

2009
AUDIT

019747

0-0000000-000

COMMUNITY SERVICE NETWORK, INC.

**FINANCIAL STATEMENTS
AND
UNIFORM FINANCIAL REPORT
YEAR ENDED
DECEMBER 31, 2009
AND
INDEPENDENT AUDITOR'S REPORT**

WALSH & CO.

ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report

2009
AUDIT

019747

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Board of Directors
Community Service Network, Inc.

We have audited the accompanying statement of financial position of the Community Service Network, Inc. (a Massachusetts corporation, not-for-profit) as of December 31, 2009, and the related statements of activities and cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Community Service Network, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of the Community Service Network, Inc. as of December 31, 2009, and the changes in its net assets and its cash flows for the year 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 February 26, 2010, on our consideration of the Community Service Network, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Community Service Network, Inc. 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The supplementary information included in Schedules A and B is presented for purposes of additional analysis and is not a required part of the financial statements or uniform financial statements. Such information is the representation of the Community Service Network, Inc.'s management and has not been subjected to the auditing procedures applied in the audit of the basic financial statements or uniform financial statements. Accordingly, we do not express an opinion concerning whether it is fairly stated in relation to the basic financial statements taken as a whole.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

February 26, 2010

Michael J. Walsh

Certified Public Accountant

STATEMENT OF FINANCIAL POSITION AS OF
(BALANCE SHEET)

WITH COMPARATIVE TOTALS AS OF

	12/31/2009	WITH COMPARATIVE TOTALS AS OF			12/31/2008	
	CURRENT OPERATIONS	PLANT	ENDOWMENT	CUSTODIAN	TOTAL THIS YEAR	TOTAL LAST YEAR
ASSETS						
1 Cash and Cash Equivalents	452,882				452,882	476,470
2 Accounts Receivable, Program Services	2,511,088				2,511,088	1,887,940
3 Allowance for Doubtful Accounts						
4 Net Accounts Receivable, Program Services	2,511,088				2,511,088	1,887,940
5 Contributions Receivable						
6 Notes Receivable						
7 Prepaid Expenses						1,093
8 Other Accounts Receivable						
9 Other Current Assets	1,600				1,600	1,600
10 Short-Term Investments	573,818				573,818	556,887
11 TOTAL CURRENT ASSETS	3,539,388				3,539,388	2,923,990
12 Land, Buildings, and Equipment		144,528			144,528	144,528
13 Accumulated Depreciation		(136,302)			(136,302)	(129,545)
14 Net Land, Buildings and Equipment		8,226			8,226	14,983
15 Long-Term Investments						
16 Other Assets						
17 Due From Other Funds						
18 TOTAL ASSETS	3,539,388	8,226			3,547,614	2,938,973
LIABILITIES AND NET ASSETS						
19 Accounts Payable						
20 Subcontract Payable						
21 Accrued Expenses	978,929				978,929	290,544
22 Current Notes Payable						
23 Current Portion Long-Term Debt						
24 Deferred Revenue						
25 Other Current Liabilities						
26 TOTAL CURRENT LIABILITIES	978,929				978,929	290,544
27 Long-Term Notes & Mortgage Payable						
28 Other Liabilities						
29 Due to Other Funds						
30 TOTAL LIABILITIES	978,929				978,929	290,544
NET ASSETS						
31 Unrestricted	2,535,235	8,226			2,543,461	2,648,429
32 Temporarily Restricted	25,224				25,224	
33 Permanently Restricted						
34 TOTAL NET ASSETS	2,560,459	8,226			2,568,685	2,648,429
35 TOTAL LIABILITIES AND NET ASSETS	3,539,388	8,226			3,547,614	2,938,973

See Accompanying Notes to the Financial Statements

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED 12/31/2009 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED 12/31/2008

