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Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

Form 990 header section containing organization name (Dorothy Sutton Branch HeadStart), EIN (36-3825611), address (8601 South State Street, Chicago IL 60619), and officer information (Ola Kirksey).

Part I Summary

Summary table with columns for Revenue, Expenses, and Net Assets or Fund Balances. Includes rows for mission statement, governance metrics, and financial data for Prior Year and Current Year.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Signature of officer: Ola Kirksey, Executive Director, dated 08/09/2010.

Preparer information: Preparer's signature (Blk G CPA), Date (08/09/2010), Preparer's identifying number (P00628297), Firms name (LAND & COMPANY CPA FIRM), EIN (36-4115344), and Phone no (708-636-3800).

May the IRS discuss this return with the preparer shown above? (See instructions) Yes [X] No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Form 990 (2008)

SCANNED SEP 16 2010

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**Part III Statement of Program Service Accomplishments** (See instructions)

1 Briefly describe the organization's mission

Headstart and Child care services provide day care, educational and nutritional services to children 2-4 years of age

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts any program services?...  Yes  No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code ) (Expenses \$ 410321. including grants of \$ ) (Revenue \$ )

Headstart services provide day care, educational and nutritional services to children 3-4 years of age

4b (Code ) (Expenses \$ 511979. including grants of \$ ) (Revenue \$ )

Child care services provide day care, educational and nutritional services to children 2-4 years of age

4c (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O )

(Expenses \$ including grants of \$ )(Revenue \$ )

4e Total program service expenses \$ 922300. (Must equal Part IX, Line 25, column (B) )

**Part IV Checklist of Required Schedules**

|     |  | Yes | No |
|-----|--|-----|----|
| 1   | Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A  | X   |    |
| 2   | Is the organization required to complete Schedule B, Schedule of Contributors?   |     | X  |
| 3   | Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I   |     | X  |
| 4   | <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II   |     | X  |
| 5   | <b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III   |     | X  |
| 6   | Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I  |     | X  |
| 7   | Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II   |     | X  |
| 8   | Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III  |     | X  |
| 9   | Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV                          |     | X  |
| 10  | Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V  |     | X  |
| 11  | Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable   | X   |    |
| 12  | Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII  | X   |    |
| 13  | Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E  |     | X  |
| 14a | Did the organization maintain an office, employees, or agents outside of the U S ?   |     | X  |
| b   | Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? If "Yes," complete Schedule F, Part I   |     | X  |
| 15  | Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II  |     | X  |
| 16  | Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III  |     | X  |
| 17  | Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I   |     | X  |
| 18  | Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II   |     | X  |
| 19  | Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III  |     | X  |
| 20  | Did the organization operate one or more hospitals? If "Yes," complete Schedule H  |     | X  |
| 21  | Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II  |     | X  |
| 22  | Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III   |     | X  |
| 23  | Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J  | X   |    |
| 24a | Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K If "No," go to question 25 |     | X  |
| b   | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?  |     |    |
| c   | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?   |     |    |
| d   | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?  |     |    |
| 25a | <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I   |     | X  |
| b   | Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I   |     | X  |
| 26  | Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II                                       |     | X  |
| 27  | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III   |     | X  |

**Part IV Checklist of Required Schedules** (Continued)

|    |   | Yes | No |
|----|---|-----|----|
| 28 | During the tax year, did any person who is a current or former officer, director, trustee, or key employee.   |     |    |
| a  | Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part IV |     | X  |
| b  | Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV   |     | X  |
| c  | Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV   |     | X  |
| 29 | Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M  | X   |    |
| 30 | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M  |     | X  |
| 31 | Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I  |     | X  |
| 32 | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II  |     | X  |
| 33 | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I   |     | X  |
| 34 | Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1   |     | X  |
| 35 | Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2   |     | X  |
| 36 | <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2   |     | X  |
| 37 | Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI   |     | X  |

Form 990 (2008)

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

|     |  | Yes | No |
|-----|--|-----|----|
| 1a  | Enter the number reported in Box 3 of Form 1099, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable.  |     |    |
| 1a  | 0  |     |    |
| b   | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.   |     |    |
| 1b  | 0  |     |    |
| c   | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?   | X   |    |
| 2a  | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.   |     |    |
| 2a  | 15   |     |    |
| b   | If at least one is reported on line 2a, did the organization file all required federal employment tax returns?<br><i>Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)</i>  | X   |    |
| 3a  | Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?   |     | X  |
| b   | If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.  |     |    |
| 3b  |  |     |    |
| 4a  | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?   |     | X  |
| b   | If "Yes," enter the name of the foreign country: _____<br>See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.  |     |    |
| 5a  | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?  |     | X  |
| b   | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?   |     | X  |
| c   | If "Yes," to question 5a or 5b, did the organization file Form 8888-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?   |     |    |
| 5c  |  |     |    |
| 6a  | Did the organization solicit any contributions that were not tax deductible?   |     | X  |
| b   | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?  |     |    |
| 6b  |  |     |    |
| 7   | <b>Organizations that may receive deductible contributions under section 170(c).</b>   |     |    |
| a   | Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?  |     |    |
| 7a  |  |     |    |
| b   | If "Yes," did the organization notify the donor of the value of the goods or services provided?  |     |    |
| 7b  |  |     |    |
| c   | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?   |     |    |
| 7c  |  |     |    |
| d   | If "Yes," indicate the number of Forms 8282 filed during the year.   |     |    |
| 7d  |  |     |    |
| e   | Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  |     |    |
| 7e  |  |     |    |
| f   | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?   |     |    |
| 7f  |  |     |    |
| g   | For all contributions of qualified intellectual property, did the organization file Form 8899 as required?   |     |    |
| 7g  |  |     |    |
| h   | For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?  |     |    |
| 7h  |  |     |    |
| 8   | <b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and Section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? |     |    |
| 9   | <b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</b>   |     |    |
| a   | Did the organization make any taxable distribution under section 4966?   |     |    |
| 9a  |  |     |    |
| b   | Did the organization make a distribution to a donor, donor advisor, or related person?   |     |    |
| 9b  |  |     |    |
| 10  | <b>Section 501(c)(7) organizations.</b> Enter:   |     |    |
| a   | Institution fees and capital contributions included on Part VIII, line 12.   | 10a |    |
| b   | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.   | 10b |    |
| 11  | <b>Section 501(c)(12) organizations.</b> Enter:  |     |    |
| a   | Gross income from members or shareholders.   | 11a |    |
| b   | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)   | 11b |    |
| 12a | <b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?  | 12a |    |
| b   | If "Yes," enter the amount of tax-exempt interest received or accrued during the year.   | 12b |    |

