer Wages and Fringe Benefits	0	0		
6	Medicine and Drugs	514	0		
7	All Other Program Equipment and Supplies	5,413	232		
8	Staff Transportation	1,373	199		
9	Client Transportation	27,644	5,405		
10	Transportation To/From School	0	0		
11	Direct Service Staff Conferences & Conventions	353	2		
12	Program Insurance	0	0		
13	Direct Client Specific Assistance	0	0		
14	Telecommunication Costs Assigned to Program	11,339	108		
15	Foster Care Payments	0	0		
16	Other (Specify)	1,993	5		
17	Total Program Expenses	1,177,432	26,033		
Support Expenses					
18	Support Salaries	7,118	132		
19	Support Payroll Taxes and Fringe Benefits	1,926	45		
20	Dietary Supplies	63,584	0		
21	Housekeeping and Laundry Supplies	10,484	25		
22	Other (Specify)	108	5		
23	Total Support Expenses	83,220	207		
Occupancy Expenses					
24	Occupancy Salaries	8,906	55		
25	Occupancy Payroll Taxes and Fringe Benefits	2,581	15		
26	Building & Equipment Operations and Maintenance	68,721	429		
27	Vehicle Depreciation	0	0		
28	All Other Depreciation & Amortization	36,929	91		
29	Vehicle Rent	4,555	42		
30	All Other Lease/Rent/Taxes	0	0		
31	Equipment Under \$500	8,155	5		
32	Mortgage & Installment Interest	21,460	98		
33	Operating Interest	1,504	13		
34	Other (Specify)	115	0		
35	Total Occupancy Expenses	152,926	748		
Administrative and Office Expenses					
36	Administrative Salaries	0	0		
37	Administrative Payroll Taxes and Fringe Benefits	0	0		
38	Administrative Consultants	0	0		
39	Telecommunication Costs Not Assigned to Program	0	0		
40	Office Supplies and Equipment	0	0		
41	Allocation of Management and General (G & A)	236,169	2,628		
42	Other (Specify)	0	0		
43	Total Administrative Expenses	236,169	2,628		
44	Total Expenses	1,649,747	29,616		
Non-reimbursable Expenses					
45	Depreciation on DMHDD Funded Capital Assets Included Above	0	0		
46	Cost of Production and Workshop Client Wages Included Above	0	0		
47	Other (Specify)	17,873	25		
48	Total Non-Reimbursable Expenses	17,873	25		
49	Net Expenses	1,631,874	29,591		

FY: 2010

Create Date: 8/16/2010

Version: 1

Schedule of Program Costs

Other Specify Detail

Program 1	DT		
	<u>Line Nbr</u>	<u>Description</u>	<u>Amount</u>
	16	Miscellaneous	18,756
	22	Housekeeping Services	1,269
	34	Miscellaneous	948
Program 2	47	Association Dues	5,059
	SEP		
	<u>Line Nbr</u>	<u>Description</u>	<u>Amount</u>
	16	Miscellaneous	38
	DD CILA-24 hr.		
Program 3	<u>Line Nbr</u>	<u>Description</u>	<u>Amount</u>
	16	Miscellaneous	1,993
	22	Housekeeping Services	108
	34	Miscellaneous	115
	47	Association Dues	2,294
Program 4	47	In-Kind Interest	15,579
	DD CILA-Intermi		
	<u>Line Nbr</u>	<u>Description</u>	<u>Amount</u>
	16	Miscellaneous	5
	22	Housekeeping Services	5
	47	Membership Dues	25

