

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
AUDITED FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2011 AND 2010

MOSE, YOCKEY, BROWN & KULL, LLC
CERTIFIED PUBLIC ACCOUNTANTS
SHELBYVILLE, ILLINOIS

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
TABLE OF CONTENTS
AUGUST 31, 2011 AND 2010

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	3-4
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	5-6
 <u>FINANCIAL STATEMENTS</u>	
STATEMENTS OF FINANCIAL POSITION	7
STATEMENTS OF ACTIVITIES	8-9
STATEMENTS OF FUNCTIONAL EXPENSES	10-13
STATEMENTS OF CASH FLOWS	14
NOTES TO FINANCIAL STATEMENTS	15-20
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	 21-23
 <u>SUPPLEMENTARY FINANCIAL INFORMATION</u>	
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	24
DEPARTMENT OF HEALTH AND HUMAN SERVICES HEAD START GRANT #05CH4121/44	25
MIDLAND AREA AGENCY ON AGING-TITLE IIIB STATEMENT OF CASH AND NON-CASH RECEIPTS AND DISBURSEMENTS	26
MIDLAND AREA AGENCY ON AGING-TITLE IIIC STATEMENT OF CASH AND NON-CASH RECEIPTS AND DISBURSEMENTS	27

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
TABLE OF CONTENTS
AUGUST 31, 2011 AND 2010

SUPPLEMENTAL INFORMATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS	28
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	29

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
C.E.F.S. Economic Opportunity Corporation
Effingham, Illinois

We have audited the accompanying statements of financial position of C.E.F.S. Economic Opportunity Corporation (a non-profit organization) as of August 31, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 the 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 C.E.F.S. Economic Opportunity Corporation as of August 31, 2011 and 2010, 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 our report dated December 29, 2011, on our consideration of C.E.F.S. Economic Opportunity Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of C.E.F.S. Economic Opportunity Corporation taken as a whole. 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 not a required part of the basic financial statements. The accompanying financial information listed as "Supplementary Financial Information" and "Supplemental Information" in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and has been derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mose, Yockey, Brown & Kull, LLC

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Certified Public Accountants

December 29, 2011

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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**

To the Board of Directors
C.E.F.S. Economic Opportunity Corporation
Effingham, Illinois

We have audited the financial statements of C.E.F.S. Economic Opportunity Corporation (a nonprofit organization) as of and for the years ended August 31, 2011 and 2010, and have issued our report thereon dated December 29, 2011. We conducted 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.

Internal Control over Financial Reporting

In planning and performing our audits, we considered C.E.F.S. Economic Opportunity Corporation'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 C.E.F.S. Economic Opportunity Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of C.E.F.S. Economic Opportunity Corporation'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 internal control over financial reporting that might be deficiencies, 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.

Compliance and Other Matters

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

This report is intended solely for the information and use of the audit committee, the Board of Directors, management, others with the organization and 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.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
C.E.F.S. Economic Opportunity Corporation
Effingham, Illinois

Compliance

We have audited the compliance of C.E.F.S. Economic Opportunity Corporation (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2011. C.E.F.S. Economic Opportunity Corporation'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 C.E.F.S. Economic Opportunity Corporation's management. Our responsibility is to express an opinion on C.E.F.S. Economic Opportunity Corporation'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. 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 C.E.F.S. Economic Opportunity Corporation'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 of C.E.F.S. Economic Opportunity Corporation's compliance with those requirements.

In our opinion, C.E.F.S. Economic Opportunity Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2011.

Internal Control Over Compliance

The management of C.E.F.S. Economic Opportunity Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered C.E.F.S. Economic Opportunity Corporation's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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 C.E.F.S. Economic Opportunity Corporation's internal control over compliance.

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

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 *material weaknesses*, as defined above.

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

Mose, Yockey, Brown & Kull, LLC

Mose, Yockey, Brown, & Kull, LLC
Certified Public Accountants

December 29, 2011

C.E.F.S ECONOMIC OPPORTUNITY CORPORATION
 STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2011 AND 2010

	2011	2010
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 845,625	\$ 1,033,892
Certificates of deposit	701,849	774,307
Due from granting agencies	892,172	952,098
Due from contractors	5,627	16,533
Investments	65,963	65,963
Prepaid expense	--	--
Current portion of CSBG loans receivable	31,354	40,331
TOTAL CURRENT ASSETS	\$ 2,542,590	\$ 2,883,124
NONCURRENT ASSETS:		
Equipment, net	\$ 23,630	\$ 26,075
Long-term portion of CSBG loans receivable	259,752	304,684
TOTAL NONCURRENT ASSETS	\$ 283,382	\$ 330,759
TOTAL ASSETS	\$ 2,825,972	\$ 3,213,883
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 121,530	\$ 201,819
Accrued payroll and related liabilities	25,325	127,815
Refundable advances	48,934	95,566
TOTAL CURRENT LIABILITIES	\$ 195,789	\$ 425,200
NET ASSETS		
Unrestricted	\$ 1,147,732	\$ 1,131,916
Temporarily restricted	1,482,451	1,656,767
TOTAL NET ASSETS	\$ 2,630,183	\$ 2,788,683
TOTAL LIABILITIES AND NET ASSETS	\$ 2,825,972	\$ 3,213,883

The accompanying notes are an integral part of these financial statements.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
 STATEMENTS OF ACTIVITIES
 FOR THE YEAR ENDED AUGUST 31, 2011

