



CHILD LINK, INC.
(A NONPROFIT CORPORATION)

Financial Statements
June 30, 2020 and 2019

CHILD LINK, INC.
(A NONPROFIT CORPORATION)

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FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Child Link, Inc.
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Child Link, Inc. (an Illinois nonprofit corporation) (the "Organization"), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Child Link, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying cost and revenue schedules included in the Consolidated Financial Report on pages 18 through 25, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The cost and revenue information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2020, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

K.R.D., Ltd.

Schaumburg, Illinois
December 17, 2020

CHILD LINK, INC.
(A NONPROFIT CORPORATION)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019
See notes to financial statements.

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	<u>2020</u>	<u>2019</u>
<i>ASSETS</i>		
CURRENT ASSETS		
Cash	\$ 308,324	\$ 94,629
Accounts receivable	658,686	339,320
Prepaid expenses	3,296	31,295
	<u>970,306</u>	<u>465,244</u>
PROPERTY AND EQUIPMENT		
Building and improvements	1,670,255	1,655,559
Automobiles	102,901	102,901
Furniture and equipment	70,065	60,065
	<u>1,843,221</u>	<u>1,818,525</u>
Less: accumulated depreciation	(733,490)	(648,313)
	<u>1,109,731</u>	<u>1,170,212</u>
OTHER ASSETS		
Security deposits	76,792	76,792
	<u>76,792</u>	<u>76,792</u>
Total assets	<u>\$ 2,156,829</u>	<u>\$ 1,712,248</u>
<i>LIABILITIES AND NET ASSETS</i>		
CURRENT LIABILITIES		
Accounts payable	\$ 278,542	\$ 161,420
Accrued expenses	442,850	305,607
Current maturities of notes payable	87,433	83,084
	<u>808,825</u>	<u>550,111</u>
LONG-TERM LIABILITIES		
Notes payable, net of current maturities	774,041	861,474
Deferred rent	238,683	241,517
	<u>1,012,724</u>	<u>1,102,991</u>
Total long-term liabilities	<u>1,012,724</u>	<u>1,102,991</u>
Total liabilities	<u>1,821,549</u>	<u>1,653,102</u>
NET ASSETS		
Without donor restrictions	<u>335,280</u>	<u>59,146</u>
	<u>\$ 2,156,829</u>	<u>\$ 1,712,248</u>

CHILD LINK, INC.

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(A NONPROFIT CORPORATION)

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2020 AND 2019

See notes to financial statements.

	<u>2020</u>	<u>2019</u>
SUPPORT AND REVENUES		
Illinois Department of Children and Family Services	\$ 7,109,416	\$ 5,324,959
In-kind contributions	62,139	136,063
Special events	34,063	33,726
Interest	28	-
Miscellaneous	3,634	791
	<u>7,209,280</u>	<u>5,495,539</u>
EXPENSES		
Program services		
Downstate	16,461	51,061
Transitional living program	1,231,975	1,093,716
Independent living operations	185,278	34,349
Fostercare services	3,843,755	2,752,952
Adolescent foster parent	1,386,022	1,178,844
	<u>6,663,491</u>	<u>5,110,922</u>
Total program services		
Management and general	164,996	174,998
Fundraising	104,659	168,073
	<u>6,933,146</u>	<u>5,453,993</u>
CHANGE IN NET ASSETS	276,134	41,546
NET ASSETS AT BEGINNING OF YEAR	59,146	17,600
NET ASSETS AT END OF YEAR	\$ 335,280	\$ 59,146

CHILD LINK, INC.

(A NONPROFIT CORPORATION)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

See notes to financial statements.