Schedule of Program Revenue

COMMUNITY LINK, INC.
37-0955971

	Agency Amount	All Other Not Allocated	DT 31U/LTC	SEP 36U/39U/ORS
Fees & Purchase of Service				
1 Department of Aging	0	0	0	0
2 Department of Children and Family Services	0	0	0	0
3 Department of Corrections	0	0	0	0
4 Medicaid Rehab Option (MRO) Payments	0	0	0	0
5 Department of Human Services	2,639,829	241,263	1,061,755	19,303
6 Department of Public Aid	2,160,524	0	2,160,524	0
7 Department of Public Health	0	0	0	0
8 Local Education Agency/School District	0	0	0	0
9 Local Government	0	0	0	0
10 Federal Government	0	0	0	0
11 Other Government Agencies	0	0	0	0
12 Client/Family Program Fees (incl. SSI, SSA, pensions, etc)	354,399	0	18,938	0
13 Special Service Fees for Individual Clients	28,784	27,280	1,504	0
14 Diagnostic Service Fees	0	0	0	0
15 Other (Specify)	0	0	0	0
16 Total Fees & Purchase of Services	5,183,536	268,543	3,242,721	19,303
Grant Revenues				
17 Department of Aging	0	0	0	0
18 Department of Children and Family Services	0	0	0	0
19 Department of Corrections	0	0	0	0
20 Donated/Certified Funds Initiative (DFI/CFI)	61,799	61,799	0	0
21 Department of Human Services	196,452	196,452	0	0
22 Department of Public Aid	0	0	0	0
23 Department of Public Health	0	0	0	0
24 Local Education Agency/School District	0	0	0	0
25 Local Government Awards	79,124	41,266	37,858	0
26 Federal Government Awards	448,433	448,433	0	0
27 Other Government Awards	0	0	0	0
28 JTPA/CETA	0	0	0	0
29 Other (Specify)	205,845	150,481	55,364	0
30 Total Grant Revenues	991,653	898,431	93,222	0
Contributions & Other				
31 Restricted to Operations	4,400	2,300	0	0
32 Restricted to Capital	0	0	0	0
33 Unrestricted	74,047	43,160	25,497	12
34 Contributions - Goods and Services	124,932	109,353	0	0
35 Child & Adult Food Programs (school meals, commodities)	0	0	0	0
36 School Transportation Payments (to/from school)	0	0	0	0
37 Sales of Goods and Services	299,440	103,180	196,260	0
38 Rent Income	11,500	0	11,500	0
39 Gain on Sale of Assets	0	0	0	0
40 Cafeteria and Vending Machine	568	37	525	6
41 Other (Specify)	129,388	63,242	2,416	4
42 Total Contributions and Other	644,275	321,272	236,198	22
Investment Income				
43 Income on Restricted Assets/Investments	0	0	0	0
44 Income on Unrestricted Assets/Investments	3,517	821	2,696	0
45 Total Investment Income	3,517	821	2,696	0
46 Total Revenues	6,822,981	1,489,067	3,574,837	19,325

FY: 2010

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Schedule of Program Revenue

COMMUNITY LINK, INC.

37-0955971

		DD CILA-24 hr. 60D	DD CILA-Interm 60D		
Fees & Purchase of Service					
1	Department of Aging	0	0		
2	Department of Children and Family Services	0	0		
3	Department of Corrections	0	0		
4	Medicaid Rehab Option (MRO) Payments	0	0		
5	Department of Human Services	1,290,466	27,042		
6	Department of Public Aid	0	0		
7	Department of Public Health	0	0		
8	Local Education Agency/School District	0	0		
9	Local Government	0	0		
10	Federal Government	0	0		
11	Other Government Agencies	0	0		
12	Client/Family Program Fees (incl. SSI, SSA, pensions, etc)	335,461	0		
13	Special Service Fees for Individual Clients	0	0		
14	Diagnostic Service Fees	0	0		
15	Other (Specify)	0	0		
16	Total Fees & Purchase of Services	1,625,927	27,042		
Grant Revenues					
17	Department of Aging	0	0		
18	Department of Children and Family Services	0	0		
19	Department of Corrections	0	0		
20	Donated/Certified Funds Initiative (DFI/CFI)	0	0		
21	Department of Human Services	0	0		
22	Department of Public Aid	0	0		
23	Department of Public Health	0	0		
24	Local Education Agency/School District	0	0		
25	Local Government Awards	0	0		
26	Federal Government Awards	0	0		
27	Other Government Awards	0	0		
28	JTPA/CETA	0	0		
29	Other (Specify)	0	0		
30	Total Grant Revenues	0	0		
Contributions & Other					
31	Restricted to Operations	2,100	0		
32	Restricted to Capital	0	0		
33	Unrestricted	5,378	0		
34	Contributions - Goods and Services	15,579	0		
35	Child & Adult Food Programs (school meals, commodities)	0	0		
36	School Transportation Payments (to/from school)	0	0		
37	Sales of Goods and Services	0	0		
38	Rent Income	0	0		
39	Gain on Sale of Assets	0	0		
40	Cafeteria and Vending Machine	0	0		
41	Other (Specify)	63,726	0		
42	Total Contributions and Other	86,783	0		
Investment Income					
43	Income on Restricted Assets/Investments	0	0		
44	Income on Unrestricted Assets/Investments	0	0		
45	Total Investment Income	0	0		
46	Total Revenues	1,712,710	27,042		