	Unrestricted	Temporarily Restricted	Total
REVENUE:			
Federal grant revenue	\$ --	\$ 18,520,626	\$ 18,520,626
USDA cash commodities	--	358,911	358,911
Total federal grant revenue	\$ --	\$ 18,879,537	\$ 18,879,537
State grant revenue - DCEO	--	1,526,714	1,526,714
Other state grant revenue	--	987,598	987,598
Program income	150,229	403,727	553,956
Interest	9,725	8,474	18,199
Local cash	6,278	135,025	141,303
Other income	1,946	11,227	13,173
In-kind	--	960,699	960,699
Net assets released from restrictions:			
Satisfaction of program restrictions	23,087,317	(23,087,317)	--
TOTAL REVENUE	\$ 23,255,495	\$ (174,316)	\$ 23,081,179
EXPENSES:			
Program expenses:			
Workforce Investment Act	\$ 5,646,197	\$ --	\$ 5,646,197
Energy	5,373,782	--	5,373,782
Literacy	57,115	--	57,115
CSBG	509,271	--	509,271
FEMA	58,306	--	58,306
Home	746,826	--	746,826
Head Start	3,987,896	--	3,987,896
Early Head Start	1,149,820	--	1,149,820
Housing	2,174,410	--	2,174,410
Home Buyer Assistance	146,851	--	146,851
Golden Circle Nutrition	1,347,280	--	1,347,280
Central Illinois Public Transit	1,172,370	--	1,172,370
RSVP	74,296	--	74,296
Other	141,393	--	141,393
Support services:			
Management and general	653,866	--	653,866
TOTAL EXPENSES	\$ 23,239,679	\$ --	\$ 23,239,679
CHANGE IN NET ASSETS	\$ 15,816	\$ (174,316)	\$ (158,500)
NET ASSETS - BEGINNING	1,131,916	1,656,767	2,788,683
REVOLVING LOAN ADDITIONS	--	--	--
NET ASSETS - ENDING	\$ 1,147,732	\$ 1,482,451	\$ 2,630,183

The accompanying notes are an integral part of these financial statements.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
 STATEMENTS OF ACTIVITIES (CONTINUED)
 FOR THE YEAR ENDED AUGUST 31, 2010

	Unrestricted	Temporarily Restricted	Total
REVENUE:			
Federal grant revenue	\$ --	\$ 20,554,287	\$ 20,554,287
USDA cash commodities	--	326,303	326,303
Total federal grant revenue	\$ --	\$ 20,880,590	\$ 20,880,590
State grant revenue - DCEO	--	1,633,568	1,633,568
Other state grant revenue	--	757,891	757,891
Program income	159,490	424,952	584,442
Interest	18,579	14,881	33,460
Local cash	20,066	305,966	326,032
Other income	6,416	41,017	47,433
In-kind	--	1,050,606	1,050,606
Net assets released from restrictions:			
Satisfaction of program restrictions	25,133,518	(25,133,518)	--
TOTAL REVENUE	\$ 25,338,069	\$ (24,047)	\$ 25,314,022
EXPENSES:			
Program expenses:			
Workforce Investment Act	\$ 7,308,497	\$ --	\$ 7,308,497
Energy	5,638,875	--	5,638,875
Literacy	13,920	--	13,920
CSBG	870,338	--	870,338
FEMA	58,347	--	58,347
Home	465,637	--	465,637
Head Start	4,393,706	--	4,393,706
Early Head Start	622,789	--	622,789
Housing	2,811,159	--	2,811,159
Home Buyer Assistance	154,096	--	154,096
Golden Circle Nutrition	1,484,909	--	1,484,909
Central Illinois Public Transit	848,239	--	848,239
RSVP	76,808	--	76,808
Other	80,472	--	80,472
Support services:			
Management and general	603,024	--	603,024
TOTAL EXPENSES	\$ 25,430,816	\$ --	\$ 25,430,816
CHANGE IN NET ASSETS	\$ (92,747)	\$ (24,047)	\$ (116,794)
NET ASSETS - BEGINNING	1,224,663	1,680,814	2,905,477
REVOLVING LOAN ADDITIONS	--	--	--
NET ASSETS - ENDING	\$ 1,131,916	\$ 1,656,767	\$ 2,788,683

The accompanying notes are an integral part of these financial statements.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
 STATEMENTS OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED AUGUST 31, 2011

	Program Services									
	Workforce Investment Act Programs	Energy Programs	Literacy Programs	CSBG Programs	FEMA Programs	Home Programs	Head Start Programs	Early Headstart Programs	Housing Programs	
EXPENSES:										
Personnel and fringes	\$ 1,031,428	\$ 459,401	\$ 37,756	\$ 173,790	\$ --	\$ 305,815	\$ 2,154,842	\$ 528,151	\$ 260,689	
Contractual services	3,655	1,650	9,539	1,650	--	1,100	33,538	2,614	1,039,167	
Direct client assistance	1,255,228	4,857,614	--	96,869	58,306	403,496	40,699	9,115	630,973	
Work experience	3,139,162	--	--	--	--	--	--	--	--	
Equipment & vehicle maintenance	131	629	--	3,310	--	1,467	289,499	106,107	11,299	
Program support	196,167	54,373	9,379	175,600	--	17,565	502,478	289,236	83,286	
Occupancy	20,095	115	112	12,101	--	7,907	262,321	72,594	--	
Other costs	331	--	329	45,951	--	9,476	95	--	148,986	
Depreciation	--	--	--	--	--	--	--	--	--	
In-kind expenses	--	--	--	--	--	--	704,424	142,003	--	
TOTAL EXPENSES	\$ 5,846,197	\$ 5,373,782	\$ 57,115	\$ 509,271	\$ 58,306	\$ 746,828	\$ 3,987,896	\$ 1,149,820	\$ 2,174,410	