	Program Services					Total Program Expenses	Management and General	Fundraising	Total Expenses
	401 Downstate	402 Transitional Living Program	403 Independent Living Operations	405 Fostercare Services	407 Adolescent Foster Parent				
Personnel and related									
Salaries	\$ 7,489	\$ 734,720	\$ 89,585	\$ 1,616,927	\$ 633,052	\$ 3,081,773	\$ 75,175	\$ 5,302	\$ 3,162,250
Payroll tax and fringe benefits	33	87,128	6,638	295,939	88,181	477,919	9,394	513	487,826
	<u>7,522</u>	<u>821,848</u>	<u>96,223</u>	<u>1,912,866</u>	<u>721,233</u>	<u>3,559,692</u>	<u>84,569</u>	<u>5,815</u>	<u>3,650,076</u>
Consultants	-	40,775	558	275,595	10,417	327,345	76,456	4,700	408,501
Staff transportation	-	4,884	5	79,071	17,928	101,888	-	-	101,888
Client transportation	-	10,829	1,313	28,828	29,311	70,281	-	40	70,321
Conference and convention	-	390	-	10,384	571	11,345	-	167	11,512
Specific assistance	156	108,558	67,692	105,124	118,654	400,184	-	434	400,618
Telecommunication costs	-	17,873	1,011	30,214	27,213	76,311	622	-	76,933
Other program costs	230	17,558	1,102	89,573	9,095	117,558	-	962	118,520
Occupancy	1,730	-	11,147	234,201	101,161	348,239	-	433	348,672
Building and equipment									
operation and maintenance	359	74,294	455	62,166	10,651	147,925	-	-	147,925
Office supplies and equipment	-	360	-	5,111	678	6,149	-	-	6,149
Mortgage interest	-	46,987	-	-	-	46,987	-	37	47,024
Insurance	-	11,476	5,738	99,380	12,052	128,646	3,349	-	131,995
Fostercare payments	6,211	-	-	894,209	317,395	1,217,815	-	-	1,217,815
Miscellaneous	253	1,786	-	9,068	6,843	17,950	-	29,932	47,882
In-kind services	-	-	-	-	-	-	-	62,139	62,139
Depreciation and amortization	-	74,357	34	7,965	2,820	85,176	-	-	85,176
	<u>8,939</u>	<u>410,127</u>	<u>89,055</u>	<u>1,930,889</u>	<u>664,789</u>	<u>3,103,799</u>	<u>80,427</u>	<u>98,844</u>	<u>3,283,070</u>
	<u>\$ 16,461</u>	<u>\$ 1,231,975</u>	<u>\$ 185,278</u>	<u>\$ 3,843,755</u>	<u>\$ 1,386,022</u>	<u>\$ 6,663,491</u>	<u>\$ 164,996</u>	<u>\$ 104,659</u>	<u>\$ 6,933,146</u>

CHILD LINK, INC.

(A NONPROFIT CORPORATION)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

See notes to financial statements.

	Program Services					Total Program Expenses	Management and General	Fundraising	Total Expenses
	401 Downstate	402 Transitional Living Program	403 Independent Living Operations	405 Fostercare Services	407 Adolescent Foster Parent				
Personnel and related									
Salaries	\$ 36,180	\$ 580,064	\$ 15,445	\$ 1,043,889	\$ 496,300	\$ 2,171,878	\$ 47,957	\$ 6,899	\$ 2,226,734
Payroll tax and fringe benefits	3,335	64,617	1,237	228,180	54,842	352,211	3,721	97	356,029
	<u>39,515</u>	<u>644,681</u>	<u>16,682</u>	<u>1,272,069</u>	<u>551,142</u>	<u>2,524,089</u>	<u>51,678</u>	<u>6,996</u>	<u>2,582,763</u>
Consultants	-	86,665	-	173,214	33,449	293,328	111,747	3,000	408,075
Staff transportation	205	10,712	-	119,061	24,439	154,417	-	51	154,468
Client transportation	42	10,463	100	41,968	26,039	78,612	-	-	78,612
Conference and convention	224	555	-	2,480	1,499	4,758	-	3,598	8,356
Specific assistance	498	91,535	10,207	105,102	145,359	352,701	-	1,605	354,306
Telecommunication costs	-	13,619	647	29,958	19,926	64,150	1,184	-	65,334
Other program costs	612	13,266	138	21,521	15,214	50,751	-	1,950	52,701
Occupancy	2,379	32,711	4,221	224,846	76,885	341,042	-	649	341,691
Building and equipment									
operation and maintenance	435	59,726	382	44,035	14,717	119,295	-	-	119,295
Office supplies and equipment	-	203	-	3,533	1,261	4,997	167	665	5,829
Mortgage interest	-	51,119	-	-	-	51,119	-	-	51,119
Insurance	-	5,424	1,972	35,706	15,542	58,644	3,349	-	61,993
Fostercare payments	7,151	-	-	666,447	246,780	920,378	-	-	920,378
Miscellaneous	-	316	-	6,157	4,605	11,078	6,873	13,496	31,447
In-kind services	-	-	-	-	-	-	-	136,063	136,063
Depreciation and amortization	-	72,721	-	6,855	1,987	81,563	-	-	81,563
	<u>11,546</u>	<u>449,035</u>	<u>17,667</u>	<u>1,480,883</u>	<u>627,702</u>	<u>2,586,833</u>	<u>123,320</u>	<u>161,077</u>	<u>2,871,230</u>
	<u>\$ 51,061</u>	<u>\$ 1,093,716</u>	<u>\$ 34,349</u>	<u>\$ 2,752,952</u>	<u>\$ 1,178,844</u>	<u>\$ 5,110,922</u>	<u>\$ 174,998</u>	<u>\$ 168,073</u>	<u>\$ 5,453,993</u>