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL THIS YEAR	TOTAL LAST YEAR
REVENUES, GAINS, AND OTHER SUPPORT					
1 Contributions, Gifts, Legacies, Bequests & Special Events	2,398			2,398	6,951
2 In-Kind Contributions	5,657			5,657	
3 Grants	18,000			18,000	15,500
4 Program Service Fees	27,043,148			27,043,148	10,509,048
5 Federated Fundraising Organization Allocation					
6 Investment Revenue	18,427			18,427	49,099
7 Revenue from Commercial Products & Services					
8 Other	9,794			9,794	14,143
9 Net Assets Released From Restrictions:					
10 Satisfaction of Program Restrictions					
11 Satisfaction of Equipment Acquisition Restrictions					
12 Expiration of Time Restrictions					
13 TOTAL REVENUE, GAINS, AND OTHER SUPPORT	27,097,424			27,097,424	10,594,741
EXPENSES AND LOSSES					
14 Administration (Management & General)	10,000			10,000	9,275
15 Fundraising					
16 Total Program Services	27,167,168			27,167,168	10,370,365
17 TOTAL EXPENSES	27,177,168			27,177,168	10,379,640
18 Losses					
19 TOTAL EXPENSES AND LOSSES	27,177,168			27,177,168	10,379,640
CHANGES IN NET ASSETS:					
20 Property & Equipment Acquisitions from Unrestricted Funds					
21 Transfer of Realized Endowment Fund Appreciation					
22 Return to Donor					
23 Other Increases (Decreases)					
24 TOTAL CHANGES IN NET ASSETS	(79,744)			(79,744)	215,101
25 NET ASSETS AT BEGINNING OF YEAR	2,648,429			2,648,429	2,433,328
26 NET ASSETS AT END OF YEAR	2,568,685			2,568,685	2,648,429

See Accompanying Notes to Financial Statements

ORGANIZATION : Community Service Network, Inc.

FEIN: 222621963

STATEMENT OF CASH FLOWS for the YEAR ENDED

12/31/2009

INDIRECT METHOD

		TOTAL
1	Cash Flows from Operating Activities:	
	Changes in Net Assets	(79,744)
	Adjustments to Reconcile Change In Net Assets to Net	
	Cash provided by/(used in) Operating Activities:	
2	Depreciation	6,757
3	Losses	(623,148)
4	Increase/Decrease in Net Accounts Receivable	1,093
5	Increase/Decrease in Prepaid Expenses	
6	Increase/Decrease in Contributions Receivable	
7	Increase/Decrease in Accounts Payable	
8	Increase/Decrease in Accrued Expenses	688,385
9	Increase/Decrease in Deferred Revenue	
10	Increase/Decrease in Subcontract Payable	
11	Contributions Restricted for Long-Term Investment	
12	Net Unrealized and Realized Gains on Long-Term Investments	
13	Other Cash Used in/Provided by Operating Activities	
14	Net Cash Provided by/(used in) Operating Activities	(6,657)
	Cash Flows from Investing Activities:	
15	Insurance Proceeds	
16	Purchase(s) of Capital Assets (Land, Bldgs. & Equip.)	
17	Proceeds from Sale(s) of Investments	
18	Purchase(s) of Investments	(16,931)
19	Purchase(s) of Assets Restricted To Long-Term Investment	
20	Other Investing Activities	
21	Net Cash Provided by/(used in) Investing Activities	(16,931)
	Cash from Financing Activities:	
	Proceeds from Contributions Restricted For:	
22	Investment in Endowment	
23	Investment in Term Endowment	
24	Investment in Plant (Land Bldgs. & Equip.)	
	Other Financing Activities:	
25	Contributions Restricted for Long-Term Investment	
26	Interest and Dividends Restricted for Reinvestment	
27	Payments on Notes Payable	
28	Payments on Long-Term Debt	
29	Other Finance Payments/Receipts	
30	Net Cash Provided by/(used in) Financing Activities	

See Accompanying Notes to the Financial Statements

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ORGANIZATION : Community Service Network, Inc. FEIN: 222621963**Statement of Functional Expenses for the Year Ended:** 12/31/2009

	TOTALS	SUPPORTING SERVICES		PROGRAM SERVICES
		ADMINISTRATION (MNGT. & GEN.)	FUND RAISING	TOTAL ALL PROGRAMS
1. Employee Compensation & Related Expenses	251,525			251,525
2. Occupancy	36,701			36,701
3. Other Program / Operating Expense	26,855,278			26,855,278
4. Subcontract Expense				
5. Direct Administrative Expense	24,272	10,000		14,272
6. Other Expenses	2,635			2,635
7. Depreciation of Buildings and Equipment	6,757			6,757
8. TOTAL EXPENSES	27,177,168	10,000		27,167,168