The accompanying notes are an integral part of these financial statements.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2011

	Program Services					Total Program Services	Support Services		Total
	Home Buyer Assistance Programs	Golden Circle Nutrition Programs	Central Illinois Public Transit Programs	RSVP Programs	Other Programs		Management and General		
EXPENSES:									
Personnel and fringes	\$ 2,686	\$ 347,806	\$ 712,404	\$ 60,059	\$ 40,502	\$ 6,115,339	\$ 283,537	\$ 6,398,876	
Contractual services	89,805	4,400	12,830	850	2,232	1,203,030	2,503	1,205,533	
Direct client assistance	38,095	762,673	--	--	26,732	8,179,800	--	8,179,800	
Work experience	--	11,174	--	--	--	3,150,336	--	3,150,336	
Equipment & vehicle maintenance	1,333	6,055	330,889	--	17,334	788,053	17,558	785,611	
Program support	14,932	61,782	82,654	13,387	37,391	1,538,230	142,101	1,680,331	
Occupancy	--	26,678	22,694	--	1,170	425,787	165,334	591,121	
Other costs	--	23,339	--	--	16,032	244,539	38,119	282,658	
Depreciation	--	--	--	--	--	--	4,714	4,714	
In-kind expenses	--	103,373	10,899	--	--	960,699	--	960,699	
TOTAL EXPENSES	\$ 146,851	\$ 1,347,280	\$ 1,172,370	\$ 74,296	\$ 141,393	\$ 22,585,813	\$ 653,866	\$ 23,239,679	

The accompanying notes are an integral part of these financial statements.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2010

	Program Services								
	Workforce Investment Act Programs	Energy Programs	Literacy Programs	CSBG Programs	FEMA Programs	Home Programs	Head Start Programs	Early Head Start Programs	Housing Programs
EXPENSES:									
Personnel and fringes	\$ 1,203,790	\$ 481,788	\$ --	\$ 313,170	\$ --	\$ 261,954	\$ 2,193,572	\$ 247,962	\$ 248,008
Contractual services	5,538	2,650	--	8,152	--	1,166	3,000	711	1,325,631
Direct client assistance	1,542,221	5,082,795	500	299,516	58,347	168,381	24,957	--	832,345
Work experience	4,295,443	--	--	--	--	--	--	--	--
Equipment & vehicle maintenance	--	433	5,785	10,201	--	1,327	444,080	89,292	7,883
Program support	239,982	60,843	7,635	199,656	--	16,359	592,753	202,028	88,721
Occupancy	20,872	366	--	10,362	--	9,597	269,193	21,400	--
Other costs	651	--	--	29,281	--	4,853	--	--	308,571
Depreciation	--	--	--	--	--	--	--	--	--
In-kind expenses	--	--	--	--	--	--	866,151	61,396	--
TOTAL EXPENSES	\$ 7,308,497	\$ 5,638,875	\$ 13,920	\$ 870,338	\$ 58,347	\$ 465,637	\$ 4,393,706	\$ 622,789	\$ 2,811,159

The accompanying notes are an integral part of these financial statements.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2010

	Program Services					Total Program Services	Support Services	
	Home Buyer Assistance Programs	Golden Circle Nutrition Programs	Central Illinois Public Transit Programs	RSVP Programs	Other Programs		Management and General	Total
EXPENSES:								
Personnel and fringes	\$ 9,213	\$ 353,901	\$ 586,297	\$ 69,812	\$ --	\$ 5,989,467	\$ 239,721	\$ 6,209,188
Contractual services	91,350	3,425	8,238	--	--	1,449,861	4,305	1,454,166
Direct client assistance	36,791	903,279	--	--	42,178	9,001,310	--	9,001,310
Work experience	--	--	--	--	--	4,295,443	--	4,295,443
Equipment & vehicle maintenance	--	7,081	162,971	--	4,461	733,494	8,460	741,954
Program support	16,742	65,340	59,510	6,796	24,236	1,562,601	88,963	1,671,564
Occupancy	--	25,597	21,652	200	2,317	381,556	144,610	526,166
Other costs	--	12,618	--	--	7,280	363,454	108,155	471,609
Depreciation	--	--	--	--	--	--	8,810	8,810
In-kind expenses	--	113,488	9,571	--	--	1,050,606	--	1,050,606
TOTAL EXPENSES	\$ 154,096	\$ 1,484,909	\$ 848,239	\$ 76,808	\$ 80,472	\$ 24,827,792	\$ 603,024	\$ 25,430,816

The accompanying notes are an integral part of these financial statements.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
 STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (158,500)	\$ (116,794)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	4,714	8,810
Bad debt expense	28,031	--
Revolving loan additions	--	--
Change in operating assets and liabilities		
(Increase) decrease in:		
Due from granting agencies	59,926	(460,516)
Due from contractors	10,906	4,849
Prepaid expense	--	--
Increase (decrease) in:		
Accounts payable	(80,289)	88,515
Accrued payroll and related liabilities	(102,490)	52,166
Refundable advances	(46,632)	(58,025)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (284,334)	\$ (480,995)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on certificates of deposit reinvested	\$ (8,630)	\$ (12,750)
Maturity of certificate of deposits	81,088	--
Purchase of certificate of deposits	--	--
Purchase of equipment	(2,269)	(14,468)
Issuance of CSBG revolving loans	(2,420)	(120,000)
Repayment of CSBG revolving loans	28,298	30,059
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 96,067	\$ (117,159)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (188,267)	\$ (598,154)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,033,892	1,632,046
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 845,625	\$ 1,033,892
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ --	\$ --
Cash paid during the year for income taxes	\$ --	\$ --