FY: 2010

Create Date: 8/16/2010

Version: 1

Schedule of Program Revenue

Other Specify Detail

Program 1	DT		
	<u>Line Nbr</u>	<u>Description</u>	<u>Amount</u>
	29	United Way	55,364
	41	Miscellaneous	2,416
Program 2	SEP		
	<u>Line Nbr</u>	<u>Description</u>	<u>Amount</u>
	41	Miscellaneous	4
Program 3	DD CILA-24 hr.		
	<u>Line Nbr</u>	<u>Description</u>	<u>Amount</u>
	41	Food Stamp Revenue	63,584
	41	Miscellaneous	142

Schedule of Service Units

COMMUNITY LINK, INC.
37-0955971

	Program Description	Service Unit Type	Client Units of Enrollment	Client Units Delivered/ Provided	Days Program Operated	Beginning License Capacity	Ending License Capacity	Date of Change
1	DT	Hours	333,476	312,465	240	255	282	
2	SEP	Hours	1,320	1,006	240	8	8	
3	DD CILA-24 hr.	Days	12,658	12,658	365	35	35	
4	DD CILA-Intermi	Days	730	730	365	2	2	

COMMUNITY LINK, INC.

37-0955971

Schedule of Program Personnel

Number of Hours (excluding overtime) in a standard work week: 37.5		TOTAL AGENCY					DT 31U/LTC			SEP 36U/39U/ORS		
Program Staff Positions		Total Hours	Amount Paid	Headcount	Amount Not Allocated	% Allocated	Amount Paid	Headcount	% Allocated	Amount Paid	Headcount	
1	Audiologist	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
2	Behavior Therapist	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
3	Dietary Technician	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
4	Dietician	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
5	Habilitation Aide/Child Care Aide	160,255.00	1,713,959	127.00	144,101	60.04	1,029,079	77.00	0.00	0	0.00	
6	Habilitation Professional or Supervisory Staff	35,638.00	674,286	25.00	198,492	32.75	220,841	8.00	2.72	18,370	2.00	
7	LPN	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
8	Occupational Therapist	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
9	Physical Therapist	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
10	Physician	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
11	Principal	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
12	Program Director	6,900.00	191,497	4.00	76,327	44.67	85,551	0.00	0.22	413	1.00	
13	Program Clerical Staff	8,227.00	110,049	5.00	32,004	46.41	51,070	2.00	0.26	287	1.00	
14	Psychiatrist	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
15	Psychologist	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
16	Recreation Staff	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
17	Registered Nurse	6,998.00	158,619	5.00	4,243	65.55	103,975	0.00	0.00	0	0.00	
18	Social Worker	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
19	Speech Therapist	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
20	Substance Abuse Counselor/Professional	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
21	Substance Abuse Paraprofessional	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
22	Teacher	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
23	Teacher Aide	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
24	Vocational Staff (incl. Job Coach, workshop, etc.)	3,834.00	48,494	2.00	48,494	0.00	0	0.00	0.00	0	0.00	
25	Other Academic Instruction	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
26	Other Medical Care	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
27	Other Habilitation/Rehabilitation	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
28	Other Substance Abuse	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
29	All Other Program Staff	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
30	Total All Positions	221,852.00	2,896,904	168.00	503,661	51.45	1,490,516	87.00	0.66	19,070	4.00	
31	Mental Health Professional (MHP)	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
32	Qualified Mental Health Professional (QMHP)	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
33	Qualified Mental Retardation Professional (QMRP)	27,841.00	582,379	19.00	100,682	55.77	324,816	11.00	3.15	18,370	1.00	
34	Rehabilitative Services Associate (RSA)	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	
35	SEP Job Coach - For DHS Reporting Only	0.00	0	0.00	0	0.00	0	0.00	0.00	0	0.00	