CHILD LINK, INC.
(A NONPROFIT CORPORATION)

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

See notes to financial statements.

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 276,134	\$ 41,546
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	85,176	81,563
Deferred rent	(2,834)	5,148
Change in assets and liabilities		
Accounts receivable	(319,366)	(33,584)
Prepaid expenses	27,999	(3,413)
Security deposits	-	25,000
Accounts payable	117,122	(95,644)
Accrued expenses	137,243	111,156
	<u>321,474</u>	<u>131,772</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(24,695)	(8,940)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments of notes payable	(83,084)	(78,952)
NET CHANGE IN CASH	<u>213,695</u>	<u>43,880</u>
CASH AT BEGINNING OF YEAR	<u>94,629</u>	<u>50,749</u>
CASH AT END OF YEAR	<u>\$ 308,324</u>	<u>\$ 94,629</u>

CHILD LINK, INC.
(A NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
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NATURE OF OPERATIONS

Child Link, Inc. (the "Organization") is an Illinois not-for-profit organization that was founded in 2004 to provide foster care, family counseling, and therapy services to Chicago area adolescents who are at risk of homelessness. The Organization also refers adolescents to other agencies that are able to provide additional resources and services.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accounting records and the accompanying financial statements have been maintained and prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation: Net assets without donor restrictions include resources that are not subject to donor-imposed restrictions plus those resources for which donor-imposed restrictions have been satisfied. Contributions are reported as increases in the appropriate category of net assets. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Net assets with donor restrictions are subject to donor-imposed restrictions related to specific purposes or time periods. Satisfaction of net assets with donor restrictions (i.e., when the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) is reported as a reclassification from net assets with donor restrictions to net assets without donor restrictions. The Organization reports contributions with a donor-imposed restriction whose restrictions are met in the same reporting period as without donor restrictions in the statements of activities.

Liquidity and Availability of Resources: The Organization has a goal to maintain financial assets on hand to meet normal operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization has a revolving line of credit in the amount of \$100,000 that is available to draw upon in the event of an unanticipated liquidity need.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 308,324
Accounts receivable	<u>658,686</u>
	<u>\$ 967,010</u>

Accounts Receivable: Accounts receivable represent amounts due to the Organization under the terms of various grant agreements. Accounts receivable are stated at the amount management expects to collect. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants, contracts, and others. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable. The Organization believes all amounts to be collectible and no allowance for uncollectible accounts has been recorded at June 30, 2020 and 2019.

CHILD LINK, INC.
(A NONPROFIT CORPORATION)
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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment: Property and equipment acquired by the Organization is carried at cost. The Organization has established a policy to capitalize all assets above a \$2,500 threshold. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 5 to 25 years for buildings and improvements, 3 to 10 years for furniture and office equipment, and 3 to 5 years for vehicles. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the life of the lease.

Grant Revenues: Revenue from government grants designated for use in specific activities is recognized in the period when the expenditures have been incurred in compliance with the grantor's restrictions.

The Organization contracts with certain agencies on a cost reimbursement basis. To the extent the Organization's reimbursements exceed its actual costs, such excess may be required to be returned to the contracting agency with a corresponding adjustment to contract revenue.