**Part VI Governance, Management, and Disclosure** (Sections A, B, and C request information about policies not required by the Internal Revenue Code)

**Section A. Governing Body and Management**

For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

|  | Yes | No |
|--|-----|----|
| <b>1a</b> Enter the number of voting members of the governing body   |     |    |
| <b>1b</b> Enter the number of voting members that are independent  |     |    |
| <b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?   |     | X  |
| <b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? |     | X  |
| <b>4</b> Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?   |     | X  |
| <b>5</b> Did the organization become aware during the year of a material diversion of the organization's assets?   |     | X  |
| <b>6</b> Does the organization have members or stockholders?   |     | X  |
| <b>7a</b> Does the organization have members, stockholders, or other persons who may elect one of more members of the governing body?  |     | X  |
| <b>7b</b> Are any decisions of the governing body subject to approval by members, stockholders, or other persons?  |     | X  |
| <b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following?   |     |    |
| <b>a</b> The governing body?   | X   |    |
| <b>b</b> Each committee with authority to act on behalf of the governing body?   | X   |    |
| <b>9a</b> Does the organization have local chapters, branches, or affiliates?  |     | X  |
| <b>b</b> If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?  |     |    |
| <b>10</b> Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990      | X   |    |
| <b>11</b> Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O     |     | X  |

**Section B. Policies**

|   | Yes | No |
|---|-----|----|
| <b>12a</b> Does the organization have a written conflict of interest policy? If "No," go to line 13   | X   |    |
| <b>b</b> Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?  | X   |    |
| <b>c</b> Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done   | X   |    |
| <b>13</b> Does the organization have a written whistleblower policy?  | X   |    |
| <b>14</b> Does the organization have a written document retention and destruction policy?   | X   |    |
| <b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?  |     |    |
| <b>a</b> The organization's CEO, Executive Director, or top management official?  |     | X  |
| <b>b</b> Other officers or key employees of the organization? Describe the process in Schedule O (see instructions)   |     | X  |
| <b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?  |     | X  |
| <b>b</b> If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? |     |    |

**Section C. Disclosure**

- 17** List the States with which a copy of this Form 990 is required to be filed **IL**
- 18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply  
 Own website     Another's website     Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization. **Genieve Chapma 8601 South Chicago IL 60619-5614 773-723-4445**





**Part VIII Statement of Revenue**

|   |   |  | (A)<br>Total revenue | (B)<br>Related or<br>exempt<br>function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded from tax<br>under sections<br>512, 513, or 514 |  |   |
|---|---|--|----------------------|--|---|---|--|---|
| Contributions, gifts, grants<br>and other similar amounts | 1a  | Federated campaigns  | 1a                   |  |   |   |  |   |
|   | b   | Membership dues  | 1b                   |  |   |   |  |   |
|   | c   | Fundraising events   | 1c                   |  |   |   |  |   |
|   | d   | Related organizations  | 1d                   |  |   |   |  |   |
|   | e   | Government grants<br>(contributions)   | 1e                   | 1015671.   |   |   |  |   |
|   | f   | All other contributions, gifts,<br>grants, and similar amounts<br>not included above   | 1f                   | 2008.  |   |   |  |   |
|   | g   | Noncash contributions<br>included in lines 1a-1f   |                      | \$ 109665.   |   |   |  |   |
|   | h   | <b>Total.</b> Add lines 1a-1f  |                      | 1017679.   |   |   |  |   |
| Program Service Revenue                                   | 2a  | Tuition and Fees   | Business Code        | 32440.   | 32440.                                  |   |  |   |
|   | b   |  |                      |  |   |   |  |   |
|   | c   |  |                      |  |   |   |  |   |
|   | d   |  |                      |  |   |   |  |   |
|   | e   |  |                      |  |   |   |  |   |
|   | f   | All other program service revenue  |                      |  |   |   |  |   |
|   | g   | <b>Total.</b> Add lines 2a-2f  |                      | 32440.   |   |   |  |   |
| Other Revenue   | 3   | Investment income (including dividends, interest, and<br>other similar amounts)  |                      |  |   |   |  |   |
|   | 4   | Income from investment of tax-exempt bond proceeds   |                      |  |   |   |  |   |
|   | 5   | Royalties  |                      |  |   |   |  |   |
|   | 6a  | Gross Rents  | (i) Real             |  |   |   |  |   |
|   |   |  | (ii) Personal        |  |   |   |  |   |
|   |   |  | b                    |  |   |   |  | Less rental expenses                        |
|   |   |  | c                    |  |   |   |  | Rental income or (loss)                     |
|   | d   | Net rental income or (loss)  |                      |  |   |   |  |   |
|   | 7a  | Gross amount from sales of assets<br>other than inventory  | (i) Securities       |  |   |   |  |   |
|   |   |  | (ii) Other           |  |   |   |  |   |
|   |   |  | b                    |  |   |   |  | Less cost or other basis and sales expenses |
|   |   |  | c                    |  |   |   |  | Gain or (loss)                              |
|   | d   | Net gain or (loss)   |                      |  |   |   |  |   |
|   | 8a  | Gross income from fundraising events<br>(not including \$ _____<br>of contributions reported on line 1c)<br>See Part IV, line 18 | a                    |  |   |   |  |   |
|   | b   | Less direct expenses   | b                    |  |   |   |  |   |
| c   | Net income or (loss) from fundraising events                                  |  |                      |  |   |   |  |   |
| 9a  | Gross income from gaming activities See Part IV, line 19                      | a  |                      |  |   |   |  |   |
| b   | Less direct expenses  | b  |                      |  |   |   |  |   |
| c   | Net income or (loss) from gaming activities                                   |  |                      |  |   |   |  |   |
| 10a   | Gross sales of inventory, less returns and allowances                         | a  |                      |  |   |   |  |   |
| b   | Less cost of goods sold   | b  |                      |  |   |   |  |   |
| c   | Net income or (loss) from sales of inventory                                  |  |                      |  |   |   |  |   |
| <b>Miscellaneous Revenue</b>                              |   |  | Business Code        |  |   |   |  |   |
| 11a   |   |  |                      |  |   |   |  |   |
| b   |   |  |                      |  |   |   |  |   |
| c   |   |  |                      |  |   |   |  |   |
| d   | All other revenue   |  |                      |  |   |   |  |   |
| e   | <b>Total.</b> Add lines 11a-11d   |  |                      |  |   |   |  |   |
| 12  | <b>Total Revenue.</b> Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e |  | 1050119.             | 32440.   |   |   |  |   |

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C) and (D).

