

COMBINED FINANCIAL STATEMENTS

**ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY
HEALTH CENTER, INC.**

*Year Ended June 30, 2009
with Independent Auditors' Reports*

**ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.**

COMBINED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2009

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Asian Human Services, Inc.

We have audited the accompanying combined statements of financial position of the Asian Human Services, Inc. (the Agency) and affiliate as of June 30, 2009, and the related combined statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Agency's and affiliate's 2008 financial statements, and in our report dated November 14, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 the Asian Human Services, Inc. and affiliate as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.



Elmhurst, Illinois
February 15, 2010

**ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.**

COMBINED STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2009

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
Cash	\$ 137,699	\$ 101,404
Accounts and grants receivable, net of \$673,293 of allowance	1,234,604	796,284
Prepaid expenses and security deposits	117,170	75,840
Construction Work in Progress	1,214,503	3,117,582
Land	1,646,187	907,237
Buildings	2,785,969	671,005
Furniture and equipment	538,767	619,610
Leasehold improvements	673,367	575,912
Accumulated depreciation	<u>(829,800)</u>	<u>(947,550)</u>
 TOTAL ASSETS	 \$ <u>7,518,466</u>	 \$ <u>5,917,324</u>
 <u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 794,903	\$ 610,980
Notes payable	<u>4,163,504</u>	<u>2,776,056</u>
 TOTAL LIABILITIES	 \$ <u>4,958,407</u>	 \$ <u>3,387,036</u>
 <u>NET ASSETS</u>		
Unrestricted	\$ 2,476,119	\$ 2,422,903
Temporarily restricted	<u>83,940</u>	<u>107,385</u>
 TOTAL NET ASSETS	 \$ <u>2,560,059</u>	 \$ <u>2,530,288</u>
 TOTAL LIABILITIES AND NET ASSETS	 \$ <u>7,518,466</u>	 \$ <u>5,917,324</u>

See accompanying notes to financial statements

**ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.**

COMBINED STATEMENTS OF ACTIVITIES

YEAR ENDED JUNE 30, 2009 WITH COMPARATIVE TOTALS FOR 2008

<u>SUPPORT:</u>	<u>2009</u>			<u>2008</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
Government contracts	\$ 7,296,546	\$ 1,440	\$ 7,297,986	\$ 6,155,701
Patient service revenue, net	929,377	-	929,377	711,140
Contributions:				
Individuals and Corporate	38,174	-	38,174	18,588
Foundations	60,399	110,000	170,399	417,425
Interest income	3,575	-	3,575	21,253
Program service fees and other	<u>143,185</u>	<u>-</u>	<u>143,185</u>	<u>207,206</u>
	8,471,256	111,440	8,582,696	7,531,313
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>134,885</u>	<u>(134,885)</u>	<u>-</u>	<u>-</u>
Total Support	<u>\$ 8,606,141</u>	<u>\$ (23,445)</u>	<u>\$ 8,582,696</u>	<u>\$ 7,531,313</u>
<u>EXPENSES:</u>				
Program Services	\$ 8,162,067	\$ -	\$ 8,162,067	\$ 7,376,199
Support Services:				
Management and General	380,770	-	380,770	393,578
Fund Raising	<u>10,088</u>	<u>-</u>	<u>10,088</u>	<u>68,114</u>
Total Expenses	<u>8,552,925</u>	<u>-</u>	<u>8,552,925</u>	<u>7,837,891</u>
Change in net assets	<u>\$ 53,216</u>	<u>\$ (23,445)</u>	29,771	(306,578)
Net assets at beginning of year			<u>2,530,288</u>	<u>2,836,866</u>
Net assets at end of year			<u>\$ 2,560,059</u>	<u>\$ 2,530,288</u>

See accompanying notes to financial statements

**ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.**

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2009 WITH COMPARATIVE TOTALS FOR 2008