Donated Goods and Services: The Organization recognizes the fair value of contributed goods at the date of donation and the fair value of contributed services when the contributed services create or enhance nonfinancial assets, or require specialized skills, are provided by entities or individuals possessing those skills, and would be purchased if not provided by donation. The primary donated services were from volunteers providing services as counselors donated by various entities. Donated goods and services are included as both in-kind contribution revenue and expenses in the accompanying statements of activities and changes in net assets. In-kind contributions and in-kind expenses totaled \$62,139 and \$136,063 for the years ended June 30, 2020 and 2019, respectively.

Functional Allocation of Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel and related costs, which are allocated on the basis of estimates of time and effort.

Concentration of Credit Risk: From time to time, the Organization's cash balances at financial institutions may exceed Federal Deposit Insurance Corporation ("FDIC") limits. Management does not believe this presents a significant risk to the Organization.

Tax Exempt Status: The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). However, any income from certain activities not directly related to the Organization's tax exempt purpose would be subject to taxation as unrelated business income.

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

Subsequent Events: Management has evaluated subsequent events through December 17, 2020, the date the financial statements were available to be issued.

CHILD LINK, INC.
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NOTES TO FINANCIAL STATEMENTS
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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements: In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers* (Topic 606), which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. This standard was subsequently amended by ASU 2015-14 and ASU 2016-12. The core principle of the amended standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The provisions of this standard are effective for annual reporting periods beginning after December 15, 2019. Early adoption is permitted subject to certain limitations. The new guidance will be effective for the Organization’s year ending June 30, 2021. The standard requires that it is to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). This standard requires a lessee to recognize its lease assets and lease liabilities arising from operating leases in the statement of financial position. The standard applies a right-of-use model that requires, for all leases with a lease term of more than twelve months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU, as amended, is effective for fiscal years beginning after December 15, 2021 with early adoption permitted. The new lease guidance will be effective for the Organization’s year ending June 30, 2022 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented.

The effect of these pronouncements on the financial statements has not been determined.

LINE OF CREDIT

The Organization has a revolving line of credit from a bank in the amount of \$100,000 which matures on May 20, 2021. Draws on the line of credit would be subject to interest at the highest prime rate published in the Wall Street Journal (3.25% at June 30, 2020). The line of credit carried no outstanding balance as of June 30, 2020 and 2019.

NOTES PAYABLE

As of June 30, 2020 and 2019, notes payable consisted of the following:

	<u>2020</u>	<u>2019</u>
Mortgage note, payable in monthly installments of \$6,787, including interest at an annual rate of 5%, maturing on September 1, 2026. This note is collateralized by the underlying property.	\$ 436,386	\$ 494,426
Mortgage note, payable in monthly installments of \$4,052, including interest at an annual rate of 5.375%, maturing on April 1, 2032. This note is collateralized by the underlying property.	<u>425,088</u>	<u>450,132</u>
	861,474	944,558
Less: current maturities	<u>87,433</u>	<u>83,084</u>
Long-term portion	\$ <u><u>774,041</u></u>	\$ <u><u>861,474</u></u>

CHILD LINK, INC.
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NOTES PAYABLE (CONTINUED)

Future principal maturities of the notes payable are as follows:

<u>Years Ending June 30,</u>	<u>Amounts</u>
2021	\$ 87,433
2022	92,010
2023	96,828
2024	101,897
2025	107,232
Thereafter	<u>376,074</u>
	\$ <u>861,474</u>

LEASE AGREEMENTS

Facilities: The Organization leases office space with monthly base rentals ranging from \$24,808 to \$32,550, expiring on February 28, 2027. Lease expense is recorded on a straight-line basis over the lease term. The Organization is responsible for its share of real estate taxes and operating expenses, as defined in the lease agreement. A security deposit of \$100,000 is required by the lease agreement, with a security deposit reduction of \$25,000 on October 1, 2018 and October 1, 2022. Rent expense for the lease for each of the years ended June 30, 2020 and 2019 totaled \$324,425. Future required minimum lease payments on these leases are as follows:

<u>Years Ending June 30,</u>	<u>Amounts</u>
2021	\$ 335,443
2022	343,829
2023	352,424
2024	361,235
2025	370,266
Thereafter	<u>638,334</u>
	\$ <u>2,401,531</u>

RETIREMENT PLAN

The Organization provides retirement benefits for eligible employees under a 403(b) tax deferred annuity plan. Under the plan, the Organization may make discretionary contributions. For the years ended June 30, 2020 and 2019, the Organization made matching contributions of \$45,100 and \$0 to the plan, respectively.