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. |  | (A)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|--|--|-----------------------|---------------------------------|--|-----------------------------|
| 1  | Grants and other assistance to governments and organizations in the U S See Part IV, line 21   |                       |                                 |  |                             |
| 2  | Grants and other assistance to individuals in the U S See Part IV, line 22   |                       |                                 |  |                             |
| 3  | Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16  |                       |                                 |  |                             |
| 4  | Benefits paid to or for members  |                       |                                 |  |                             |
| 5  | Compensation of current officers, directors, trustees, and key employees   |                       |                                 |  |                             |
| 6  | Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)  |                       |                                 |  |                             |
| 7  | Other salaries and wages   | 471149.               | 452140.                         | 19009.                                 |                             |
| 8  | Pension plan contributions (include section 401(k) and section 403(b) employer contributions)  |                       |                                 |  |                             |
| 9  | Other employee benefits  |                       |                                 |  |                             |
| 10   | Payroll taxes  | 56205.                | 54874.                          | 1331.                                  |                             |
| 11   | Fees for services (non-employees)  |                       |                                 |  |                             |
| a  | Management   |                       |                                 |  |                             |
| b  | Legal  |                       |                                 |  |                             |
| c  | Accounting   |                       |                                 |  |                             |
| d  | Lobbying   |                       |                                 |  |                             |
| e  | Professional fundraising services See Part IV, line 17   |                       |                                 |  |                             |
| f  | Investment management fees   |                       |                                 |  |                             |
| g  | Other  | 28779.                | 24779.                          | 4000.                                  |                             |
| 12   | Advertising and promotion  |                       |                                 |  |                             |
| 13   | Office expenses  |                       |                                 |  |                             |
| 14   | Information technology   |                       |                                 |  |                             |
| 15   | Royalties  |                       |                                 |  |                             |
| 16   | Occupancy  | 57150.                | 55102.                          | 2048.                                  |                             |
| 17   | Travel   | 1608.                 | 1608.                           |  |                             |
| 18   | Payments of travel or entertainment expenses for any federal, state, or local public officials   |                       |                                 |  |                             |
| 19   | Conferences, conventions, and meetings   | 6434.                 | 6434.                           |  |                             |
| 20   | Interest   |                       |                                 |  |                             |
| 21   | Payments to affiliates   |                       |                                 |  |                             |
| 22   | Depreciation, depletion, and amortization  | 1641.                 |                                 | 1641.                                  |                             |
| 23   | Insurance  | 40066.                | 40066.                          |  |                             |
| 24   | Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)   |                       |                                 |  |                             |
| a  | SEE STMT   | 2363.                 |                                 |  |                             |
| b  |  | 44316.                |                                 |  |                             |
| c  |  | 842.                  |                                 |  |                             |
| d  |  | 7041.                 |                                 |  |                             |
| e  |  | 125.                  |                                 |  |                             |
| f  | All other expenses   | 234214.               |                                 |  |                             |
| 25   | <b>Total functional expenses.</b> Add lines 1 through 24f  | 951933.               | 922300.                         | 29633.                                 |                             |
| 26   | <b>Joint Costs</b> Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the org reported in column (B) joint costs from a combined educational campaign and fundraising solicitation |                       |                                 |  |                             |

**Part X Balance Sheet**

|                             |   | (A)   |         | (B)         |         |
|-----------------------------|---|---|---------|-------------|---------|
|                             |   | Beginning of year   |         | End of year |         |
| Assets                      | 1   | Cash - non-interest-bearing .....   | 151364. | 1           | 48544.  |
|                             | 2   | Savings and temporary cash investments .....  |         | 2           |         |
|                             | 3   | Pledges and grants receivable, net .....  |         | 3           |         |
|                             | 4   | Accounts receivable, net .....  | 29812.  | 4           | 140341. |
|                             | 5   | Receivables from current and former officers, directors, trustees, key employees, or other related parties Complete Part II of Schedule L .....                           |         | 5           |         |
|                             | 6   | Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L .....     |         | 6           |         |
|                             | 7   | Notes and loans receivable, net .....   |         | 7           |         |
|                             | 8   | Inventories for sale or use .....   |         | 8           |         |
|                             | 9   | Prepaid expenses and deferred charges .....   | 2070.   | 9           | 5817.   |
|                             | 10a   | Land, buildings, and equipment cost basis .....   | 169581. |             |         |
|                             | b   | Less accumulated depreciation Complete Part VI of Schedule D .....  | 155917. | 10c         | 13664.  |
|                             | 11  | Investments - publicly traded securities .....  |         | 11          |         |
|                             | 12  | Investments - other securities See Part IV, line 11 .....   |         | 12          |         |
|                             | 13  | Investments - program-related See Part IV, line 11 .....  |         | 13          |         |
|                             | 14  | Intangible assets .....   |         | 14          |         |
|                             | 15  | Other assets See Part IV, line 11 .....   |         | 15          |         |
| 16                          | <b>Total assets</b> Add lines 1 through 15 (must equal line 34) .....   | 184461.   | 16      | 208366.     |         |
| Liabilities                 | 17  | Accounts payable and accrued expenses .....   | 147298. | 17          | 73017.  |
|                             | 18  | Grants payable .....  |         | 18          |         |
|                             | 19  | Deferred revenue .....  |         | 19          |         |
|                             | 20  | Tax-exempt bond liabilities .....   |         | 20          |         |
|                             | 21  | Escrow account liability Complete Part IV of Schedule D .....   |         | 21          |         |
|                             | 22  | Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L ..... |         | 22          |         |
|                             | 23  | Secured mortgages and notes payable to unrelated third parties .....  |         | 23          |         |
|                             | 24  | Unsecured notes and loans payable .....   |         | 24          |         |
|                             | 25  | Other liabilities Complete Part X of Schedule D .....   |         | 25          |         |
|                             | 26  | <b>Total liabilities</b> Add lines 17 through 25 .....  | 147298. | 26          | 73017.  |
| Net Assets or Fund Balances | Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. |   |         |             |         |
|                             | 27  | Unrestricted net assets .....   | 37163.  | 27          | 135349. |
|                             | 28  | Temporarily restricted net assets .....   |         | 28          |         |
|                             | 29  | Permanently restricted net assets .....   |         | 29          |         |
|                             | Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.                          |   |         |             |         |
|                             | 30  | Capital stock or trust principal, or current funds .....  |         | 30          |         |
|                             | 31  | Paid-in or capital surplus, or land, building, or equipment fund .....  |         | 31          |         |
|                             | 32  | Retained earnings, endowment, accumulated income, or other funds .....  |         | 32          |         |
|                             | 33  | <b>Total net assets or fund balances</b> .....  | 37163.  | 33          | 135349. |
|                             | 34  | <b>Total liabilities and net assets/fund balances</b> .....   | 184461. | 34          | 208366. |