The accompanying notes are an integral part of these financial statements.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2011 AND 2010

Note 1 – Summary of Operations and Significant Accounting Policies

Summary of Operations

C.E.F.S. Economic Opportunity Corporation (Organization) was incorporated as a not-for-profit corporation on March 23, 1965 for the purpose of serving as the community action organization for Christian, Clay, Effingham, Fayette, Montgomery, Moultrie, and Shelby counties. The Organization administers a variety of social service programs for which funding is received directly from the federal government or passed through state government agencies and local organizations. Programs administered by the Organization include Weatherization Assistance Programs, Low Income Home Energy Assistance Programs, Nutrition Programs, Public Transportation Programs, Volunteer Programs, Community Service Block Grant Programs, Head Start, Workforce Investment Act Programs, Housing Programs and many others. These programs are designed to assist low-income individuals in achieving self-sufficiency and eliminating the causes of poverty in the seven-county area.

Significant Accounting Policies

A. Basis of Accounting:

The financial statements have been prepared on the accrual basis of accounting in which expenses are recognized when incurred and revenue is recognized when earned, generally when allowable expenses are made. All grants are accounted for as temporarily restricted funds.

B. Basis of Presentation:

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. The Organization does not have any permanently restricted net assets.

Unrestricted net assets represent resources over which the Board of Directors has discretionary control and are used to carry out the operations of the organization in accordance with its bylaws.

Temporarily restricted net assets represent resources currently available for use, but expendable only for those operating purposes specified by the donor or grantor. Resources of this fund originate from gifts, grants, contracts, and investment income earned on certain restricted funds.

C. Property and Equipment

The Organization capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Property and equipment purchased are stated at cost. Such items acquired under grants from Federal or State sources is considered to be owned by the Organization while used in the programs for which it is purchased or in programs authorized in the future. However, the funding source has a reversionary interest in the property. Property and equipment purchased with grant funds are expensed in the financial statements rather than depreciating the assets over their useful life. Property disposition as well as the ownership of any proceeds therefrom is subject to Federal or State regulations. Property in which funding sources have a reversionary interest was \$1,816,775 and \$1,685,981 for the years ending August 31, 2011 and 2010 respectively. The organization did not purchase any equipment with grant funds received from Illinois Department of Human Services. Property and equipment purchased or donated to the Organization that allows the calculation of depreciation is depreciated based on estimated useful lives using the straight-line method.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2011 AND 2010

Note 1 – Summary of Operations and Significant Accounting Policies (Continued)

D. Income Taxes:

The Organization is a not-for-profit organization and claims exemption from Federal and State income taxes under Section 501 (c)(3) of the Internal Revenue Code and similar provisions of State tax laws. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an Organization that is not a private foundation under Section 509(a)(2).

E. In-kind Services:

The Organization receives donated goods and volunteer services as part of its Head Start, RSVP, Nutrition, and Transportation programs. In-kind contributions are shown both as support and expenditures in these programs, and are recorded at the fair market value of the goods or services at the time of donation. However, in the financial statements, amounts included are cost of space and professional services as allowable under SFAS No. 116. The Organization met or exceeded its in-kind matching requirements for the Head Start, RSVP, Nutrition, and Transportation programs, which ended during the audit period.

F. Allocated Costs:

The Organization allocates administrative and other support costs to all programs in proportion to the benefits received by each program. Expenses that can be identified with a specific program are charged directly according to their natural expenditure classification.

G. Use of Estimates:

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 – Investments

The Organization has investments in the Illinois Ventures for Community Action (IVCA). IVCA operates a loan program similar to the Community Service Block Grant (CSBG) loan program and has created for-profit subsidiaries, as well. Investments in those subsidiaries are recorded at cost, as no fair market value information is available. The cost of the investment is \$65,963 and \$65,963 at August 31, 2011 and 2010, respectively.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
 NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2011 AND 2010

Note 3 – Property and Equipment

The Organization's property and equipment consists of the following:

	August 31,	
	2011	2010
Equipment	\$ 294,644	\$ 292,375
Leasehold Improvements	10,000	10,000
	\$ 304,644	\$ 302,375
Less: Accumulated Depreciation	(281,014)	(276,300)
Property and Equipment, Net	\$ 23,630	\$ 26,075

Depreciation expense amounted to \$4,714 and \$8,810 for the years ending August 31, 2011 and 2010, respectively.