Schedule of Program Personnel

COMMUNITY LINK, INC.
37-0955971

	Program Staff Positions	DD CILA-24 hr. 60D				DD CILA-Intermi 60D							
		% Allocated	Amount Paid	Headcount	% Allocated	Amount Paid	Headcount	% Allocated	Amount Paid	Headcount	% Allocated	Amount Paid	Headcount
1	Audiologist	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
2	Behavior Therapist	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
3	Dietary Technician	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
4	Dietician	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
5	Habilitation Aide/Child Care Aide	31.19	534,613	40.00	0.00	6,166	1.00	0.00	6,166	1.00			
6	Habilitation Professional or Supervisory Staff	34.31	231,363	8.00	1.00	5,220	1.00	1.00	5,220	1.00			
7	LPN	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
8	Occupational Therapist	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
9	Physical Therapist	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
10	Physician	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
11	Principal	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
12	Program Director	15.10	28,910	1.00	0.00	296	1.00	0.00	296	1.00			
13	Program Clerical Staff	23.97	26,379	1.00	0.00	309	1.00	0.00	309	1.00			
14	Psychiatrist	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
15	Psychologist	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
16	Recreation Staff	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
17	Registered Nurse	29.34	46,545	1.00	2.00	3,856	1.00	2.00	3,856	1.00			
18	Social Worker	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
19	Speech Therapist	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
20	Substance Abuse Counselor/Professional	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
21	Substance Abuse Paraprofessional	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
22	Teacher	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
23	Teacher Aide	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
24	Vocational Staff (incl. Job Coach, workshop, etc.)	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
25	Other Academic Instruction	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
26	Other Medical Care	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
27	Other Habilitation/Rehabilitation	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
28	Other Substance Abuse	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
29	All Other Program Staff	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
30	Total All Positions	29.96	867,810	51.00	1.00	15,847	5.00	1.00	15,847	5.00			
31	Mental Health Professional (MHP)	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
32	Qualified Mental Health Professional (QMHP)	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
33	Qualified Mental Retardation Professional (QMRP)	22.23	129,435	3.00	2.00	9,076	1.00	2.00	9,076	1.00			
34	Rehabilitative Services Associate (RSA)	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			
35	SEP Job Coach - For DHS Reporting Only	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00			