See Accompanying Notes to Financial Statements

ORGANIZATION : Community Service Network, Inc. FEIN: 222621963

Statement of Functional Expenses for the Year Ended: 12/31/09

	PROGRAM #	PROGRAM #	PROGRAM #	PROGRAM #	PROGRAM #
	<u>6</u>	<u>2</u>	<u> </u>	<u> </u>	<u> </u>
1. Employee Compensation & Related Expenses	<u>99,371</u>	<u>152,154</u>	<u> </u>	<u> </u>	<u> </u>
2. Occupancy	<u>29,064</u>	<u>7,637</u>	<u> </u>	<u> </u>	<u> </u>
3. Other Program / Operating Expense	<u>26,840,757</u>	<u>14,521</u>	<u> </u>	<u> </u>	<u> </u>
4. Subcontract Expense	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
5. Direct Administrative Expense	<u>10,319</u>	<u>3,953</u>	<u> </u>	<u> </u>	<u> </u>
6. Other Expenses	<u>878</u>	<u>1,757</u>	<u> </u>	<u> </u>	<u> </u>
7. Depreciation of Buildings and Equipment	<u> </u>	<u>6,757</u>	<u> </u>	<u> </u>	<u> </u>
8. TOTAL EXPENSES	<u>26,980,389</u>	<u>186,779</u>	<u> </u>	<u> </u>	<u> </u>