**Part XI Financial Statements and Reporting**

|    |   | Yes | No |
|----|---|-----|----|
| 1  | Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other   |     |    |
| 2a | Were the organization's financial statements compiled or reviewed by an independent accountant? .....   | X   |    |
| b  | Were the organization's financial statements audited by an independent accountant? .....  | X   |    |
| c  | If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? ..... | X   |    |
| 3a | As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? .....  | X   |    |
| b  | If "Yes," did the organization undergo the required audit or audits? .....  | X   |    |



**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

**Section A. Public Support**

| Calendar year (or fiscal year beginning in) ▶   | (a) 2004 | (b) 2005 | (c) 2006 | (d) 2007 | (e) 2008 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")  | 579371.  | 620391.  | 658102.  | 724070.  | 1017679. | 3599613.  |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf   |          |          |          |          |          |           |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge   |          |          |          |          |          |           |
| 4 <b>Total.</b> Add lines 1-3   | 579371.  | 620391.  | 658102.  | 724070.  | 1017679. | 3599613.  |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) |          |          |          |          |          |           |
| 6 <b>Public support.</b> Subtract line 5 from line 4  |          |          |          |          |          | 3599613.  |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in) ▶   | (a) 2004 | (b) 2005 | (c) 2006 | (d) 2007 | (e) 2008 | (f) Total                |
|---|----------|----------|----------|----------|----------|--------------------------|
| 7 Amounts from line 4   | 579371.  | 620391.  | 658102.  | 724070.  | 1017679. | 3599613.                 |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources  |          |          |          |          |          |                          |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on  |          |          |          |          |          |                          |
| 10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)  |          |          |          |          | 32440.   | 32440.                   |
| 11 <b>Total support.</b> Add lines 7 through 10   |          |          |          |          |          | 3632053.                 |
| 12 Gross receipts from related activities, etc (see instructions)   |          |          |          |          | 12       |                          |
| 13 <b>First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here |          |          |          |          |          | <input type="checkbox"/> |

**Section C. Computation of Public Support Percentage**

|   |    |                                     |
|---|----|-------------------------------------|
| 14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))   | 14 | 99.11 %                             |
| 15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f  | 15 | 0.00 %                              |
| 16a <b>33 1/3% support test - 2008.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here The organization qualifies as a publicly supported organization  |    | <input checked="" type="checkbox"/> |
| b <b>33 1/3% support test - 2007.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization  |    | <input type="checkbox"/>            |
| 17a <b>10% facts-and-circumstances test - 2008.</b> If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization     |    | <input type="checkbox"/>            |
| b <b>10% facts-and-circumstances test - 2007.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization |    | <input type="checkbox"/>            |
| 18 <b>Private foundation.</b> If the organization did not check a box in line 13, 16a, 16b, 17a or 17b, check this box and see instructions   |    | <input type="checkbox"/>            |



SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11, or 12.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization Dorothy Sutton Branch HeadStart Employer identification number 36-3825611

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6

Table with 3 columns: Question number, (a) Donor advised funds, (b) Funds and other accounts. Includes questions 1-6 regarding donor advised funds.

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7

Form for Part II Conservation Easements. Includes questions 1-9 regarding conservation easements and a table for 'Held at the End of the Year' with rows 2a-2d.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Includes questions 1a-1b and 2a-2b regarding art collections.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets**

(continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Trust, Escrow and Custodial Arrangements.** Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIV and complete the following table

|                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1c     |
| d Additions during the year     | 1d     |
| e Distributions during the year | 1e     |
| f Ending balance                | 1f     |

2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

b If "Yes," explain the arrangement in Part XIV

**Part V Endowment Funds.** Complete if organization answered "Yes" to Form 990, Part IV, line 10

|  | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance                     |                  |                |                    |                      |                     |
| b Contributions                                  |                  |                |                    |                      |                     |
| c Investment earnings or losses                  |                  |                |                    |                      |                     |
| d Grants or scholarships                         |                  |                |                    |                      |                     |
| e Other expenditures for facilities and programs |                  |                |                    |                      |                     |
| f Administrative expenses                        |                  |                |                    |                      |                     |
| g End of year balance                            |                  |                |                    |                      |                     |

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment  0.00 %
- b Permanent endowment  0.00 %
- c Term endowment  0.00 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

|   | Yes    | No |
|---|--------|----|
| (i) unrelated organizations   | 3a(i)  |    |
| (ii) related organizations  | 3a(ii) |    |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | 3b     |    |

4 Describe in Part XIV the intended uses of the organization's endowment funds

**Part VI Investments-Land, Buildings, and Equipment.** See Form 990, Part X, line 10

| Description of investment | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Depreciation | (d) Book value |
|---------------------------|--------------------------------------|---------------------------------|------------------|----------------|
| 1a Land                   |                                      |                                 |                  |                |
| b Buildings               |                                      | 12,883.                         | 12,883.          |                |
| c Leasehold improvements  |                                      | 89,179.                         | 75,515.          | 13,664.        |
| d Equipment               |                                      | 67,519.                         | 67,519.          |                |
| e Other                   |                                      |                                 |                  |                |

Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c))  13,664.