Note 4 – Loans Receivable

The Organization has loans receivable outstanding at August 31, 2011 with local small businesses under its CSBG program. Principal repayments made on these loans must be used to make new loans to eligible applicants who apply through the program. Final determination of whether a loan is deemed uncollectible is made by the Illinois Department of Commerce and Economic Opportunity. At August 31, 2011, the Illinois Department of Commerce and Economic Opportunity had approved the write-off of loan (e.) listed below, and Organization's management considers all remaining loans to be collectible. The Organization's loan receivable balance at August 31, 2011 and 2010 is comprised of the following:

- a. \$166,245 loan requiring monthly payments of principal and interest of \$1,148.06 at 3.0% interest, due November, 2011. The balance due at August 31, 2011 and 2010 was \$4,568 and \$17,983, respectively.
- b. \$137,652 loan requiring monthly payments of principal and interest of \$573.55 at 0% interest, due April, 2024. The balance due at August 31, 2011 and 2010 was \$87,180 and \$94,062, respectively.
- c. \$15,000 loan requiring monthly payments of principal and interest of \$269.53 at 3.0% interest, due September, 2012. The balance due at August 31, 2011 and 2010 was \$7,028 and \$7,028, respectively. Beginning on July 1, 2011, the borrower made six months of interest only payments.
- d. \$75,362 loan requiring monthly payments of principal and interest of \$799.34 at 5.0% due April, 2017. The balance due at August 31, 2011 and 2010 was \$63,944 and \$61,524, respectively.
 \$24,638 loan requiring monthly payments of principal and interest of \$237.90 at 3.0% interest, due April, 2017. The balance due at August 31, 2011 and 2010 was \$19,719 and \$19,719, respectively. Beginning on April 15, 2011, the borrower requested forbearance of payment for a six month period.
- e. \$30,000 loan requiring monthly payments of principal and interest of \$579.88 at 6.0% interest, due December, 2016. The balance due at August 31, 2011 and 2010 was \$0 and \$28,032, respectively. On July 1, 2011, the Illinois Department of Commerce and Economic Opportunity authorized the write-off the loan.
- f. \$120,000 loan requiring monthly payments of principal and interest of \$666.67 at 0% interest, due April, 2025. The balance due at August 31, 2011 and 2010 was \$108,667 and \$116,667, respectively.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
 NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2011 AND 2010

Note 5 – Grant Revenue

Temporarily restricted revenue includes amounts provided by the following sources: the Illinois Department of Commerce and Economic Opportunity, Illinois Department of Healthcare and Family Services, Corporation for National Service, Illinois State Board of Education, Midland Area Agency on Aging, Area Agency on Aging for Lincolnland, Inc., East Central Illinois Area Agency on Aging, the Illinois Department on Aging, Illinois Department of Transportation, Illinois Department of Human Services, Illinois Association of Community Action Agencies, Illinois Eastern Community Colleges, U.S. Department of Housing and Urban Development, Illinois Housing Development Authority, Illinois Secretary of State, Federal Emergency Management Agency, Illinois Association of Community Action Agencies and the U.S. Department of Health and Human Services. Under the terms of the grant agreements, costs, which do not meet the conditions of the grant programs, may be disallowed and required to be returned to the grantors. As of August 31, 2011 and 2010, the Organization is not aware of any such costs.

Note 6 – Retirement Plan

The Organization has established a retirement plan which consists of purchased annuity contracts for all employees who meet the eligibility requirements as to the number of hours worked in a year. Participation in this plan is subject to the continuing qualification of this plan under Section 403(b) of the Internal Revenue Code. Organization contributions to the plan, as determined by the Board of Directors, were \$60 and \$55 per month per participant for the years ending August 31, 2011 and 2010, respectively. Organization contributions totaled \$100,287 and \$83,396 for the years ending August 31, 2011 and 2010, respectively.

Note 7 – Leases

The Organization leases buildings at various outreach facility locations. Rental payments during the years ended August 31, 2011 and 2010 were \$284,416 and \$263,795, respectively, excluding in-kind space costs for the Golden Circle Nutrition Program and Head Start programs. Future minimum rental payments under operating leases as of August 31, 2011 are as follows:

2012	\$	325,461
2013		173,329
2014		26,510
2015		1
2016		--
	\$	525,301

Note 8 – Statement of Cash Flows Information

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents. For the years ended August 31, 2011 and 2010, equipment was purchased and expensed through the grant funds in the amount of \$336,001 and \$393,909 respectively. These purchases are reflected as expenses in the Statement of Activities. No cash was paid for interest or income taxes for the years ended August 31, 2011 and 2010.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
 NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2011 AND 2010

Note 9 – State Grants from IDCEO

During the year ended August 31, 2011, the following amounts were expended under State grants through the Illinois Department of Commerce and Economic Opportunity:

Grant Number	Amount Expended
11-254017	\$ 1,419,493
12-254017	362
11-257017	106,858
Total	<u>\$ 1,526,713</u>

Note 10 – Temporarily Restricted Net Assets

The temporarily restricted net assets are as follows:

	August 31,	
	2011	2010
Nutrition Programs	\$ 763,567	\$ 806,460
Transportation Programs	176,661	252,569
Literacy	29,965	24,774
Housing	60,683	80,235
Head Start	86,628	82,402
CSBG Revolving Loan program	288,686	345,015
CSBG program	<u>76,261</u>	<u>65,312</u>
	<u>\$ 1,482,451</u>	<u>\$ 1,656,767</u>

Note 11 – Business and Credit Concentrations

Business Concentrations

The Organization received \$8,757,170 or 38% of its revenue from the Illinois Department of Commerce and Economic Opportunity, during the fiscal year ended August 31, 2011. The Organization received \$8,988,572 or 36% of its revenue from the Illinois Department of Commerce and Economic Opportunity, during the fiscal year ended August 31, 2010.