CHILD LINK, INC.
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CONTINGENCIES

Concentration of Revenue Funding: The Organization received approximately 99% and 97% of its revenues from the State of Illinois Department of Children and Family Services (“IL DCFS”) for each of the years ended June 30, 2020 and 2019, respectively. Accounts receivable from this grantor totaled 100% of total accounts receivable as of June 30, 2020 and 2019.

Vulnerability Due to Regulatory Uncertainties: As noted above, the Organization receives significant funding from the IL DCFS each year. Administrative directives, rules, and regulations of state and local regulatory agencies are subject to change by an act of the Illinois State Legislature or changes mandated specifically by the IL DCFS. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the Organization’s agreement, and may be subject to audit by the regulatory agency. Any disallowed claims resulting from such audits could become a liability of the Organization.

RISKS AND UNCERTAINTIES

The Organization’s operations may be affected by the recent and ongoing outbreak of the coronavirus disease (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The related future financial impact cannot be reasonably estimated at this time. In response to the pandemic, the Organization has adapted its operations to facilitate a virtual environment where possible.

STATEMENT OF CASH FLOWS SUPPLEMENTAL INFORMATION

The Organization paid \$47,024 and \$51,119 for interest during the years ended June 30, 2020 and 2019, respectively.



INDEPENDENT AUDITORS' 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
Child Link, Inc.
Chicago, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of Child Link, Inc. (an Illinois nonprofit corporation) (the "Organization"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated December 17, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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



Purpose of this Report

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

KRD, Ltd.

Schaumburg, Illinois
December 17, 2020

SUPPLEMENTARY INFORMATION

AGENCY INFORMATION

NAME OF AGENCY	CHILDLINK, INC.
COUNTY	COOK
MAILING ADDRESS	
- STREET	955 W CERMAK 2ND FLOOR
- CITY	CHICAGO
- STATE	IL
- ZIP CODE	60608
NAME OF PERSON COMPLETING REPORT	Elta Hebipasi
JOB TITLE	CFO
TELEPHONE (Area Code & Number)	312-377-4735
E-MAIL ADDRESS	elta.hebipasi@childlnk.org
NUMBER OF PROGRAMS REPORTED ON CFR	5
ACTUAL / BUDGETED COSTS (Enter A or B)	A
QUARTERS REPORTED (Enter 1,2,3,4)	4
BASIS OF MAINTAINING ACCOUNTING RECORDS A = ACCRUAL, C = CASH, O = OTHER	A
AGENCY ACCREDITATION COMPLETED BY	Council on Accreditation

CHILD LINK, INC.
 (A NONPROFIT CORPORATION)
 SCHEDULE OF REPORTED PROGRAMS

PROGRAMS	DESCRIPTION 1	DESCRIPTION 2	DCFS	DHS	ISBE	AGING	HEALTHCARE
1	Traditional	Foster Care	4376014050				
2	Professional	Foster Care	4376014070				
3	TLP	Transitional	4376014020				
4	Downstate	FC Downstate	4376014010				
5	ILO	Indep Living	4376014030				
6							
7							
8							
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CHILD LINK, INC.
SCHEDULE OF PROGRAM REVENUES
FOR THE YEAR ENDED JUNE 30, 2020