Schedule of Program Consultant and Contractual

COMMUNITY LINK, INC.
37-0955971

	Program Staff Positions	TOTAL AGENCY			DT 31U/LTC			SEP 36U/39U/ORS	
		Total Hours	Amount Paid	Amount Not Allocated	% Allocated	Amount Paid	% Allocated	Amount Paid	Amount Paid
1	Audiologist	0.00	0	0	0.00		0.00		
2	Behavior Therapist	0.00	0	0	0.00		0.00		
3	Dietary Technician	0.00	0	0	0.00		0.00		
4	Dietician	2.00	72	72	0.00		0.00		
5	Habilitation Aide/Child Care Aide	0.00	0	0	0.00		0.00		
6	Habilitation Professional or Supervisory Staff	446.00	17,868	17,868	0.00		0.00		
7	LPN	0.00	0	0	0.00		0.00		
8	Occupational Therapist	431.00	25,875	25,875	0.00		0.00		
9	Physical Therapist	324.00	21,062	20,493	0.00		0.00		
10	Physician	0.00	0	0	0.00		0.00		
11	Principal	0.00	0	0	0.00		0.00		
12	Program Director	30.00	2,966	2,966	0.00		0.00		
13	Program Clerical Staff	0.00	0	0	0.00		0.00		
14	Psychiatrist	0.00	0	0	0.00		0.00		
15	Psychologist	23.00	1,763	1,763	0.00		0.00		
16	Recreation Staff	0.00	0	0	0.00		0.00		
17	Registered Nurse	0.00	0	0	0.00		0.00		
18	Social Worker	0.00	0	0	0.00		0.00		
19	Speech Therapist	997.00	62,810	62,810	0.00		0.00		
20	Substance Abuse Counselor/Professional	0.00	0	0	0.00		0.00		
21	Substance Abuse Paraprofessional	0.00	0	0	0.00		0.00		
22	Teacher	0.00	0	0	0.00		0.00		
23	Teacher Aide	0.00	0	0	0.00		0.00		
24	Vocational Staff (incl. Job Coach, workshop, etc.)	0.00	0	0	0.00		0.00		
25	Other Academic Instruction	0.00	0	0	0.00		0.00		
26	Other Medical Care	0.00	0	0	0.00		0.00		
27	Other Habilitation/Rehabilitation	0.00	0	0	0.00		0.00		
28	Other Substance Abuse	0.00	0	0	0.00		0.00		
29	All Other Program Staff	0.00	0	0	0.00		0.00		
30	Total All Positions	2,253.00	132,416	131,847	0.00	0	0.00	0	0
31	Mental Health Professional (MHP)	0.00	0	0	0.00		0.00		
32	Qualified Mental Health Professional (QMHP)	0.00	0	0	0.00		0.00		
33	Qualified Mental Retardation Professional (QMRP)	0.00	0	0	0.00		0.00		
34	Rehabilitative Services Associate (RSA)	0.00	0	0	0.00		0.00		
35	SEP Job Coach - For DHS Reporting Only	0.00	0	0	0.00		0.00		

Schedule of Program Consultant and Contractual

COMMUNITY LINK, INC.
37-0955971

		DD CILA-24 hr. 60D			DD CILA-Interm 60D		
Program Staff Positions		% Allocated	Amount Paid		% Allocated	Amount Paid	% Allocated
1 Audiologist		0.00	0		0.00		
2 Behavior Therapist		0.00	0		0.00		
3 Dietary Technician		0.00	0		0.00		
4 Dietician		0.00	0		0.00		
5 Habilitation Aide/Child Care Aide		0.00	0		0.00		
6 Habilitation Professional or Supervisory Staff		0.00	0		0.00		
7 LPN		0.00	0		0.00		
8 Occupational Therapist		0.00	0		0.00		
9 Physical Therapist		2.70	569		0.00		
10 Physician		0.00	0		0.00		
11 Principal		0.00	0		0.00		
12 Program Director		0.00	0		0.00		
13 Program Clerical Staff		0.00	0		0.00		
14 Psychiatrist		0.00	0		0.00		
15 Psychologist		0.00	0		0.00		
16 Recreation Staff		0.00	0		0.00		
17 Registered Nurse		0.00	0		0.00		
18 Social Worker		0.00	0		0.00		
19 Speech Therapist		0.00	0		0.00		
20 Substance Abuse Counselor/Professional		0.00	0		0.00		
21 Substance Abuse Paraprofessional		0.00	0		0.00		
22 Teacher		0.00	0		0.00		
23 Teacher Aide		0.00	0		0.00		
24 Vocational Staff (incl. Job Coach, workshop, etc.)		0.00	0		0.00		
25 Other Academic Instruction		0.00	0		0.00		
26 Other Medical Care		0.00	0		0.00		
27 Other Habilitation/Rehabilitation		0.00	0		0.00		
28 Other Substance Abuse		0.00	0		0.00		
29 All Other Program Staff		0.00	0		0.00		
30 Total All Positions		0.43	569		0.00	0	
31 Mental Health Professional (MHP)		0.00	0		0.00		
32 Qualified Mental Health Professional (QMHP)		0.00	0		0.00		
33 Qualified Mental Retardation Professional (QMRP)		0.00	0		0.00		
34 Rehabilitative Services Associate (RSA)		0.00	0		0.00		
35 SEP Job Coach - For DHS Reporting Only		0.00	0		0.00		