	Program Services	<u>Support Services</u>			2009	2008
		Management and General	Fund Raising	Total		
Salaries and fringe benefits	\$ 5,179,467	\$ 462,702	\$ -	\$ 462,702	\$ 5,642,169	\$ 5,581,033
Professional fees	415,730	98,458	5,438	103,896	519,626	530,198
Office equipment and supplies	269,026	16,361	-	16,361	285,387	212,800
Medical supplies	47,385	-	-	-	47,385	35,971
Laboratory fees	182,601	-	-	-	182,601	68,233
Telephone	81,294	7,226	-	7,226	88,520	71,781
Rent and utilities	554,648	97,693	-	97,693	652,341	478,880
Repairs and maintenance	110,377	316	-	316	110,693	69,140
Property and liability insurance	44,801	16,641	-	16,641	61,442	48,261
Printing & Advertising	53,992	8,910	-	8,910	62,902	45,788
Client and student transportation	151,620	-	-	-	151,620	104,012
Conferences and staff development	32,269	28	-	28	32,297	45,441
Client assistance	77,552	-	-	-	77,552	70,723
Equipment rental and maintenance	13,576	2,811	-	2,811	16,387	20,901
Contributed goods and services	201,041	-	-	-	201,041	135,400
Administrative and other expenses	27,956	27,379	4,479	31,858	59,814	39,521
Interest Expense	6,319	125,164	-	125,164	131,483	3,234
Indirect cost allocation	<u>590,588</u>	<u>(590,759)</u>	<u>171</u>	<u>(590,588)</u>	<u>-</u>	<u>-</u>
Total expenses before Depreciation and Amortization	8,040,242	272,930	10,088	283,018	8,323,260	7,561,317
Depreciation and Amortization	<u>121,825</u>	<u>107,840</u>	<u>-</u>	<u>107,840</u>	<u>229,665</u>	<u>276,574</u>
Total expenses	<u>\$ 8,162,067</u>	<u>\$ 380,770</u>	<u>\$ 10,088</u>	<u>\$ 390,858</u>	<u>\$ 8,552,925</u>	<u>\$ 7,837,891</u>

See accompanying notes to financial statements

**ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.**

COMBINED STATEMENTS OF CASH FLOW

FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 29,771	\$ (306,578)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	229,665	276,574
(Increase) decrease in operating assets		
Grant receivable	(519,720)	(62,131)
Patient account receivables	81,400	(140,064)
Prepaid expenses	(41,330)	(16,150)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	<u>183,923</u>	<u>226,020</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(36,291)</u>	<u>(22,329)</u>
 CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of furniture & equipment	(67,722)	(58,610)
Leasehold improvement	(296,305)	(394,005)
Real estate acquisition	<u>(950,835)</u>	<u>(2,782,583)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(1,314,862)</u>	<u>(3,235,198)</u>
 CASH FLOW FROM FINANCING ACTIVITIES		
Advance from related party	-	23,400
Additional bank financing	1,615,500	2,875,000
Repayment of bank loans	<u>(228,052)</u>	<u>(203,007)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>1,387,448</u>	<u>2,695,393</u>
 NET INCREASE (DECREASE) IN CASH	36,295	(562,134)
 CASH, beginning of year	<u>101,404</u>	<u>663,538</u>
 CASH, end of year	<u>\$ 137,699</u>	<u>\$ 101,404</u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ 242,474</u>	<u>\$ 120,881</u>

See accompanying notes to financial statements

**ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

1. Organization

Asian Human Services, Inc. (the Agency), an Illinois corporation, was incorporated on May 11, 1978. Its mission is to enable socially, culturally and economically disadvantaged persons of Asian heritage to achieve economic and social independence through education, training and support. The Agency identifies issues, needs and problems affecting the Pan-Asian and other minority communities and addresses them through collaboration, community education and advocacy via the following major programs: mental health services, community health services, youth programs, and employment and training programs.

The Agency established Passages Charter School, Inc. (the School) in 2000. In July of 2008, the Chicago Public Schools renewed the School's charter for a five year term. The School's current charter expires on June 30, 2013, and is operating as a division of the Agency.

The Agency incorporated Asian Human Services Family Health Center, Inc. (the Center), an Illinois corporation, in 2001. The Center has been a certified Federally Qualified Health Center since 2003. Its mission is to increase access to primary care for underserved and underprivileged communities living on the north side of Chicago. The Center provides services for common health problem such as flu, diabetes, high blood pressure, high cholesterol, etc. Other basic health services performed include routine physical exams, well child services, immunization against vaccine-preventable diseases and OB/GYN services. The U.S. Department of Health and Human Services (the DHHS) provides substantial support to the Center. The Center is obligated under the terms of the DHHS grant to comply with specified conditions and program requirements set forth by the grantor.