**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Attach to Form 990. to be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No 1545-0047

**2008**

Open to Public Inspection

Name of the organization

Dorothy Sutton Branch HeadStart

Employer identification number

36-3825611

**Part I Questions Regarding Compensation**

|  |     |    |
|--|-----|----|
|  | Yes | No |
|--|-----|----|

**1 a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**b** If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

|           |  |  |
|-----------|--|--|
| <b>1b</b> |  |  |
|-----------|--|--|

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

|          |   |  |
|----------|---|--|
| <b>2</b> | X |  |
|----------|---|--|

**3** Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply

- |  |  |
|--|--|
| <input type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 or other organizations     | <input type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a

**a** Receive a severance payment or change of control payment?

|           |  |   |
|-----------|--|---|
| <b>4a</b> |  | X |
|-----------|--|---|

**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?

|           |  |   |
|-----------|--|---|
| <b>4b</b> |  | X |
|-----------|--|---|

**c** Participate in, or receive payment from, an equity-based compensation arrangement?

|           |  |   |
|-----------|--|---|
| <b>4c</b> |  | X |
|-----------|--|---|

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

**Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

**a** The organization?

|           |  |   |
|-----------|--|---|
| <b>5a</b> |  | X |
|-----------|--|---|

**b** Any related organization?

|           |  |   |
|-----------|--|---|
| <b>5b</b> |  | X |
|-----------|--|---|

If "Yes" to line 5a or 5b, describe in Part III

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

**a** The organization?

|           |  |   |
|-----------|--|---|
| <b>6a</b> |  | X |
|-----------|--|---|

**b** Any related organization?

|           |  |   |
|-----------|--|---|
| <b>6b</b> |  | X |
|-----------|--|---|

If "Yes" to line 6a or 6b, describe in Part III

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

|          |  |   |
|----------|--|---|
| <b>7</b> |  | X |
|----------|--|---|

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

|          |  |   |
|----------|--|---|
| <b>8</b> |  | X |
|----------|--|---|

For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

Schedule J (Form 990) 2008

**SCHEDULE M  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Non-Cash Contributions**

▶ To be completed by organizations that answered  
"Yes" on Form 990, Part IV, lines 29 or 30.  
▶ Attach to Form 990.

OMB No 1545-0047

**2008**

Open To Public  
Inspection

Name of the organization: **Dorothy Sutton Branch HeadStart**  
Employer identification number: **36-3825611**

| <b>Part I</b> |  | <b>Types of Property</b>      |                                |   |  |
|---------------|--|-------------------------------|--------------------------------|---|--|
|               |  | (a)<br>Check if<br>applicable | (b)<br>Number of contributions | (c)<br>Revenues reported on<br>Form 990, Part VIII, line 1g | (d)<br>Method of determining<br>revenues |
| 1             | Art-Works of art   |                               |                                |   |  |
| 2             | Art-Historical treasures                                     |                               |                                |   |  |
| 3             | Art-Fractional interests                                     |                               |                                |   |  |
| 4             | Books and publications                                       |                               |                                |   |  |
| 5             | Clothing and household goods                                 |                               |                                |   |  |
| 6             | Cars and other vehicles                                      |                               |                                |   |  |
| 7             | Boats and planes   |                               |                                |   |  |
| 8             | Intellectual property  |                               |                                |   |  |
| 9             | Securities-Publicly traded                                   |                               |                                |   |  |
| 10            | Securities-Closely held stock                                |                               |                                |   |  |
| 11            | Securities-Partnership, LLC, or<br>trust interests           |                               |                                |   |  |
| 12            | Securities-Miscellaneous                                     |                               |                                |   |  |
| 13            | Qualified conservation contribution<br>(historic structures) |                               |                                |   |  |
| 14            | Qualified conservation contribution (other)                  |                               |                                |   |  |
| 15            | Real estate-Residential                                      |                               |                                |   |  |
| 16            | Real estate-Commercial                                       |                               |                                |   |  |
| 17            | Real estate-Other  |                               |                                |   |  |
| 18            | Collectibles   |                               |                                |   |  |
| 19            | Food inventory   |                               |                                |   |  |
| 20            | Drugs and medical supplies                                   |                               |                                |   |  |
| 21            | Taxidermy  |                               |                                |   |  |
| 22            | Historical artifacts   |                               |                                |   |  |
| 23            | Scientific specimens   |                               |                                |   |  |
| 24            | Archeological artifacts                                      |                               |                                |   |  |
| 25            | Other ▶ ( )  |                               |                                |   |  |
| 26            | Other ▶ ( )  |                               |                                |   |  |
| 27            | Other ▶ ( )  |                               |                                |   |  |
| 28            | Other ▶ ( )  |                               |                                |   |  |

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29**

|   | Yes | No |
|---|-----|----|
| 30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? |     | X  |
| b If "Yes," describe the arrangement in Part II   |     |    |
| 31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?  |     | X  |
| 32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?   |     | X  |
| b If "Yes," describe in Part II   |     |    |
| 33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II  |     |    |

**SCHEDULE O  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

**2008**

Open to Public  
Inspection

Name of the organization

Dorothy Sutton Branch HeadStart

Employer identification number

36-3825611

The public can at any time request a document that is considered public knowledge

The Board of Directors reviews the 990

The financial statements are available to the public upon request

The organization makes its governing documents, conflict of interest policy, and financial statements available to the public upon request

US 990

Other Functional Expenses: Page 2, Line 43

2008

| Description of the Asset | Total    | Program Services | Management and General | Fundraising |
|--------------------------|----------|------------------|------------------------|-------------|
| Special Needs            | 2,363.   | 2,363.           |                        |             |
| Supplies                 | 44,316.  | 43,812.          | 504.                   |             |
| Postage/Delivery         | 842.     | 842.             |                        |             |
| Education/Training       | 7,041.   | 7,041.           |                        |             |
| Dues/Subscriptions       | 125.     | 125.             |                        |             |
| Food                     | 71,809.  | 71,809.          |                        |             |
| Telephone/Communicati    | 9,727.   | 9,727.           |                        |             |
| Bank Fees                | 492.     | 492.             |                        |             |
| Licenses/Fees            | 75.      | 75.              |                        |             |
| Repairs & Maintenance    | 14,468.  | 14,468.          |                        |             |
| Parent Involvement       | 5,299.   | 5,299.           |                        |             |
| In-Kind                  | 109,665. | 109,665.         |                        |             |
| Advertising              | 490.     | 490.             |                        |             |
| Security                 | 299.     | 299.             |                        |             |
| Program Expenses         | 18,152.  | 18,152.          |                        |             |
| Printing/Copying         | 300.     | 300.             |                        |             |
| Other                    | 3,438.   | 2,338.           | 1,100.                 |             |
|                          | 288,901. | 287,297.         | 1,604.                 |             |