See Accompanying Notes to Financial Statements

REVENUE	Total Organization	Admin.(M&G)	Fund Raising	Total All Prog	EXPENSE	Total Organization	Admin (M&G)	Fund Raising	Total All Programs
1R Contributions, Gifts, Legacies, Bequests	2,398			2,398	1E Total Direct Prog.Staff FTE/Exp 101-138	1.50	81,710	XXXX	81,710
2R Gov. In-Kind/Capital Budget		XXXXXXXXXX	XXXXXXXXXX		2E Chief Executive Officer - FTE/Exp.	1.00	89,800		89,800
3R Private In-Kind	5,657			5,657	3E Chief Financial Officer - FTE/Exp.				
4R Total Contributions and In-Kind	8,055			8,055	4E Accounting/Support FTE/Expense	1.50	42,822		42,822
5R Mass Gov. Grant		XXXXXXXXXX	XXXXXXXXXX		5E Admin Maint/House-Keeping FTE/Exp				
6R Other Grant (exclud. Fed.Direct)	18,000			18,000	6E Total Admin Employee FTE/Expense 410	2.50	132,422		132,422
7R Total Grants	18,000			18,000	7E Commercial Products & Svcs/Mktg FTE/Exp			XXXX	
8R Dept. of Mental Health (DMH)		XXXXXXXXXX	XXXXXXXXXX		8E Total FTE/Salary/Wages	4.00	214,132		214,132
9R Dept. of Mental Retardation (DMR)		XXXXXXXXXX	XXXXXXXXXX		9E Payroll Taxes 150		18,891		18,891
10R Dept. of Public Health (DPH)		XXXXXXXXXX	XXXXXXXXXX		10E Fringe Benefits 151		18,502		18,502
11R Dept. of Social Services (DSS)		XXXXXXXXXX	XXXXXXXXXX		11E Accrual Adjustments				
12R Dept. of Transitional Assist. (WEL)	19,850,528			19,850,528	12E Total Employee Compensation & Rel. Exp.		251,525		251,525
13R Dept. of Youth Services (DYS)		XXXXXXXXXX	XXXXXXXXXX		13E Facility and Prog. Equip. Expenses 301, 390				
14R Health Care Fin & Policy (HCF)-Contract		XXXXXXXXXX	XXXXXXXXXX		14E Facility & Prog. Equip. Depreciation 301		8,757		8,757
15R Health Care Fin & Policy (HCF)-UCP		XXXXXXXXXX	XXXXXXXXXX		15E Facility Operation/Maint./Fum 390		35,109		35,109
16R MA. Comm. For the Blind (MCB)		XXXXXXXXXX	XXXXXXXXXX		16E Facility General Liability Insurance 390		1,592		1,592
17R MA. Comm. for Deaf & H H (MCD)		XXXXXXXXXX	XXXXXXXXXX		17E Total Occupancy		43,458		43,458
18R MA. Rehabilitation Commission (MRC)		XXXXXXXXXX	XXXXXXXXXX		18E Direct Care Consultant 201				
19R MA. Off. for Refugees & Immigr.(ORI)		XXXXXXXXXX	XXXXXXXXXX		19E Temporary Help 202				
20R Off. of Child Care Svs (OFC)-Contract		XXXXXXXXXX	XXXXXXXXXX		20E Clients and Caregivers Reimb./Stipends 203			XXXXXXXXXX	XXXXXXXXXX
21R Off. of Child Care Svs (OFC)-Voucher		XXXXXXXXXX	XXXXXXXXXX		21E Subcontracted Direct Care 206			XXXXXXXXXX	XXXXXXXXXX
22R Dept. of Correction (DOC)		XXXXXXXXXX	XXXXXXXXXX		22E Staff Training 204		485		485
23R Dept. of Education (DOE)		XXXXXXXXXX	XXXXXXXXXX		23E Staff Mileage / Travel 205		383		383
24R Parole Board (PAR)		XXXXXXXXXX	XXXXXXXXXX		24E Meals 207				
25R Veteran's Services (VET)		XXXXXXXXXX	XXXXXXXXXX		25E Client Transportation 208			XXXXXXXXXX	XXXXXXXXXX
26R Ex. Off. of Elder Affairs (ELD)		XXXXXXXXXX	XXXXXXXXXX		26E Vehicle Expenses 208				
27R Ex. Office of Housing Develop (OCD)		XXXXXXXXXX	XXXXXXXXXX		27E Vehicle Depreciation 208				
28R POS Subcontract	124,631			124,631	28E Incidental Medical Medicine/Pharmacy 209			XXXXXXXXXX	XXXXXXXXXX
29R Other Mass. State Agency POS		XXXXXXXXXX	XXXXXXXXXX		29E Client Personal Allowances 211			XXXXXXXXXX	XXXXXXXXXX
30R Mass State Agency Non - POS	7,031,212			7,031,212	30E Provision Material Goods/Svs./Benefits 212		26,850,811		26,850,811
31R Mass. Local Govt./Quasi-Govt. Entities		XXXXXXXXXX	XXXXXXXXXX		31E Direct Client Wages 214			XXXXXXXXXX	XXXXXXXXXX
32R Non-Mass. State/Local Government		XXXXXXXXXX	XXXXXXXXXX		32E Other Commercial Prod. & Svs. 214				
33R Direct Federal Grants/Contracts	25,927			25,927	33E Program Supplies & Materials 215		3,599		3,599
34R Medicaid - Direct Payments		XXXXXXXXXX	XXXXXXXXXX		34E Non Charitable Expenses				
35R Medicaid - MBHP Subcontract		XXXXXXXXXX	XXXXXXXXXX		35E Other Expense		2,635		2,635
36R Medicare		XXXXXXXXXX	XXXXXXXXXX		36E Total Other Program Expense		26,857,913		26,857,913
37R Mass. Govt. Client Stipends		XXXXXXXXXX	XXXXXXXXXX		37E Management Fees 410				XXXXXXXXXX
38R Client Resources		XXXXXXXXXX	XXXXXXXXXX		38E Fundraising Fees 410			XXXXXXXXXX	XXXXXXXXXX
39R Mass. Publicly sponsored client offsets		XXXXXXXXXX	XXXXXXXXXX		39E Legal Fees 410				XXXXXXXXXX
40R Other Publicly sponsored client offsets		XXXXXXXXXX	XXXXXXXXXX		40E Audit Fees 410		10,000		10,000
41R Private Client Fees (excluding 3rd Pty)	10,850			10,850	41E Management Consultant 410				XXXXXXXXXX
42R Private Client 3rd Pty/other offsets	9,794			9,794	42E Other Professional Fees & Other Admin. Expenses 410		1,841		1,841
43R Total Assistance and Fees	27,052,942			27,052,942	43E Leased Office/Program Office Equip. 410,390				XXXXXXXXXX
44R Federated Fundraising		XXXXXXXXXX	XXXXXXXXXX		44E Office Equipment Depreciation 410				XXXXXXXXXX
45R Commercial Activities		XXXXXXXXXX	XXXXXXXXXX		45E Admin. Vehicle Expenses 410				XXXXXXXXXX
46R Non-Charitable Revenue		XXXXXXXXXX	XXXXXXXXXX		46E Admin. Vehicle Depreciation 410				XXXXXXXXXX
47R Investment Revenue	18,427			18,427	47E Directors & Officers Insurance 410				XXXXXXXXXX
48R Other Revenue		XXXXXXXXXX	XXXXXXXXXX		48E Program Support 216		7,505		7,505
49R Allocated Admin (M&G) Revenue		XXXXXXXXXX	XXXXXXXXXX		49E Professional Insurance 410		4,926		4,926
50R Released Net Assets-Program					50E Working Capital Interest 410				
51R Released Net Assets-Equipment					51E Total Direct Administrative Expense		24,272		24,272
52R Released Net Assets-Time					52E Admin (M&G) Reporting Center Allocation			(10,000)	10,000
53R TOTAL REVENUE	27,097,424			27,097,424	53E Total Reimbursable & Fundraising Expense		27,177,168		27,177,168
54R TOTAL EXPENSE = 56E	27,177,168			27,177,168	54E Direct State/Federal Non-Reimbursable Expense				XXXXXXXXXX
55R OPERATING RESULTS	(79,744)			(79,744)	55E Allocation of State/Fed Non-Reimbursable Expense				XXXXXXXXXX
					56E TOTAL EXPENSE = 56R		27,177,168		27,177,168