LINE	REVENUE ACCOUNT TITLE	AGENCY	NOT ALLOCATED	PROGRAM 1	PROGRAM 2	PROGRAM 3	PROGRAM 4	PROGRAM 5
				Traditional	Professional	TLP	Downstate	ILO
1	Department of Aging	0	0	0	0	0	0	0
2	Department of Children and Family Services	7,109,416	0	4,121,251	1,486,307	1,256,393	30,976	214,489
3	Department of Corrections	0	0	0	0	0	0	0
4	Medicaid Rehab Option (MRO) Payments	0	0	0	0	0	0	0
5	Department of Human Services	0	0	0	0	0	0	0
6	Department of Public Aid	0	0	0	0	0	0	0
7	Department of Public Health	0	0	0	0	0	0	0
8	Local Education Agency/ School District	0	0	0	0	0	0	0
9	Local Government	0	0	0	0	0	0	0
10	Federal Government	0	0	0	0	0	0	0
11	Other Government Agencies	0	0	0	0	0	0	0
12	Client / Family Program Fees (incl. SSI, SSA, pensions, etc.)	0	0	0	0	0	0	0
13	Special Service Fees for Individual Clients	0	0	0	0	0	0	0
14	Diagnostic Service Fees	0	0	0	0	0	0	0
15	Other (Specify Program Values on Revenues - Other Worksheet)	3,634	2,147	1,487	0	0	0	0
16	Total Fees + Purchase of Services (Sum Lines 1 - 15)	7,113,050	2,147	4,122,738	1,486,307	1,256,393	30,976	214,489
17	Department of Aging	0	0	0	0	0	0	0
18	Department of Children and Family Services	0	0	0	0	0	0	0
19	Department of Corrections	0	0	0	0	0	0	0
20	donated/Certified Funds Initiative (DFI / CFI)	0	0	0	0	0	0	0
21	Department of Human Services	0	0	0	0	0	0	0
22	Department of Public Aid	0	0	0	0	0	0	0
23	Department of Public Health	0	0	0	0	0	0	0
24	Local Education Agency/ School District	0	0	0	0	0	0	0
25	Local Government Awards	0	0	0	0	0	0	0
26	Federal Government Awards	0	0	0	0	0	0	0
27	Other Government Awards	0	0	0	0	0	0	0
28	JTPA / CETA	0	0	0	0	0	0	0
29	Other (Specify Program Values on Revenues - Other Worksheet)	0	0	0	0	0	0	0
30	Total Grant Revenues (Sum Lines 17 - 29)	0	0	0	0	0	0	0
31	Restricted to Operations	0	0	0	0	0	0	0
32	Restricted to Capital	0	0	0	0	0	0	0
33	Unrestricted	34,063	34,063	0	0	0	0	0
34	Contributions - Goods and Services	62,139	62,139	0	0	0	0	0
35	Child & Adult Food Programs (school meals, commodities)	0	0	0	0	0	0	0
36	School Transportation Payments (to/from school)	0	0	0	0	0	0	0
37	Sales of Goods and Services	0	0	0	0	0	0	0
38	Rent Income	0	0	0	0	0	0	0
39	Gain on Sale of Assets	0	0	0	0	0	0	0
40	Cafeteria and Vending Machine	0	0	0	0	0	0	0
41	Other (Specify Program Values on Revenues - Other Worksheet)	0	0	0	0	0	0	0
42	Total Contributions & Other (Sum Lines 31 - 41)	96,202	96,202	0	0	0	0	0
43	Income on Restricted Assets / Investments	0	0	0	0	0	0	0
44	Income on Unrestricted Assets / Investments	28	2	0	0	26	0	0
45	Total Investment Income (Sum Lines 43 & 44)	28	2	0	0	26	0	0
46	TOTAL REVENUES (Sum Lines 16, 30, 42, 45, 46)	7,209,280	98,351	4,122,738	1,486,307	1,256,419	30,976	214,489