LAND & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
OAK LAWN, ILLINOIS

DOROTHY SUTTON BRANCH HEADSTART  
FINANCIAL REPORT  
FOR THE YEAR ENDED NOVEMBER 30, 2009

DOROTHY SUTTON BRANCH HEADSTART

FINANCIAL REPORT  
FOR THE YEAR ENDED NOVEMBER 30, 2009

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## INDEPENDENT AUDITOR'S REPORT

To The Officers and Members  
Of The Board of Directors  
Dorothy Sutton Branch Headstart  
Chicago, Illinois

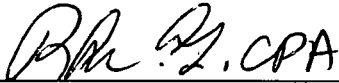
We have audited the accompanying statement of financial position of Dorothy Sutton Branch Headstart as of November 30, 2009 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Dorothy Sutton Branch Headstart's management. 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. 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 respects, the financial position of Dorothy Sutton Branch Headstart as of November 30, 2009, and the changes in its net assets and its cash flows for the year 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 August 6, 2010, on our consideration of Dorothy Sutton Branch Headstart's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Dorothy Sutton Branch Headstart taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the 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.



---

Ralph A. Land, CPA  
Oak Lawn, IL 60453

August 6, 2010

DOROTHY SUTTON BRANCH HEADSTART  
STATEMENTS OF FINANCIAL POSITION  
AS OF NOVEMBER 30, 2009 and 2008

ASSETS

|                           | <u>2009</u>                  | <u>2008</u>                  |
|---------------------------|------------------------------|------------------------------|
| Current Assets:           |                              |                              |
| Cash and cash equivalents | \$ 48,544                    | \$ 151,364                   |
| Accounts receivable       | 140,341                      | 29,812                       |
| Prepays                   | 5,817                        | 2,070                        |
| Total Current Assets      | <u>\$ 194,702</u>            | <u>\$ 183,246</u>            |
| Property and Equipment    |                              |                              |
| Furniture/Fixtures        | \$ 12,883                    | \$ 12,883                    |
| Leasehold improvements    | 89,179                       | 75,089                       |
| Equipment                 | 67,519                       | 67,519                       |
| Less: accum. depreciation | <u>\$ (155,917)</u>          | <u>\$ (154,276)</u>          |
|                           | <u>\$ 13,664</u>             | <u>\$ 1,215</u>              |
| <br>TOTAL ASSETS          | <br><u><u>\$ 208,366</u></u> | <br><u><u>\$ 184,461</u></u> |

LIABILITIES AND NET ASSETS

|                              |                              |                              |
|------------------------------|------------------------------|------------------------------|
| Current Liabilities:         |                              |                              |
| Accounts payable             | \$ 29,525                    | \$ 37,061                    |
| Taxes payable                | 43,492                       | 39,558                       |
| Advances                     | -                            | 45,323                       |
| Loans payable                | \$ -                         | \$ 25,356                    |
| Total Current Liabilities    | <u>\$ 73,017</u>             | <u>\$ 147,298</u>            |
| <br>TOTAL LIABILITIES        | <br><u>\$ 73,017</u>         | <br><u>\$ 147,298</u>        |
| Net Assets:                  |                              |                              |
| Unrestricted                 | <u>\$ 135,349</u>            | <u>\$ 37,163</u>             |
| <br>TOTAL NET ASSETS         | <br><u>\$ 135,349</u>        | <br><u>\$ 37,163</u>         |
| <br>TOTAL LIAB. & NET ASSETS | <br><u><u>\$ 208,366</u></u> | <br><u><u>\$ 184,461</u></u> |

DOROTHY SUTTON BRANCH HEADSTART  
 STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED NOVEMBER 30, 2009 and 2008

|   | <u>2009</u>      | <u>2008</u>    |
|---|------------------|----------------|
| <b><u>Support &amp; Revenue</u></b>       |                  |                |
| Grant/Contract Support                    | 906,006          | 704,059        |
| In-Kind                                   | 109,665          | -              |
| Tuition                                   | 32,440           | 16,129         |
| Other Contributions                       | 2,008            | 3,882          |
|   | <u>1,050,119</u> | <u>724,070</u> |
| <b><u>Total Support &amp; Revenue</u></b> | <u>1,050,119</u> | <u>724,070</u> |
| <br><b><u>Expenses</u></b>                |                  |                |
| Program Services                          | 922,300          | 517,369        |
| Management & General                      | 29,633           | 148,929        |
|   | <u>951,933</u>   | <u>666,298</u> |
| <b><u>Total Expenses</u></b>              | <u>951,933</u>   | <u>666,298</u> |
| <br><b>Change in Net Assets</b>           | <u>98,186</u>    | <u>57,772</u>  |
| <br><b>Net Assets, Beginning of Year</b>  | 37,163           | (34,772)       |
| <b>Adjustment</b>                         | -                | 14,163         |
| <b>Net Assets, End of Year</b>            | <u>135,349</u>   | <u>37,163</u>  |

DOROTHY SUTTON BRANCH HEADSTART  
STATEMENT OF CASH FLOWS  
NOVEMBER 30, 2009

OPERATING ACTIVITIES

|  |                       |
|--|-----------------------|
| Increase/<Decrease> in Net Assets  | \$ 98,186             |
| Adjustments to reconcile net income to<br>Net cash provided by operating activities: |                       |
| Amortization   | 1,641                 |
| Changes in operating assets and liabilities:   |                       |
| Change in accounts receivable and prepaids   | <114,276>             |
| Change in payables and accrued expenses  | <u>&lt;74,281&gt;</u> |
| Net cash provided by operating activities  | <u>&lt;88,730&gt;</u> |

INVESTING ACTIVITIES

|              |          |
|--------------|----------|
| Fixed Assets | <14,090> |
|--------------|----------|

FINANCING ACTIVITIES

|                             |                        |
|-----------------------------|------------------------|
| None                        | <u>-</u>               |
| Increase/<Decrease> in cash | <u>&lt;102,820&gt;</u> |
| Cash at beginning of year   | 151,364                |
| Cash at end of year         | \$ <u>48,544</u>       |