NON-REIMBURSABLE EXPENSE DETAIL

Line Item	Description	FTE	Expense
1N	Direct Employee Compensation & Related Exp.		
2N	Direct Occupancy		
3N	Direct Other Program/Operating		
4N	Direct Subcontract Expense		
5N	Direct Administrative Expense		
6N	Direct Other Expense		
7N	Direct Depreciation		
8N	Total Direct Non-Reimbursable (must tie to 54E)		
9N	Total Direct and Allocated Non-Reimbursable (54E+55E)		
10N	Eligible Non-Reimb./Fundraising Exp. Revenue Offsets		44,482
11N	Capital Budget Revenue Adjustments		
12N	Excess of Non-Reimb./Fundraising Expense over Offsets Description of Admin (M&G) Direct Non-Reimbursable Exp.		(44,482)

Note to Readers: Please see Schedule B Note to Readers regarding appropriate Non-Reimbursable Exp.

COMPENSATION DISCLOSURE

Enter all compensation (salary, benefit packages, vehicles, consultant payments, loans, etc.) from the entity & its related parties/affiliates to organization principals. Attach schedule of non-salary items.

Name & Title	Reporting Entity Compensation		Compensation from Other Entities	
	Salary	Other	Salary	Other
1C Sheila Harbeck, Executive Director	89,600	5,772		
2C				
3C				
4C				
5C				
MA. Surplus Revenue Retention	Starting Balance	Expended Amount	Accrual Amount	Liability Amt.
Prior Year MA Revenue	187,940	118,919	118,919	81,331

Comm. of MA cost reimbursement overbilling (preliminary calc. subject to adjustment)

UFR Program Number: 6 Program Name: HOMELESS FAMILY ASSISTANCE Description: DHCD HOUSING FOR HOMELESS FAMILIES Catalog of Federal Domestic Assistance #: 93.558 3

*Program Type: NA Program Address: 52 Broadway STONHAM MA 02180 # Weeks operated during astd period (e.g., 52): 52.00 # operating hours/week (e.g., 40): 40.00

Note to Readers: This schedule should be read in context with F.S. Notes and all other UFR information. In many instances the presence of significant planned to actual variances or non-reimbursable expenses (e.g., in-kind donations) may be appropriate and desirable.