ILLINOIS DEPARTMENT OF HUMAN SERVICES
GRANT REPORT for the period July 1 through June 30, 2010
Page 1 of 2 – Grant Allowable Cost Summary

AGENCY NAME: Community Link, Inc. FEIN: 37-0955971

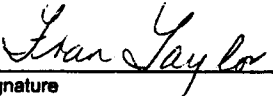
		DHS GRANT-FUNDED SERVICES					All other Programs	Mgmt & General	Total
Program Name/Number/Contract Number/Other Identification		Program 1 Client FS 160 10CL001129	Program 2 RegWRK 380 10CL001129	Program 3	Program 4	Program 5			
A	Direct Program expenses	188048	205537				5012356	876921	6282862
B	Allocate Management and General Costs (Note 1)	27276	28186				821459	- 876921	- 0 -
C	SUBTOTAL A + B	215324	233723				5833815	- 0 -	6282862
D	Subtract Unallowable costs per page 2	278	62669						
E	Add other approved uses (attach documentation)								
F	TOTAL Allowable costs	215046	171054						
G	Special provisions (see instructions)								
H	Interest Earned (see instructions)								

NOTE 1: Management and General costs are allocated based on: ☒ direct salaries, _____ total direct costs, _____ other basis (attach explanation).

ILLINOIS DEPARTMENT OF HUMAN SERVICES
GRANT REPORT for the period July 1 through June 30, _____
Page 2 of 2 – UNALLOWABLE COSTS REPORT

AGENCY NAME: Community Link, Inc.

FEIN: 37-0955971

Program Name/Number/Contract Number:	DHS GRANT-FUNDED SERVICES				
	Program 1	Program 2	Program 3	Program 4	Program 5
	160	380			
Unallowable Costs (see instructions)					
compensation of governing body					
entertainment					
association dues	278	240			
meetings and conventions					
fundraising					
bad debt					
charity and grants					
unallowable interest					
inventories					
depreciation on DHS-funded assets					
cost of production		62429			
in-kind expenses					
alcoholic beverages					
personal automobiles					
finest & penalties					
personal use items					
lobbying					
unallowable relocation					
gratuities					
political contributions					
related party transactions					
costs where a conflict of interest exists					
Unallowable costs if Program is Federally funded or cost-restricted by Contract (See Instructions)					
Explain:					
Explain:					
TOTAL UNALLOWABLE COSTS (to line D of Grant Report) –See below if NONE	278	62669			
<p>If no unallowable costs are listed, sign and date as follows: I certify that no unallowable costs are included in either direct costs or allocated Management and General costs on the Grant Report.</p> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">  _____ Signature Fran Taylor, Director of Finance _____ Printed Name and Title </div> <div style="text-align: right;"> 9/3/10 _____ Date </div> </div>					

Community Link, Inc.