DOROTHY SUTTON BRANCH HEADSTART  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED NOVEMBER 30, 2009

| <u>Description</u>       | <u>Program</u>    | <u>Mgt &amp;<br/>General</u> | <u>Total</u>      |
|--------------------------|-------------------|------------------------------|-------------------|
| Salaries                 | 452,140           | 19,009                       | 471,149           |
| Payroll Taxes/Fringes    | 54,874            | 1,331                        | 56,205            |
| Contractors              | 24,779            | 4,000                        | 28,779            |
| Special Needs            | 2,363             | -                            | 2,363             |
| Supplies                 | 43,812            | 504                          | 44,316            |
| Occupancy                | 55,102            | 2,048                        | 57,150            |
| Postage/Delivery         | 842               | -                            | 842               |
| Education & Training     | 7,041             | -                            | 7,041             |
| Transportation           | 1,608             | -                            | 1,608             |
| Dues/Subscriptions       | 125               | -                            | 125               |
| Travel/Conferences       | 6,434             | -                            | 6,434             |
| Food                     | 71,809            | -                            | 71,809            |
| Telephone/Communications | 9,727             | -                            | 9,727             |
| Bank Fees                | 492               | -                            | 492               |
| Licenses/Fees            | 75                | -                            | 75                |
| Repairs & Maintenance    | 14,468            | -                            | 14,468            |
| Parent Involvement       | 5,299             | -                            | 5,299             |
| In-Kind                  | 109,665           | -                            | 109,665           |
| Insurance                | 40,066            | -                            | 40,066            |
| Advertising              | 490               | -                            | 490               |
| Security                 | 299               | -                            | 299               |
| Program Expenses         | 18,152            | -                            | 18,152            |
| Printing/Copying         | 300               | -                            | 300               |
| Other                    | 2,338             | 1,100                        | 3,438             |
| Depreciation             | -                 | 1,641                        | 1,641             |
| <b>TOTAL EXPENSES</b>    | <b>\$ 922,300</b> | <b>\$ 29,633</b>             | <b>\$ 951,933</b> |

DOROTHY SUTTON BRANCH HEADSTART  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2009

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Business**

Dorothy Sutton Branch Headstart is an Illinois not-for-profit entity incorporated under the General Not-For-Profit Corporation Act of Illinois in August 2, 1989. Its mission is to administer, regulate and upgrade the headstart program providing quality early education to underprivileged children.

**Basis of Accounting**

In accordance with generally accepted accounting principles, the financial statements have been prepared on the accrual basis of accounting, whereas, revenues are recognized when earned and expenses are recognized when incurred.

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No. 117, Dorothy Sutton Branch Headstart is required to report information regarding its financial position according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Dorothy Sutton Branch Headstart had no permanently restricted net assets as of November 30, 2009.

**Contributed Services and Materials**

Donated materials are recorded as support at their estimated fair value at the date of donation. Donated services are recorded at their estimated fair value at a comparable rate for such services that would have otherwise been purchased.

**Contributions**

Contributions are considered available for unrestricted use unless specifically restricted by the donors.

**Property and Equipment**

The property and equipment fund is to account for funds restricted for property and equipment acquisitions and the subsequent expenditure of those funds. Property and equipment fund acquisitions are financed through current operations. Assets are valued at cost or at estimated value on date of donation. Depreciation is provided on a straight-line basis over estimated useful lives ranging from 3 - 31 years.

DOROTHY SUTTON BRANCH HEADSTART  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2009

**Income Taxes**

Dorothy Sutton Branch Headstart is exempt from federal income tax under Section 501<sup>c</sup>(3) of the Internal Revenue Code. The organization qualifies for charitable contribution deductions.

**Estimates**

The preparation of the Organization's financial statements in conformity with generally accepted accounting principles 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 reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

**NOTE 2 - ACCOUNTS RECEIVABLE**

The accounts receivable, in the amount of \$140,341 represents claims against state and Federal governmental agencies for reimbursable contractual services rendered. No bad debt allowance was established because management believes no uncertainty surrounds cash collection for services rendered.

**NOTE 3 - FINANCIAL INSTRUMENTS**

The Organization's financial instruments at November 30, 2009 consist of actual cash balances. The Organization maintains its cash balances in two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had no uninsured cash at November 30, 2009.

**NOTE 4 - OPERATING LEASES**

Dorothy Sutton Branch Headstart entered into an **annual** lease for its office space. Rental expenses for the year ended November 30, 2009 totaled \$57,150.

INDEPENDENT AUDITOR'S 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 of  
Dorothy Sutton Branch Headstart

We have audited the financial statements of Dorothy Sutton Branch Headstart (a nonprofit organization) as of and for the year ended November 30, 2009, and have issued our report thereon dated August 6, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Dorothy Sutton Branch Headstart'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 Dorothy Sutton Branch Headstart's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Dorothy Sutton Branch Headstart's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of Dorothy Sutton Branch Headstart's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dorothy Sutton Branch Headstart'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 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.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, 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.



Ralph A. Land, CPA  
Oak Lawn, IL 60453

August 6, 2010

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

To The Board of Directors of  
Dorothy Sutton Branch Headstart

We have audited the compliance of Dorothy Sutton Branch Headstart with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each major federal program for the year ended November 30, 2009. Dorothy Sutton Branch Headstart'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 Dorothy Sutton Branch Headstart's management. Our responsibility is to express an opinion on Dorothy Sutton Branch Headstart's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Dorothy Sutton Branch Headstart's compliance with those requirements.

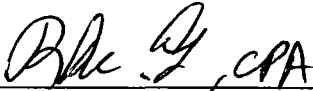
In our opinion, Dorothy Sutton Branch Headstart complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended November 30, 2009.