* Program Type codes: 21 = SPED; 22 = HCFP/Medicaid Class Rate; 23 = Negotiated Unit Rate; 24 = Negotiated Accommodations Rate; 25 = Non-negotiated Accommodations Rate; 26 = Other Non-negotiated Unit Rate; 27 = Cost Reimbursement; NA = Not Applicable

Table with columns: REVENUE, STAFFING, FTE, Salary/Wage, EXPENSE - ACTUAL, EXPENSE - PLANNED, Actual, Planned, % Var. Rows include 1R Contrib., 2R Gov. In-Kind, 3R Private In-Kind, 4R Total Contribution and In-Kind, 5R Mass Gov. Grant, 6R Other Grant, 7R Total Grants, 8R Dept. of Mental Health, 9R Dept. of Mental Retardation, 10R Dept. of Public Health, 11R Dept. of Social Services, 12R Dept. of Transitional Assist, 13R Dept. of Youth Services, 14R Health Care Fin & Policy, 15R Health Care Fin & Policy, 16R MA, Comm. For the Blind, 17R MA, Comm. for Deaf & H, 18R MA, Rehabilitation Commission, 19R MA, Off. for Refugees & Immigr, 20R Off. of Child Care Svs, 21R Off. of Child Care Svs, 22R Dept. of Correction, 23R Dept. of Education, 24R Parole Board, 25R Veteran's Services, 26R Ex. Off. of Elder Affairs, 27R Ex. Office of Housing Develop, 28R POS Subcontract, 29R Other Mass. State Agency POS, 30R Mass State Agency Non - POS, 31R Mass. Local Govt/Quasi-Govt. Entities, 32R Non-Mass. State/Local Government, 33R Direct Federal Grants/Contracts, 34R Medicaid - Direct Payments, 35R Medicaid - MBHP Subcontract, 36R Medicare, 37R Mass. Govt. Client Stipends, 38R Client Resources, 39R Mass. spon client SF/3rd Pty offsets, 40R Other Publicly sponsored client offsets, 41R Private Client Fees (excluding 3rd Pty), 42R Private Client 3rd Pty/other offsets, 43R Total Assistance and Fees, 44R Federated Fundraising, 45R Commercial Activities, 46R Non-Charitable Revenue, 47R Investment Revenue, 48R Other Revenue, 49R Allocated Admin (M&G) Revenue, 50R Released Net Assets-Program, 51R Released Net Assets-Equipment, 52R Released Net Assets-Time, 53R Total Revenue = 57E

SERVICE STATISTICS

Table with columns: 1SS Enter defined unit of service: nights, 2SS Enter total unit capacity: . Rows include 3SS OSD's Program, 4SS Performance Report, 5SS Internet filing system, 6SS suspended for FY '08, 7SS filings.

Table with columns: Undup # Clients, # service units delivered. Rows include 1,419, 127,710, 1,419, 127,710.

MASSACHUSETTS CONTRACT INFORMATION

Table with columns: Dept, Contract ID, Characters, MMARS Code. Rows include 1C DIA/DHCD, 2C 50925H/MRAIE, 3C, 4C, 5C.

POS SUBCONTRACT INFORMATION

Table with columns: State Dept, Payer Name, Payer's FEIN. Rows include 1PS, 2PS, 3PS.

NON-REIMBURSABLE EXPENSE DETAIL

Table with columns: Description, Expense Amt. Rows include 1N Direct Employee Compensation & Related Exp., 2N Direct Occupancy, 3N Direct Other Program/Operating, 4N Direct Subcontract Expense, 5N Direct Administrative Expense, 6N Direct Other Expense, 7N Direct Depreciation, 8N Total Direct Non-Reimbursable (Tie to 54E), 9N Total Direct and Allocated Non-Reimb. (54E+55E), 10N Eligible Non-Reimbursable Exp. Revenue Offsets, 11N Capital Budget Revenue Adjustment, 12N Excess of Non-Reimbursable Expense Over Offsets.

(Any Excess of Non-Reimbursable Expense over Eligible Revenue Offsets is subject to recoupment where the program is purchased by the Commonwealth and must be recognized as a liability on the Financial Statements.)