Credit Concentrations

At August 31, 2011 the Organization has cash deposits in excess of federal insured limits as follows:

<u>Financial Institutions</u>	Deposits in excess of FDIC	Additional Collateral Pledged	Uninsured/ Uncollateralized
Crossroads Bank	\$ 1,111,692	\$ 1,784,258	\$ --
Midland States Bank	\$ 63,201	\$ 306,661	\$ --

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2011 AND 2010

Note 12- Commitments and Contingencies

Loan Guaranty

At August 31, 2011 the Organization is a guarantor on a loan to Community Opportunities, Inc. from Illinois Facilities Fund in the amount of \$79,056. This guarantee would require the Organization to make required loan payments to Illinois Facilities Fund in the event Community Opportunities, Inc. is unable to do so.

Line of Credit

On June 26, 2011, the Organization entered into a line of credit with Crossroads Bank. The Organization can borrow up to \$190,000 at a rate of 2.750%. The line of credit is collateralized by certificates of deposit and matures on December 26, 2011. There were no borrowings on the line of credit during the fiscal year ended August 31, 2011 and there was no outstanding balance on the line of credit as of August 31, 2011.

Note 13- Subsequent Events

Subsequent events have been evaluated through December 29, 2011, which is the date the financial statements were available to be issued and noted the following:

Line of Credit

On December 26, 2011, the Organization renewed the line of credit with Crossroads Bank. The Organization can borrow up to \$190,000 at a rate of 2.500%. The line of credit is collateralized by certificates of deposit and matures on June 26, 2012.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2011

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Expenditures
U. S. Department of Health and Human Services			
(M) Head Start		05CH4121/44	\$ 832,862
(M) Head Start Passed through National Center for Physical Development and Outdoor Play		05CH4121/45	2,387,054
(M) Head Start Body Start Play Space Grant		B064	5,000
(M) Head Start Body Start Play Space Grant		C043	202
Total Head Start	93.600		\$ 3,225,118
(M) ARRA - Head Start	93.708	05SE4121/01	\$ 16,643
(M) ARRA - Early Head Start		05SH4121/01	\$ 265,128
(M) ARRA - Early Head Start		05SH4121/02	775,291
Total ARRA - Early Head Start	93.709		\$ 1,040,419
Passed through Illinois Department of Commerce and Economic Opportunity Home Weatherization Assistance Program		10-221017	17,575
Low Income Home Energy Assistance Program		10-224017	2,412,929
Low Income Home Energy Assistance Program		11-224017	1,498,084
Total Low Income Home Energy Assistance	93.568		\$ 3,928,588
Passed through Illinois Department of Commerce and Economic Opportunity Community Services Block Grant		10-23117	\$ 269,945
Community Services Block Grant		11-23117	213,195
Community Services Block Grant - Outstanding Loan			291,106
Total Community Services Block Grant	93.569		\$ 774,246
Passed through Illinois Department of Commerce and Economic Opportunity ARRA - Community Services Block Grant	93.710	09-211017	\$ 26,619
Passed through Illinois Eastern Community Colleges ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families	93.714	10-071023	\$ 216,905
Passed through Illinois Department of Human Services Title XX Block Grant		81XL101000	\$ 18,777
Title XX Block Grant		81XM101000	4,022
Total Title XX Block Grant	93.667		\$ 22,799
Passed through Midland Area Agency on Aging Medicare Enrollment Assistance Program	93.071	SHAP16-11	\$ 217
Passed through Midland Area Agency on Aging Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, Evaluations	93.779	SHAP 16-11	\$ 879
Passed through Area Agency on Aging for Lincolnland, Inc. ARRA - Aging Congregate Nutrition Services	93.707	ARRA 16-09	\$ 4,503
Passed through East Central Illinois Area Agency on Aging Title III-B Grants for Supportive Services & Senior Centers		10-B41	\$ 23,035
Passed through Midland Area Agency on Aging Title III-B Grants for Supportive Services & Senior Centers		2193TR-11	20,379
Passed through Area Agency on Aging for Lincolnland, Inc. Title III-B Grants for Supportive Services & Senior Centers		T 16-11	28,292
Total Title III-B Grants for Supportive Services & Senior Centers	93.044		\$ 71,706
Passed through Midland Area Agency on Aging Title III-C Nutrition Service Program		71773003	\$ 176,554
Passed through Area Agency on Aging for Lincolnland, Inc. Title III-C Nutrition Service Program		N 16-10	14,820
Title III-C Nutrition Service Program		N 16-11	155,447
Total Title III-C Nutrition Service Program	93.045		\$ 346,821
Passed through Area Agency for Lincolnland, Inc. Nutrition Services Incentive Program			\$ 73,049
Passed through Midland Area Agency on Aging Nutrition Services Incentive Program			95,156
Total Nutrition Services Incentive Program	93.053		\$ 168,205
Total U.S. Department of Health and Human Services			\$ 9,843,668

(M) denotes major program.