ANNUAL FEDERAL FINANCIAL
COMPLIANCE SECTION

Community Link, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010

<u>Grantor</u>	<u>Federal CFDA Number</u>	<u>Project Number</u>	<u>Grant Award</u>	<u>Revenue</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services:					
Direct Federal Funding:					
Early Head Start (M)	93.600	05CH8273/03	\$417,837	\$373,646	\$373,646
Early Head Start (M)	93.600	05CH8273/04	348,398	57,461	57,461
ARRA - Early Head Start (M)	93.708	05SE8273/01	35,165	17,326	17,326
Flow-thru Illinois Department of Health and Human Services:					
Title XX - DFI	93.667	10CL001129	<u>61,799</u>	<u>61,799</u>	<u>61,799</u>
Total U.S. Department of Health and Human Services			<u>863,199</u>	<u>510,232</u>	<u>510,232</u>
U.S. Department of Education:					
Flow-thru Illinois Department of Health and Human Services:					
Title VI - Part C- Supp. Emp.	84.187	30081440B	<u>18,260</u>	<u>11,152</u>	<u>11,152</u>
Total U.S. Department of Education			<u>18,260</u>	<u>11,152</u>	<u>11,152</u>
Total Expenditures of Federal Awards			<u>\$881,459</u>	<u>\$521,384</u>	<u>\$521,384</u>

(m) Denotes major program.

Community Link, Inc.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2010

Note 1 – Summary of Significant Accounting Policies

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Community Link, Inc. The Organization's reporting entity is defined in Note 1 to the Organization's financial statements. Federal awards passed through other government agencies are included on the schedule.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Organization's financial statements.

Relationship to Basic Financial Statements

Federal awards received are reflected in the Organization's financial statements within the Statement of Activities as receipts from federal sources.

Relationship to Program Financial Reports

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the Program Financial Reports for programs which have filed reports as of June 30, 2010, with the grantor agencies.

Community Link, Inc.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

A. Summary of Auditor Results

We have audited the financial statements of Community Link, Inc. as of and for the year ended June 30, 2010 and have issued our reports thereon dated December 17, 2010. We conducted our audit 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 with the requirements of the U.S. Office of Management and Budget (OMB) Circular A-133. The results of our audit are as follows:

Type of Report Issued on the Financial Statements: Unqualified opinion

Internal Control Over Financial Reporting:

- | | |
|--|----------------|
| ▪ Material weakness(es) identified? | No |
| ▪ Significant Deficiency(s) identified that are not considered to be material weakness(es) | None reported. |
| ▪ Noncompliance material to financial statements noted? | No |

Federal Awards

Internal Control Over Major Programs:

- | | |
|--|----------------|
| ▪ Material weakness(es) identified? | No |
| ▪ Significant Deficiency(s) identified that are not considered to be material weakness(es) | None reported. |

Type of Auditor's Report Issued on Compliance for Major Programs: Unqualified opinion

Any Audit Findings Disclosed that are Required to be Reported in Accordance with Circular A-133, § .501(a)? Yes

Identification Of Major Programs:

<u>CFDA No.</u>	<u>Name of Federal Program</u>
93.600	Early Head Start
93.708	ARRA- Early Head Start

Qualification of Auditee as a Low-Risk Auditee: No

Threshold Used to Distinguish between Type A and Type B Major Programs \$300,000

Community Link, Inc.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

Federal Award Finding and Questioned Costs

Finding Number: 10-01

Type Finding: New Finding

Federal Program Name and Year: Early Head Start, 2010

Project No.: 05CH8273/03

CFDA No.: 93.600

Federal Agency: U.S. Department of Health and Human Services

The following finding was reported to the Organization in a letter dated August 13, 2010 as a result of a on-site monitoring review in June, 2010 by the Office of Head Start, Department of Health and Human Services.

Criteria or Specific Requirement

PART 1309 - Head Start Facilities Purchase, Major Renovations and Construction

1309.54 Davis-Bacon Act.

Construction and renovation projects and subcontracts financed with funds awarded under the Head Start program are subject to the Davis-Bacon Act (40 U.S. C. 276a et seq.) and the Regulations of the Department of Labor, 20 CFR part 5. The grantee must provide an assurance that all laborers and mechanics employed by contractors or subcontractors in the construction or renovation of affected Head Start facilities shall be paid wages at not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor.