2. Summary of Significant Accounting Policies

Financial Statement Presentation

The operating results of the School and the Center are included in the combined financial statements. The financial statement presentation follows the recommendations 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, the Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted - Unrestricted net assets are available to finance the general operations of the Agency. Voluntary resolutions by the Board of Directors to designate a portion of the unrestricted net assets for specific purposes do not result in restricted funds. The Agency has no designated net assets.

ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

2. Summary of Significant Accounting Policies (continue)

Temporarily Restricted - Temporarily restricted net assets result from contributions and other inflow of assets, the use of which is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by action of the Agency pursuant to those stipulations.

Permanently Restricted - Permanently restricted net assets are assets that have donor-imposed restrictions that stipulate that the contributed resources be maintained permanently, but permit the Agency to use part or all of the income or other economic benefits derived from the donated assets. The Agency has no permanently restricted net assets.

Patient Accounts Receivable

Patient accounts receivable are reported at their outstanding unpaid balances and reduced by an allowance for doubtful accounts and by contractual allowances. The Center estimates doubtful accounts and contractual allowances based on historical collection rates by patient financial class (e.g. Private Insurance, Medicaid, etc.), factors related to specific payor's ability to pay, and current economic trends. The Center writes off accounts receivable against the allowance when a balance is determined to be uncollectible. As of June 30, 2009, Patient Accounts Receivable consists of:

Medicaid	\$ 532,880
Medicare	117,783
Others	<u>262,379</u>
Subtotal	\$ 913,042
Allowance for Doubtful Accounts	<u>(673,293)</u>
Total	<u>\$ 239,749</u>

As of June 30, 2009, approximately 58% of total allowance relates to Medicaid receivables, 13% to Medicare receivables, and 29% to other receivables due from self-pay patients and insurance companies.

Revenue Recognition

Patient service revenue is reported as the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Self-pay revenue is recorded at published charges with charitable allowances deducted to arrive at net self-pay revenue. All other patient service revenue is recorded at published charges with contractual allowances deducted to arrive at net patient service revenue.

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

**ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

2. Summary of Significant Accounting Policies (continue)

Estimates

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

Contributed Services

During the year ended June 30, 2009, the School was the recipient of food, psychologist nurse and speech therapy service contributed by Chicago Public Schools valued at \$201,041.

Many unpaid volunteers have made significant contributions of their time to develop the Agency's programs. The value of the contributed time by volunteers and other contributed resources is not reflected in these financial statements since they do not meet the criteria for recognition.

Building and Equipment

Building and equipment are carried at cost. All purchases in excess of \$5,000 are capitalized, while lesser amounts are charged to expense. Depreciation and amortization is provided on a straight-line basis over 29.5 years for building and leasehold improvements, and five years for furniture and equipment.

Income Taxes

The Agency is exempt from Federal income taxes on related income under section 501(c)(3) of the Internal Revenue Code.

Cash

For purposes of the Statements of Cash Flow, cash include currency on hand and demand deposits. Cash balances are insured by the Federal Depository Insurance Corporation (FDIC) up to \$250,000 per bank for each organization.

Prior Year Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not detail changes in net assets by category for fiscal year 2008. Accordingly, such information should be read in conjunction with the Agency's and the Center's financial statements for the year ended June 30, 2008, from which the summarized information was derived. Certain amounts reported in 2008 have been reclassified to conform with the 2009 presentation. Such reclassification has no effect on reported income.

**ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

3. Notes payable

	<u>6/30/2009</u>	<u>6/30/2008</u>
Note Payable at 6.85% with a monthly payment of \$6,684 and matures on September 17, 2012	923,656	939,123
Note Payable at 6.25% with a monthly payment of \$5,145 and matures on November 1, 2022	515,905	572,400
Note Payable at 6.25% with a monthly payment of \$6,431 and matures on October 1, 2022	636,558	689,533
Note Payable at 6.85% with a monthly payment of \$4,753.50 and matures on September 17, 2012	648,392	-
Note Payable at 5% with a monthly payment of \$3,163 and matures on April 1, 2024	398,493	-
One year convertible construction loan at 6% with a interest only monthly payment and matures in April 23, 2009	-	175,000
One year convertible construction loan at 6% with a interest only monthly payment and matures in February 2010	140,500	-
Line of Credit at prime plus 1% and matures on January 5, 2010	<u>900,000</u>	<u>400,000</u>
Total	<u><u>4,163,504</u></u>	<u><u>2,776,056</u></u>