SUBCONTRACTED DIRECT CARE EXPENSE DETAIL

Table with columns: Subcontractor Name, FEIN, Expense Amt. Rows include 1SDC, 2SDC, 3SDC, 4SDC, 5SDC.

Comm. Of MA Surplus Rev. Retention Share

PREPARER COMMENTS:

UFR Program Number: 2

Program Name: CSN SERVICES

Description:

CHARITABLE PROGRAMS

Catalog of Federal Domestic Assistance #:

Program Type: NA

Program Address: 52 Broadway

(Number/Street)

STORIEHAM

MA

02180

(City) (State) (Zipcode)

Weeks operated during audit period (e.g., 52): 52.00

operating hours/week (e.g., 40): 40.00

http://www.cfsa.gov/default.htm

Note to Readers: This schedule should be read in context with F.S. Notes and all other UFR information. In many instances the presence of significant planned to actual variances or non-reimbursable expenses (e.g., in-kind donations) may be appropriate and desirable.

* Program Type codes: 21 = SPED; 22 = HCFFP/Medicaid Class Rate; 23 = Negotiated Unit Rate; 24 = Negotiated Accommodations Rate; 25 = Non-negotiated Accommodations Rate; 26 = Other Non-negotiated Unit Rate; 27 = Cost Reimbursement; NA = Not Applicable

Table with columns: REVENUE, Description, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Includes rows for 1R Contrib, Gifts, Leg., Bequests, Spec. Ev. and 1E Total Direct Program Staff = 395.

Table with columns: Description, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Includes rows for 1N Direct Employee Compensation & Related Exp. and 2N Direct Occupancy.

Table with columns: Description, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Includes rows for 3N Direct Other Program/Operating and 4N Direct Subcontract Expense.

Table with columns: Description, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Includes rows for 5N Direct Administrative Expense and 6N Direct Other Expense.

Table with columns: Description, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Includes rows for 7N Direct Depreciation and 8N Total Direct Non-Reimbursable (Tie to 54E).

Table with columns: Description, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Includes rows for 9N Total Direct and Allocated Non-Reimb. (54E+55E) and 10N Eligible Non-Reimbursable Exp. Revenue Offsets.

Table with columns: Description, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Includes rows for 11N Capital Budget Revenue Adjustment and 12N Excess of Non-Reimbursable Expense Over Offsets.

Table with columns: Description, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Includes rows for 13E Facility and Prog. Equip. Expenses 301,390 and 14E Facility & Prog. Equip. Depreciation 301.

Table with columns: Description, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Includes rows for 15E Facility Operation/Maint./Furn 390 and 16E Facility General Liability Insurance 390.

Table with columns: Description, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Includes rows for 17E Total Occupancy and 18E Direct Care Consultant 201.

Table with columns: Description, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Includes rows for 19E Temporary Help 202 and 20E Clients and Caregivers Reimb./Stipends 203.

Table with columns: Description, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Includes rows for 21E Subcontracted Direct Care 206 and 22E Staff Training 204.

Table with columns: Description, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Includes rows for 23E Staff Mileage / Travel 205 and 24E Meals 207.

Table with columns: Description, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Includes rows for 25E Client Transportation 208 and 26E Vehicle Expenses 208.

COMMUNITY SERVICE NETWORK, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

0-08000000-0000

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION

NATURE OF ACTIVITIES

Community Service Network, Inc. (The Agency) is a nonprofit organization established in 1985. The Agency provides assistance to needy families through a variety of community service programs. Services are provided in Stoneham, Woburn and surrounding towns in Massachusetts. The Agency was awarded a contract from the Commonwealth of Massachusetts to provide emergency shelter to Department of Transitional Assistance/Housing and Community Development eligible homeless families in licensed facilities across the Commonwealth of Massachusetts.

The Agency is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)3 of the Internal Revenue Code. Donors may deduct contributions made to the Agency within the Internal Revenue Code regulations.

BASIS OF ACCOUNTING

The Agency's policy is to prepare its financial statements on the accrual basis of accounting.

FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of the Accounting Standards Codification financial statements of not-for-profit organizations. The Agency is required to report information regarding its financial position and revenues and expenses according to three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Restricted and Unrestricted Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

Income Taxes

The Agency is a non-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Agency has no unrelated business income.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consists of several checking and saving accounts.