Condition

The grantee did not provide an assurance all laborers employed by contractors or subcontractors in the renovation of affected Head Start facilities were paid wages not less than those prevailing on similar renovations in the locality, as determined by the Secretary of Labor. A review of a March 30, 2010 bid proposal and July 30, 2009 carpet and tile estimate found the grantee contracted for replacement and installation of an air conditioner at \$3,396.03 and the purchase and installation of carpet and tile at \$9,631.70 for the Early Head Start facility at 955 North Plum Street, Breese, Illinois. Although assertions of compliance with Davis-Bacon requirements were noted in both documents, a review of the grantee's Renovations files found no payroll certifications or information regarding prevailing wages.

Questioned Costs

\$13,027.73

Context

Total grant budget was \$417,837. Questioned cost represents approximately 3% of program costs.

Community Link, Inc.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

Federal Award Finding and Questioned Costs (Continued)

Effect

The grantee was not in compliance with the regulation because it did not obtain wage certifications from its contractors to establish they paid prevailing wages.

Cause

The grantee requested wage certifications, but none were received from the contractors.

Recommendation

Corrective action as recommended by the responsible HHS official follows:

The area(s) of noncompliance cited in this report must be corrected within 120 days of the receipt of HHS official's report. Pursuant to Section 637(2)(C) of the Head Start Act, a grantee that fails to correct an area of noncompliance within the prescribed time period will be judged to have a deficiency that must be corrected within the time period required by the responsible HHS official.

Management Response

Management will address the non-compliance referenced in the HHS official's report. Vendors will be contacted to provide documentation of prevailing wages paid and steps will be taken to ensure that staff is better trained for future construction or renovation projects that fall under the Davis-Bacon Act.

Community Link, Inc.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2010

There were no prior audit findings.

Community Link, Inc.
CORRECTIVE ACTION PLAN FOR CURRENT
YEAR AUDIT FINDINGS
Year Ending June 30, 2010

Corrective Action Plan

Finding No.: 10-01

Condition:

Failure to provide assurances that all laborers employed by contractors or subcontractors in the renovation of affected Head Start facilities were paid wages not less than those prevailing on similar renovations in the locality, as determined by the Secretary of Labor.

Plan:

The grantee will contact the vendors in question to obtain documentation of compliance with the Davis-Bacon Act. Additionally, the grantee will obtain the necessary training regarding the Davis-Bacon Act requirements to prevent a re-occurrence of this matter.

Anticipated Date of Completion:

December 14, 2010

Name of Contact Person:

T.K. Elimon, Director, Head Start Program

Management Response:

Based on the letter dated 8-13-10 and received 8-17-10 from the Office of Head Start, Community Link Early Head Start was found out of compliance in one area during the on-site monitoring review conducted 6-20-10 to 6-25-10.

The grantee submitted the following documentation as proof of correction in compliance with the 120 day response timeframe. The Governing Board of Community Link approved the corrective actions on December 13, 2010.

The following actions have been taken to address the non-compliance referenced in the letter; both on the specific non-compliance of "not obtaining wage certification from its contractors to establish that prevailing wages were paid" and steps taken to ensure staff are better trained for any future construction or renovation projects which might fall under the Davis-Bacon Act.

1. Department of Labor was contacted by our attorney regarding the requirements of an Early Head Start grantee in regards to compliance with the Davis-Bacon Act, as recommended by the Regional Office.
2. The Department of Labor form WH-347 was sent to contractors with request to certify prevailing wages were paid.
3. The contractor for the installation of the air conditioner complied with the request.
4. The contractor for the installation of carpet and tile did not comply with the initial request, so the agency hired an attorney to write a letter to the contractor. A deadline for completion of form WH-347 was submitted to the contractor but no response was received.
5. The Director of Finance and the EHS Director have met and reviewed training materials.
6. Training materials related to Davis-Bacon Act were secured from the following:
 - a. A Desk Guide to the Davis-Bacon Act, provided by Regional Office
 - b. A Davis-Bacon Act toolkit, by Wlpfli LLD
 - c. Information gathered by Community Link attorney