Subsequent to June 30, 2009, the \$900,000 line of Credit was converted to a term loan with monthly payment of \$6,950 maturing in August 2014. In addition, the one yer convertible construction loan was converted to a \$450,000 Note at 5% with estimated monthly payment of \$3,559 and maturing in January 2025. Accordingly, future annual principal and interest payments for each fiscal year are as follows:

June 30, 2010	\$ 408,818
June 30, 2011	438,061
June 30, 2012	438,061
June 30, 2013	1,811,541
June 30, 2014	302,971
Thereafter	<u>2,609,308</u>
Total	<u><u>\$ 6,008,760</u></u>

Interest amounted to \$242,474 in 2009 of which \$110,991 was capitalized and \$131,483 was expensed. Interest amounted to \$120,881 in 2008 of which \$117,647 was capitalized and \$3,234 was expensed. The Notes Payable is secured by the Agency's business assets and real estate.

**ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

4. Passages Charter School

In July 2008, the Chicago Public Schools renewed the School's charter for a five year term. The charter renewal agreement stipulated a number of conditions, including the outsourcing of the day-to-day management of the School to an education management company, and moving the School to a new ADA compliant location. During 2009, the Agency entered into a five-year management agreement with the American Quality Schools (AQS) for management services, and a five-year lease with the Archdiocese of Chicago for a school building.

5. Commitments and Contingencies

The Agency and the School rent their office and program space under the terms of leases expiring through June 2013. The payment terms include a monthly base rent plus utilities. Rent expense was \$510,221 in fiscal year 2009 and \$324,020 in fiscal year 2008. Annual base rent in subsequent fiscal years, under the leases, is summarized as follows:

	<u>Agency</u>	<u>School</u>	<u>Total</u>
Fiscal Year 2010	218,170	228,478	446,648
Fiscal Year 2011	128,439	236,591	365,030
Fiscal Year 2012	59,742	244,947	304,689
Fiscal Year 2013	-	253,553	253,553
	<u>\$ 406,351</u>	<u>\$ 963,569</u>	<u>\$ 1,369,920</u>

The lease with the Archdiocese includes required improvements to the facility to be completed by July 31, 2012, estimated at a total cost of \$1,292,804. The payment of these improvements is the sole responsibility of the tenant (the School) as the rent shown above is net of a partial rebate from the Archdiocese to cover the cost of these improvements.

The Health Center receives Medicaid and Medicare revenue from the State of Illinois and the federal government. Reimbursements received from Medicaid and Medicare are subject to audit by the state and federal government. Upon audit, if discrepancies are discovered, the Health Center could be held responsible for refunding the amounts in question.

Medicaid and Medicare revenue is reimbursed to the Health Center at the net reimbursement rates as determined by each program. Reimbursement rates are subject to revisions under the provisions of cost reimbursement regulations. Adjustments for such revisions are recognized in the fiscal year incurred.

ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

6. Government Contracts Support

<u>Federal Contracts</u>	<u>2009</u>	<u>2008</u>
Pass-through from City of Chicago:		
Mayor's Office of Workforce Development		
WIA - Core and Intensive Services	\$ 155,423	\$ 177,640
WIA High Speed Internet	1,200	1,200
Department of Children & Youth Services		
WIA - Youth Development Services	195,357	185,625
CDBG - Youth Development Services	16,834	27,831
Department of Public Health		
Ryan White Title I	-	36,330
Housing Opportunities for Persons with AIDS	21,553	25,506
CDBG - Family Violence Prevention	30,071	37,083
HIV Prevention	49,203	49,763
Food Program for Women, Infant & Children - FHC	136,259	94,500
Chicago Public Schools		
Title I NCLB	64,960	66,804
Title I Parent	-	1,586
LEA Flow Through Instruction	10,026	-
Idea Grant Special Ed	-	11,184
Pass-through from Illinois Department of Human Services:		
Mental Health	165,577	162,633
Donated Funds Initiative Title XX	110,050	109,317
Workfirst, Earnfare, Job Placement & Retention	605,238	462,881
Americorp	124,964	119,585
Public Health Diabetes	7,200	8,256
Pass-through from Illinois Department of Public Health		
Consolidated Health Centers - FHC	63,163	-
Breast and Cervical Cancer	-	82,983
Pass-through from Illinois Community College Board		
Adult Education and Family Literacy	81,913	85,953
Pass-through from AIDS Foundation of Chicago		
Ryan White Title I	-	42,984
African Refugee Aids	3,592	12,000
Emergency Cash Assistance	3,750	3,928
Pass-through from United Way Metropolitan Chicago		
FEMA	10,903	8,936
Pass-through from Northwestern University		
Multimedia Cardiovascular Disease Education	-	3,333
Direct from U.S. Department of Health and Human Services		
Housing Opportunities for Persons with AIDS	-	-
Consolidated Health Centers - FHC	711,534	661,447
Total Federal Contracts	<u>\$ 2,568,770</u>	<u>\$ 2,479,288</u>

**ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

7. Government Contracts Support (Continue)

<u>State Contracts</u>	<u>2008</u>	<u>2007</u>
Illinois Department of Human Services		
Medicaid	\$ 1,589,662	\$ 908,037
Mental Health and Developmental Disability	99,340	93,219
Mental Health IT Conversion	-	192
Workfirst, Earnfare, Job Placement & Retention	13,245	124,408
Day Care	475	20,630
Public Health Diabetes	2,800	-
Aids Foundation of Chicago		
Office of Rehabilitation Services	44,879	38,012
Illinois Department of Public Health		
Smart Heart to Women	-	24,957
Ticket for the cure	-	33,049
Center for Minority Health Sevices	61,869	37,750
HIV Prevention	58,913	105,600
HIV Housing	147,470	18,750
Breast and Cervical Cancer - FHC	271,305	-
Ticket for the Cure - FHC	23,559	29,999
Illinois State Board of Education		
Early Childhood Block Grant	85,987	84,307
Illinois Community College Board - Adult Education	137,242	128,503
Illinois Secretary of State		
Family Literacy	70,000	35,000
Penny Severn	4,800	4,800
Illinois DCCA - Eliminate the Digital Divide	40,000	42,075
Illinois Art Council	-	1,330
Total State Contracts	<u>2,651,546</u>	<u>1,730,618</u>
 <u>Local Contracts and Awards</u>		
CPS Community Partnership Program	211,488	162,285
Cook County Dept of Public Health - HIV Prevention	9,727	18,697
Cook County Emergency Funds	-	11,006
Chicago Department of Public Health HIV Education	-	-
Emergrncy Funds	9,000	-
Chicago SHAP	-	6,000
Chicago CDBG - Summer Mini Grant	-	2,000
CPS - Passages Charter School	1,653,419	1,975,258
Total Local Contracts	<u>1,883,634</u>	<u>2,175,246</u>
Total Government Contracts	\$ <u>7,103,950</u>	\$ <u>6,385,152</u>

Of the total 2009 government contracts support, \$2,718,551 was received from the Illinois Department of Human Services and \$1,728,405 was received from the Chicago Public Schools for the Passages Charter School. Loss of funding from these source would require the Agency to seek additional revenue sources or secure new grants in order to continue to provide its current level of services.

**ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

8. Qualified Retirement Plan

The Agency and the Center have a defined-contribution retirement plan, which covers all eligible employees. Participants can contribute up to 15% of eligible compensation on a pretax basis. Prior to February 28, 2009 the Agency and the Center matched the first 4% of the participants' contributions. As of March 1, 2009, the Agency and the Center suspended its matching contributions. The Agency's and the Center's contributions to the Defined-contribution retirement plan amounted to \$58,230 and \$3,927 respectively in fiscal year 2009

The School participates in the Public School Teachers' Pension and Retirement Fund of Chicago (Fund). Members of the Fund include all active nonannuitants who are employed by a Fund-covered employer to provide services for which teacher certification is required. The State of Illinois appropriates public contributions to the Chicago Public Schools, which remit those contributions to the Fund as applicable employer contributions. The employer contributions for the year ended June 30, 2009 is approximately 13.9% of pensionable salary, and amounted to \$85,545, and has been included in contributed revenue.

9. Accrued Vacation Expense

All regular employees are granted paid vacation days. Employees can carry over 40 hours of unused vacation days beyond their anniversary date. The amount of vacation days for which the Agency and the Center are obligated is \$107,590 as of June 30, 2009. This amount is included in accrued expenses.