Reference should be made to the auditor's report regarding this information.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
 FOR THE YEAR ENDED AUGUST 31, 2011

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Expenditures
U.S. Department of Labor			
Passed through Illinois Eastern Community Colleges			
(M) Workforce Investment Act - Adult		10-681023	\$ 683,491
(M) Workforce Investment Act - Adult		11-681023	34,135
(M) ARRA - Workforce Investment Act - Adult		08-761023	69,244
Total Workforce Investment Act - Adult	17.258		\$ 786,870
Passed through Illinois Eastern Community Colleges			
(M) Workforce Investment Act - Youth		10-681023	\$ 748,007
(M) Workforce Investment Act - Youth		11-681023	119,569
(M) Workforce Investment Act - Youth - Veterans Services - Work Experience		08-677023	91,282
(M) ARRA - Workforce Investment Act - 15% Statewide Activity DW Funds		08-736023	123,014
(M) ARRA - Workforce Investment Act - Youth DNR Grant		08-735523	22,298
(M) ARRA - Workforce Investment Act - Youth		08-762023	174
Total Workforce Investment Act - Youth	17.259		\$ 1,104,344
Passed through Illinois Eastern Community Colleges			
(M) Workforce Investment Act - Dislocated Workers Co-Rolled		10-653023	171,214
(M) Workforce Investment Act - Dislocated Workers		10-681023	474,957
(M) ARRA - Workforce Investment Act - Dislocated Workers		08-761023	513,400
Total Workforce Investment Act - Dislocated Workers	17.260		\$ 1,159,571
Passed through Illinois Eastern Community Colleges			
(M) Workforce Investment Act - Dislocated Workers Title IE		09-651123	\$ 12,625
(M) ARRA - Workforce Investment Act - On Job Training		09-741023	35,489
(M) Workforce Investment Act - Dislocated Workers Co-Rolled		11-653023	8,221
(M) Workforce Investment Act - Dislocated Workers		11-681023	34,484
(M) Workforce Investment Act - Dislocated Workers Title IE		09-654023	405,598
Total Workforce Investment Act - Dislocated Workers	17.278		\$ 494,417
Passed through Illinois Eastern Community Colleges			
Workforce Investment Act - Trade Adjustment Act		09-661123	\$ 48,276
Workforce Investment Act - Trade Adjustment Act		10-661023	1,749,927
Workforce Investment Act - Trade & Globalization Adjustment Assistance Act		10-662023	179,167
Workforce Investment Act - Trade & Globalization Adjustment Assistance Act		09-662023	1,634
Total Workforce Investment Act - Trade Adjustment Act	17.245		\$ 1,979,004
Total U.S. Department of Labor			
			\$ 5,524,206
U.S. Department of Housing and Urban Development			
Supportive Housing Program			
Supportive Housing Program			\$ 147,375
Transitional Housing		IL0317B5T120802	59,336
Transitional Housing		IL0317B5T151003	107,093
Transitional Housing			28,423
Total Supportive Housing Program	14.235		\$ 342,227
Passed through Neighbor Works			
National Foreclosure Mitigation Counseling Program		21.000PL111-95X1350	\$ 3,592
Passed through Illinois Department of Commerce and Economic Development			
(M) ARRA - Homeless Prevention - Rapid Rehousing	14.257	09-261043	\$ 376,252
Passed through Illinois Housing Development Authority			
Single Family Owner Occupied Rehabilitation Program		HO-50210	\$ 28,788
Homebuyer Program		SHA-50247	147,828
Total HOME Investment Partnership Program	14.239		\$ 176,616
Total U.S. Department of Housing and Urban Development			
			\$ 898,687
U.S. Department of Energy			
Passed through Illinois Department of Commerce and Economic Opportunity			
(M) Home Weatherization Assistance Program		10-401017	\$ 179,622
(M) ARRA - Weatherization Assistance for Low-Income Persons		09-491017	1,983,527
Total U.S. Department of Energy	81.042		\$ 2,163,149
Corporation for National Service			
Retired and Senior Volunteer Program		U07SRN1L001	\$ 42,039
Retired and Senior Volunteer Program		U07SRN1L001	6,060
Total Corporation for National Service	94.002		\$ 48,099

(M) denotes major program.

Reference should be made to the auditor's report regarding this information.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
 FOR THE YEAR ENDED AUGUST 31, 2011

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Expenditures
U.S. Department of Agriculture			
Passed through Illinois State Board of Education Child and Adult Care Food Program		03-025-002P-00 - FY10	\$ 21,506
Child and Adult Care Food Program		03-025-002P-00 - FY11	165,378
Total U.S. Department of Agriculture	10.558		\$ 186,884
U.S. Department of Transportation			
Passed through Illinois Department of Transportation Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	IL-16-X004	\$ 58,334
Passed through Shelby County, Illinois Public Transportation for Nonurbanized Areas		IL-18-X027	\$ 235,882
Public Transportation for Nonurbanized Areas		IL-18-X028	137,856
Total Public Transportation for Nonurbanized Area	20.509		\$ 373,738
Total U.S. Department of Transportation			\$ 432,072
U.S. Department of Federal Emergency Management Agency			
Emergency Food and Shelter - Effingham County		28-2418	1,334
Emergency Food and Shelter - Fayette County		28-2420	11,478
Emergency Food and Shelter - Montgomery County		28-2512	20,161
Emergency Food and Shelter - Moultrie County		28-2516	3,152
Emergency Food and Shelter - Shelby County		28-2556	9,158
Emergency Food and Shelter - Christian County		28-2364	13,024
Total U.S. Department of Federal Emergency Management Agency	97.024		\$ 58,307
Total Federal Assistance			\$ 19,155,072

(M) denotes major program

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AUGUST 31, 2011

Note 1 – Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is a summary of the activity of the Organization's federal award programs presented on the accrual basis. Expenses are recognized and recorded when incurred. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2 – Community Services Block Grant Revolving Loans

\$291,106 of the federal awards represents outstanding loans in conjunction with the revolving loan program. The Federal government imposes continuing compliance requirements on these balances.

Note 3 – Non-monetary Assistance

The Organization did not receive any non-monetary assistance from federal and pass through agencies for the year ending August 31, 2011.