CHILD LINK, INC.
SCHEDULE OF PROGRAM COSTS
FOR THE YEAR ENDED JUNE 30, 2020

LINE	COST ACCOUNT TITLE	AGENCY	NOT ALLOCATED	PROGRAM 1	PROGRAM 2	PROGRAM 3	PROGRAM 4	PROGRAM 5
				Traditional	Professional	TLP	Downstate	ILO
1	Program Staff Salaries	3,081,774	0	1,616,927	633,052	734,720	7,489	89,586
2	Program Clerical Staff Salaries	0	0	0	0	0	0	0
3	Program Payroll Taxes and Fringe Benefits	477,919	0	295,939	88,181	87,128	33	6,638
4	Program Consultants	332,045	4,700	275,595	10,417	40,775	0	558
5	Consumer Wages and Fringe Benefits	0	0	0	0	0	0	0
6	Medicine and Drugs	0	0	0	0	0	0	0
7	All Other Program Equipment and Supplies	0	0	0	0	0	0	0
8	Staff Transportation	101,888	0	79,071	17,928	4,884	0	5
9	Client Transportation	70,321	40	28,828	29,311	10,829	0	1,313
10	Transportation To / From School	0	0	0	0	0	0	0
11	Direct Service Staff Conferences & Conventions	11,512	167	10,384	571	390	0	0
12	Program Insurance	128,645	0	99,380	12,052	11,475	0	5,738
13	Direct Client Specific Assistance	400,618	434	105,124	118,654	108,558	156	67,692
14	Telecommunication Costs Assigned to Program	76,311	0	30,214	27,213	17,873	0	1,011
15	Foster Care Payments	1,217,815	0	894,209	317,395	0	6,211	0
16	Other (Specify Program Values on Costs - Other Worksheet)	180,659	63,101	89,573	9,095	17,558	230	1,102
17	Total Program Expenses (Sum Lines 1 - 16)	6,079,507	68,442	3,525,244	1,263,869	1,034,190	14,119	173,643
18	Support Salaries	0	0	0	0	0	0	0
19	Support Payroll Taxes and Fringe Benefits	0	0	0	0	0	0	0
20	Dietary Supplies	0	0	0	0	0	0	0
21	Housekeeping and Laundry Supplies	0	0	0	0	0	0	0
22	Other (Specify Program Values on Costs - Other Worksheet)	0	0	0	0	0	0	0
23	Total Support Expenses (Sum Lines 18 - 22)	0	0	0	0	0	0	0
24	Occupancy Salaries	0	0	0	0	0	0	0
25	Occupancy Payroll Taxes and Fringe Benefits	0	0	0	0	0	0	0
26	Building & Equip. Operations and Maintenance	147,926	0	62,166	10,652	74,294	359	455
27	Vehicle Depreciation	0	0	0	0	0	0	0
28	All Other Depreciation & Amortization	85,176	0	7,965	2,820	74,357	0	34
29	Vehicle Rent	0	0	0	0	0	0	0
30	All Other Lease / Rent / Taxes	348,673	433	234,201	101,162	0	1,730	11,147
31	Equipment Under \$500	0	0	0	0	0	0	0
32	Mortgage & Installment Interest	47,024	37	0	0	46,987	0	0
33	Operating Interest	0	0	0	0	0	0	0
34	Other (Specify Program Values on Costs - Other Worksheet)	0	0	0	0	0	0	0
35	Total Occupancy Expenses (Sum Lines 24 - 34)	628,799	470	304,332	114,634	195,638	2,089	11,636
36	Administrative Salaries	80,477	5,302	44,773	23,933	6,458	11	0
37	Administrative Payroll Taxes and Fringe Benefits	9,908	513	6,069	2,059	1,267	0	0
38	Administrative Consultants	76,456	0	43,586	14,157	15,714	0	2,999
39	Telecommunication Costs Not Assigned to Program	622	0	311	311	0	0	0
40	Office Supplies and Equipment	6,149	0	5,111	678	360	0	0
41	Allocation of Management and General (G & A)	0	0	0	0	0	0	0
42	Other (Specify Program Values on Costs - Other Worksheet)	51,228	29,929	11,077	7,871	2,009	253	89
43	Total Administrative Expenses (Sum Lines 36 - 42)	224,840	35,744	110,927	49,009	25,808	264	3,088
44	Total Expenses (Sum Lines 17, 23, 35, 43)	6,933,146	104,656	3,940,503	1,427,512	1,255,636	16,472	188,367
45	Depreciation on DMHDD Funded Capital Assets Included Above	0	0	0	0	0	0	0
46	Cost of Production and Workshop Client Wages included Above	0	0	0	0	0	0	0
47	Other (Specify Program Values on Costs - Other Worksheet)	0	0	0	0	0	0	0
48	Total Non-Reimbursable Expenses (Sum Lines 45 - 47)	0	0	0	0	0	0	0
49	Net Expenses (Line 44 minus Line 48)	6,933,146	104,656	3,940,503	1,427,512	1,255,636	16,472	188,367