Buildings and Equipment and Depreciation

Building and equipment consist of office equipment.

The Agency's policy is to capitalize purchases greater than or equal to \$1,000. Office equipment is recorded at cost and is depreciated using the straight-line method over the estimated useful lives of three to ten years. All significant costs for fixed assets are capitalized.

In-kind Contributions

In-kind contributions consist primarily of food items. These are reflected as in-kind contributions in the accompanying financial statements at their estimated values at the date of receipt. A number of volunteers donate time in support of the Agency's program services. These services are not recognized as contributions in the statement of activities.

Revenue Recognition and Expense Allocation

Contract service revenue is recorded as services are provided and costs are incurred. Revenues from unrestricted grants and contributions are recorded as unrestricted revenue and net assets when received or unconditionally committed. Donor designated grants and contributions are recorded as temporarily restricted revenues and net assets if they are received with donor stipulations that limit the use of the net assets. Transfers are made to unrestricted revenue and net assets when donor stipulations expire, that is, when a stipulated time restriction ends or a purpose restriction is accomplished.

Interest income is recognized when earned.

Expenses related directly to a program are distributed to that program, and other expenses are allocated based upon management's estimate of the percentage attributable to each program.

Community Service Network, Inc.
Notes to Financial Statements

NOTE 5 - RELATED PARTY TRANSACTIONS

By its very nature, the Agency facilitates and coordinates numerous social and human services within the community. Members of government housing, welfare and social service agencies, as well as members of nonprofit organizations serve on the Agency's Board of Directors. On occasion, the Agency will refer their clients to the agencies that the members of the Board of Directors work for.

NOTE 6 - SURPLUS/DEFICIT REVENUE RETENTION

The Commonwealth of Massachusetts, Executive Office of Human Services, maintains a fiscal procurement resolution policy. This policy relates to all state and federal funds obligated through the Division of Purchased Services. It provides that if public revenues exceed actual expenses for publicly-purchased services by more than 5%, the Division will make a determination as to whether or not a surplus exists and will consider any surplus in negotiations with the provider for future class rate determinations. If the surplus is less than 5%, the provider will be able to retain such balance and no adjustment will be considered for future class rate determinations. On a cumulative basis the Agency is allowed to retain up to 20% of the prior year's Commonwealth of Massachusetts revenue. The cumulative amount allowable as of December 31, 2009 was \$37,588. The allowed amount is greater than the deficit, therefore, no liability has been recorded.

The following is a schedule of the Agency's surplus (deficit) revenue retention:

Prior to 2000	\$ (5,203)
2000	(1,481)
2001	(881)
2002	-
2003	-
2004	(97,744)
2005	-
2006	77
2007	21,223
2008	202,928
2009	<u>(37,588)</u>
Total cumulative (deficit) revenue retention	<u>\$ 81,331</u>

NOTE 7 - FINANCIAL INSTRUMENTS AND CONCENTRATIONS OF CREDIT RISK

The Agency's financial instruments that may be subject to concentrations of credit risk consist of cash, certificates of deposit and accounts receivable.

The Federal Deposit Insurance Corporation (FDIC) insures bank deposit balances up to \$250,000. In addition, one of the institutions has the Depositor's Insurance Fund (DIF) and one has Share Insurance Fund (SIF) which insures all deposit amounts above the FDIC limits. At certain times during the year, cash balances exceed the Federally insured FDIC amounts. Management monitors on a regular basis, their balances and the financial condition of each of the financial institutions.

Approximately ninety-nine percent of the Agency's accounts receivable at December 31, 2009 represents amounts due from one Massachusetts' governmental agency.

The fair values of the Agency's cash, certificates of deposit and accounts receivable are estimated to approximate their reported amounts.

Approximately ninety-nine percent of the Agency's revenues for the year ended December 31, 2009, in the amount of \$27,258,969, are from one Massachusetts' governmental agency program.

NOTE 8 - SUBSEQUENT EVENTS

The Agency has evaluated all subsequent events through February 26, 2010, the date the financial statements were available to be issued.