Note 4 – Subrecipients

The Organization did not provide any federal awards to subrecipients for the year ending August 31, 2011.

Note 5 – Insurance Provided by Federal Agencies

The Organization did not receive any insurance coverage provided by a federal agency during the year ending August 31, 2011.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEAD START GRANT #05CH4121/44
BUDGET VERSUS ACTUAL REVENUE AND EXPENSES STATEMENT
FOR THE PROGRAM YEAR ENDED OCTOBER 31, 2010

	<u>Final Budget</u>	<u>Actual Per Organization</u>	<u>Budget Variance Favorable (Unfavorable)</u>
REVENUE			
Grant Income	\$ 3,000,230	\$ 3,000,230	\$ --
In-kind Income	754,887	754,887	--
TOTAL REVENUE	\$ 3,755,117	\$ 3,755,117	\$ --
EXPENSES			
Personnel	\$ 1,765,080	\$ 1,728,744	\$ 36,336
Fringe Benefits	400,826	393,048	7,778
In-kind Expense	754,887	754,887	--
Equipment Purchased	170,000	147,092	22,908
Supplies	67,000	104,721	(37,721)
Contractual Services	22,500	24,261	(1,761)
Other	574,824	602,364	(27,540)
TOTAL EXPENSES	\$ 3,755,117	\$ 3,755,117	\$ --
REVENUES IN EXCESS OF EXPENSES	\$ --	\$ --	\$ --

Reference should be made to the auditor's report regarding this information.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
MIDLAND AREA AGENCY ON AGING - TITLE III-B
STATEMENT OF CASH AND NON-CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

	Program Year		Total
	2010	2011	
RECEIPTS			
Federal grant	\$ 918.00	\$ 24,287.00	\$ 25,205.00
Project income	\$ 3.33	\$ 4,784.26	\$ 4,787.59
In-kind income	83.00	1,064.25	1,147.25
Total in-kind and program income	\$ 86.33	\$ 5,848.51	\$ 5,934.84
TOTAL RECEIPTS	\$ 1,004.33	\$ 30,135.51	\$ 31,139.84
DISBURSEMENTS			
Program expenses	\$ 1,447.53	\$ 31,715.58	\$ 33,163.11
In-kind costs	83.00	1,064.25	1,147.25
TOTAL DISBURSEMENTS	\$ 1,530.53	\$ 32,779.83	\$ 34,310.36
EXCESS OF RECEIPTS OVER DISBURSEMENTS	\$ (526.20)	\$ (2,644.32)	\$ (3,170.52)
CASH, SEPTEMBER 1, 2010			526.20
CASH, AUGUST 31, 2011			\$ (2,644.32)

Reference should be made to the auditor's report regarding this information.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
MIDLAND AREA AGENCY ON AGING - TITLE III-C
STATEMENT OF CASH AND NON-CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

	Program Year		Total
	2010	2011	
RECEIPTS			
Grant income	\$ 74,872.00	\$ 275,500.50	\$ 350,372.50
Project income	\$ 21,955.20	\$ 222,218.61	\$ 244,173.81
Interest income	111.98	5,331.27	5,443.25
In-kind income	4,765.00	48,622.75	53,387.75
Local receipts	4,912.83	31,811.38	36,724.21
Total in-kind and program income	\$ 31,745.01	\$ 307,984.01	\$ 339,729.02
Cash commodities - Federal	\$ 8,666.00	\$ 86,490.00	\$ 95,156.00
TOTAL RECEIPTS	\$ 115,283.01	\$ 669,974.51	\$ 785,257.52
DISBURSEMENTS			
Program expenses	\$ 121,848.53	\$ 702,069.11	\$ 823,917.64
In-kind costs	4,765.00	48,622.75	53,387.75
TOTAL DISBURSEMENTS	\$ 126,613.53	\$ 750,691.86	\$ 877,305.39
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (11,330.52)	\$ (80,717.35)	\$ (92,047.87)
CASH, SEPTEMBER 1, 2010			577,698.12
CASH, AUGUST 31, 2011			<u>\$ 485,650.25</u>

Reference should be made to the auditor's report regarding this information.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of C.E.F.S. Economic Opportunity Corporation.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of C.E.F.S. Economic Opportunity Corporation were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements applicable to each Major Program and Internal Control over Compliance in accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for C.E.F.S. Economic Opportunity Corporation expresses an unqualified opinion.
6. There were no audit findings relative to the major programs for C.E.F.S. Economic Opportunity Corporation.
7. The programs tested as major programs include:

Name	CFDA No.
Head Start	93.600
ARRA – Head Start	93.708
ARRA – Early Head Start	93.709
Workforce Investment Act – Adult	17.258
Workforce Investment Act – Youth	17.259
Workforce Investment Act – Dislocated Workers	17.260
Workforce Investment Act – Dislocated Workers	17.278
ARRA – Homeless Prevention – Rapid Rehousing	14.257
Home Weatherization Assistance Program	81.042

8. The threshold for distinguishing Type A and B programs was \$565,918.
9. C.E.F.S. Economic Opportunity Corporation was determined to be a low-risk auditee.

B. FINDINGS — FINANCIAL STATEMENT AUDITS

Our tests revealed no noncompliance and internal control over financial reporting findings.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

Our tests did not reveal any findings or questioned costs relative to the major federal award programs.

C.E.F.S. ECONOMIC OPPORTUNITY CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 2011

This schedule is not applicable because the Organization had no prior year audit findings.