CHILD LINK, INC.
SCHEDULE OF PROGRAM COSTS - OTHER
FOR THE YEAR ENDED JUNE 30, 2020

LINE	COST ACCOUNT TITLE	ITEM	SPECIFY DESCRIPTION	PROGRAM 1	PROGRAM 2	PROGRAM 3	PROGRAM 4	PROGRAM 5
				Traditional	Professional	TLP	Downstate	ILO
16	Other - Program Expenses	1	Postage & Delivery	1,771	1,181	382	0	0
16		2	Program Expense / Materials	42,181	5,884	15,260	230	1,030
16		3	Printing & Duplicating	1,857	0	0	0	0
16		4	Other Program Expense	43,764	2,030	1,916	0	72
16		5		0	0	0	0	0
16		6		0	0	0	0	0
16		7		0	0	0	0	0
16		8		0	0	0	0	0
16		9		0	0	0	0	0
16		10		0	0	0	0	0
22	Other - Support Expenses	1		0	0	0	0	0
22		2		0	0	0	0	0
22		3		0	0	0	0	0
22		4		0	0	0	0	0
22		5		0	0	0	0	0
22		6		0	0	0	0	0
22		7		0	0	0	0	0
22		8		0	0	0	0	0
22		9		0	0	0	0	0
22		10		0	0	0	0	0
34	Other - Occupancy Expenses	1		0	0	0	0	0
34		2		0	0	0	0	0
34		3		0	0	0	0	0
34		4		0	0	0	0	0
34		5		0	0	0	0	0
34		6		0	0	0	0	0
34		7		0	0	0	0	0
34		8		0	0	0	0	0
34		9		0	0	0	0	0
34		10		0	0	0	0	0
42	Other - Administrative Expenses	1	Bank Charges	3,610	1,382	1,786	253	0
42		2	Recruitment Expenses	5,458	5,462	0	0	0
42		3	Director's and Officers Insurance	2,009	1,027	223	0	89
42		4		0	0	0	0	0
42		5		0	0	0	0	0
42		6		0	0	0	0	0
42		7		0	0	0	0	0
42		8		0	0	0	0	0
42		9		0	0	0	0	0
42		10		0	0	0	0	0
47	Other - Non-Reimbursable Expenses	1		0	0	0	0	0
47		2		0	0	0	0	0
47		3		0	0	0	0	0
47		4		0	0	0	0	0
47		5		0	0	0	0	0
47		6		0	0	0	0	0
47		7		0	0	0	0	0
47		8		0	0	0	0	0
47		9		0	0	0	0	0
47		10		0	0	0	0	0

CHILD LINK, INC.
 SCHEDULE OF PROGRAM CONSULTANT AND CONTRACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

LINE	CONTRACTUAL STAFF POSITIONS	AGENCY HOURS	AGENCY AMOUNT	AGENCY NOT ALLOCATED	PROGRAM 1	PROGRAM 1	PROGRAM 2	PROGRAM 2	PROGRAM 3	PROGRAM 3	PROGRAM 4	PROGRAM 4	PROGRAM 5	PROGRAM 5
					PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT
					Traditional	Professional	TLP			Downstate	ILO			
1	Audiologist	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
2	Behavior Therapist	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
3	Dietary Technician	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
4	Dietitian	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
5	Habilitation Aide / Child Care Aide	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
6	Habilitation Professional or Supervisory Staff	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
7	LPN	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
8	Occupational Therapist	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
9	Physical Therapist	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
10	Physician	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
11	Principal	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
12	Program Director	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
13	Program Clerical Staff	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
14	Psychiatrist	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
15	Psychologist	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
16	Recreation Staff	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
17	Registered Nurse	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
18	Social Worker	17,106.00	325,018	0	84.50	274,640	2.92	9,503	12.40	40,317	0.00	0	0.17	558
19	Speech Therapist	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
20	Substance Abuse Counselor / Professional	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
21	Substance Abuse Paraprofessional	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
22	Teacher	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
23	Teacher Aide	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
24	Vocational Staff (incl. Job Coach, workshop staff, etc.)	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
25	Other Academic Instruction	56.00	7,027	4,700	13.59	955	13.01	914	6.52	458	0.00	0	0.00	0
26	Other Medical Care	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
27	Other Habilitation / Rehabilitation	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
28	Other Substance Abuse	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
29	All Other Program Staff (Specify on Contractual - Other Worksheet)	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
30	TOTAL ALL POSITIONS	17,162.00	332,045	4,700	83.00	275,595	3.14	10,417	12.28	40,775	0.00	0	0.17	558
31	Mental Health Professional (MHP)	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
32	Qualified Mental Health Professional (QMHP)	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
33	Qualified Mental Retardation Professional (QMRP)	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
34	Rehabilitative Services Associate (RSA)	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
35	SEP Job Coach - DHS Use Only	0.00	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0