Internal Control Over Compliance

The management of Dorothy Sutton Branch Headstart 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 Dorothy Sutton Branch Headstart's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



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Ralph A. Land, CPA  
Oak Lawn, Illinois 60453

August 6, 2010

DOROTHY SUTTON BRANCH HEADSTART  
SCHEDULE OF PUBLIC SUPPORT, REVENUE AND EXPENSES  
FOR THE YEAR ENDED NOVEMBER 30, 2009

|   | Headstart             | Day Care              | Mgt &<br>General     | Total                 |
|---|-----------------------|-----------------------|----------------------|-----------------------|
| <u>PUBLIC SUPPORT AND REVENUE:</u>      |                       |                       |                      |                       |
| Public Support:                         |                       |                       |                      |                       |
| Grant/Contract Support                  | 345,633               | 530,740               | 29,633               | 906,006               |
| Other Contributions                     | -                     | 2,008                 | -                    | 2,008                 |
| In-Kind                                 | 109,665               | -                     | -                    | 109,665               |
| Tuition                                 | -                     | 32,440                | -                    | 32,440                |
| <b>Total Public Support and Revenue</b> | <b>455,298</b>        | <b>565,188</b>        | <b>29,633</b>        | <b>1,050,119</b>      |
| <br><u>Expenses</u>                     |                       |                       |                      |                       |
| Salaries                                | 187,190               | 276,545               | 19,009               | 471,149               |
| Payroll Taxes/Fringes                   | 37,480                | 5,799                 | 1,331                | 56,205                |
| Contractors                             | -                     | 24,779                | 4,000                | 28,779                |
| Special Needs                           | 1,593                 | 770                   | -                    | 2,363                 |
| Supplies                                | 18,525                | 25,287                | 504                  | 44,316                |
| Occupancy                               | 25,020                | 30,082                | 2,048                | 57,150                |
| Education & Training                    | 1,199                 | 5,842                 | -                    | 7,041                 |
| Travel/Conferences                      | 300                   | 6,134                 | -                    | 6,434                 |
| Food                                    | -                     | 71,809                | -                    | 71,809                |
| Telephone/Communications                | -                     | 9,727                 | -                    | 9,727                 |
| Parent Involvement                      | 1,300                 | 3,999                 | -                    | 5,299                 |
| In-Kind                                 | 109,665               | -                     | -                    | 109,665               |
| Insurance                               | -                     | 40,066                | -                    | 40,066                |
| <b>Other</b>                            |                       |                       |                      |                       |
| Repairs & Maintenance                   | 3,328                 | 11,140                | -                    | 14,468                |
| Postage/Delivery                        | 842                   | -                     | -                    | 842                   |
| Transportation                          | 1,608                 | -                     | -                    | 1,608                 |
| Advertising                             | 490                   | -                     | -                    | 490                   |
| Security                                | 299                   | -                     | -                    | 299                   |
| Printing/Copying                        | 300                   | -                     | -                    | 300                   |
| Dues/Subscriptions                      | 125                   | -                     | -                    | 125                   |
| Bank Fees                               | 492                   | -                     | -                    | 492                   |
| Licenses/Fees                           | 75                    | -                     | -                    | 75                    |
| Other Program Expenses                  | 20,490                | -                     | 1,100                | 21,590                |
| <b>Total Other Expenses</b>             | <b>28,049</b>         | <b>11,140</b>         | <b>1,100</b>         | <b>40,289</b>         |
| Depreciation                            | -                     | -                     | 1,641                | 1,641                 |
| <br><b>TOTAL EXPENSES</b>               | <br><b>\$ 410,321</b> | <br><b>\$ 511,979</b> | <br><b>\$ 29,633</b> | <br><b>\$ 951,933</b> |

DOROTHY SUTTON BRANCH HEADSTART  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED NOVEMBER 30, 2009

NOTE 1, BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Dorothy Sutton Branch Headstart and is presented on the accrual basis of accounting. 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, SUB-RECIPIENTS

None.

NOTE 3, NON-CASH ASSISTANCE/LOAN GUARANTEES/INSURANCE

None.

DOROTHY SUTTON BRANCH HEADSTART  
 SCHEDULE OF FEDERAL AWARDS  
 FOR THE YEAR ENDED NOVEMBER 30, 2009

| <u>Federal Grantor/Pass Through<br/>Grantor/Program Title</u>         | <u>Federal<br/>CFDA<br/>Number</u> | <u>Pass-Through<br/>Number</u> | <u>Expenses</u>       |
|---|------------------------------------|--------------------------------|-----------------------|
| <br><b>U.S. DEPARTMENT OF HEALTH and HUMAN SERVICES</b>               |                                    |                                |                       |
| <b><u>Pass through the City of Chicago</u></b>                        |                                    |                                |                       |
| <b><u>Dept of Human Services:</u></b>                                 |                                    |                                |                       |
| Headstart   | 93.600                             | 18122                          | \$327,317             |
| Child Care Collaboration  | 93.596                             | 18122                          | \$145,547             |
| Child Care Services Program   | 93.575                             | :                              | \$ 23,525             |
| <br><b>U.S. DEPARTMENT OF AGRICULTURE:</b>                            |                                    |                                |                       |
| <b><u>Pass through the Illinois State Board of<br/>Education:</u></b> |                                    |                                |                       |
| Child and Adult Care<br>Food Program                                  | 10.558                             | 14016565P00                    | \$ 84,216             |
| <br>Total Federal Awards  |                                    |                                | <br>\$ <u>580,605</u> |

DOROTHY SUTTON BRANCH HEADSTART  
 SCHEDULE OF FINDINGS & QUESTIONED COSTS  
 FOR THE YEAR ENDED NOVEMBER 30, 2009

**Part I - SUMMARY OF AUDITOR'S RESULTS**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

\* Material weakness(es) identified? \_\_\_\_\_ Yes X No

\* Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes X No

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes X No

Internal control over major programs:

\* Material weakness(es) identified? \_\_\_\_\_ Yes X No

\* Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes X No

Type of auditor's report issued on noncompliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section (510) (a) of Circular A-133? \_\_\_\_\_ Yes X No

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| 93.600                | <b>Headstart And Early Headstart</b>      |
| 93.596                | <b>Child Care Collaboration Program</b>   |
| 93.575                | <b>Child Care Services Program</b>        |
| 10.558                | <b>Child and Adult Care Food Program</b>  |

Dollar threshold used to distinguish Between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes \_\_\_\_\_ No

**Part II - SCHEDULE OF FINANCIAL STATEMENT FINDINGS**

None.

**Part III-SCHEDULE OF FEDERAL AWARDS' FINDINGS & QUESTIONED COSTS**

None.

DOROTHY SUTTON BRANCH HEADSTART  
SUMMARY OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED NOVEMBER 30, 2009

There were no findings or questioned costs identified for the prior audited year ended November 30, 2008.