

COMBINED FINANCIAL STATEMENTS

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

*Year Ended June 30, 2015
with Independent Auditors' Reports*

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

COMBINED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying combined financial statements of Asian Human Services, Inc. (the Agency) and affiliate, which comprise the combined statement of financial position as of June 30, 2015, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asian Human Services, Inc. (the Agency) and affiliate as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Agency's and affiliate's 2014 financial statements, and our report dated November 28, 2014 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the financial statements from which it has been derived

A handwritten signature in black ink that reads "Wong & Knowles". The script is fluid and cursive, with the ampersand being particularly stylized.

Elmhurst, Illinois
December 29, 2015

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

COMBINED STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2015 AND 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Cash	\$ 451,606	\$ 269,959
Investments, Fair Value	95,456	293,963
Accounts and grants receivable, net of \$1,527,613 of allowance	2,171,769	1,662,661
Prepaid expenses and security deposits	59,201	95,577
Other investments	75,113	40,000
Construction Work in Progress	21,513	-
Land	1,867,945	1,867,945
Buildings	6,127,167	6,067,444
Furniture and equipment	1,717,820	1,613,166
Leasehold improvements	1,444,106	1,322,484
Accumulated depreciation	<u>(2,602,785)</u>	<u>(2,105,393)</u>
TOTAL ASSETS	<u>\$ 11,428,911</u>	<u>\$ 11,127,806</u>
<u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 780,989	\$ 903,382
Notes payable	3,243,776	2,969,510
Other long term liabilities	<u>203,759</u>	<u>260,000</u>
TOTAL LIABILITIES	<u>\$ 4,228,524</u>	<u>\$ 4,132,892</u>
<u>NET ASSETS</u>		
Unrestricted	\$ 7,169,140	\$ 6,906,164
Temporarily restricted	<u>31,247</u>	<u>88,750</u>
TOTAL NET ASSETS	<u>\$ 7,200,387</u>	<u>\$ 6,994,914</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,428,911</u>	<u>\$ 11,127,806</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, 2015 WITH COMPARATIVE TOTALS FOR 2014

<u>SUPPORT:</u>	2015			<u>2014</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
Government contracts	\$ 10,766,205	\$ 60,390	\$ 10,826,595	\$ 9,575,648
Patient service revenue, net	3,424,804	-	3,424,804	2,970,242
Food service income	48,925	-	48,925	8,081
Contributions:				
Individuals and Corporate	32,740	-	32,740	32,189
Foundations	488,775	90,000	578,775	617,883
Interest and investment income	21,305	-	21,305	1,545
Program service fees and other	<u>413,490</u>	<u>-</u>	<u>413,490</u>	<u>285,784</u>
	15,196,244	150,390	15,346,634	13,491,372
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>207,893</u>	<u>(207,893)</u>	<u>-</u>	<u>-</u>
Total Support	<u>\$ 15,404,137</u>	<u>\$ (57,503)</u>	<u>\$ 15,346,634</u>	<u>\$ 13,491,372</u>
 <u>EXPENSES:</u>				
Program Services	\$ 14,255,374	\$ -	\$ 14,255,374	\$ 12,362,183
Support Services:				
Management and General	816,248	-	816,248	736,159
Fund Raising	<u>69,539</u>	<u>-</u>	<u>69,539</u>	<u>105,528</u>
Total Expenses	<u>15,141,161</u>	<u>-</u>	<u>15,141,161</u>	<u>13,203,870</u>
Change in net assets before extraordinary item	\$ 262,976	\$ (57,503)	205,473	287,502
Extraordinary item Reserve for mental health program	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>\$ 262,976</u>	<u>\$ (57,503)</u>	205,473	287,502
Net assets at beginning of year			<u>6,994,914</u>	<u>6,707,412</u>
Net assets at end of year			<u>\$ 7,200,387</u>	<u>\$ 6,994,914</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, 2015 WITH COMPARATIVE TOTALS FOR 2014

	Program Services	Support Services			2015	2014
		Management and General	Fund Raising	Total		
Salaries and fringe benefits	\$ 8,935,499	\$ 982,873	\$ -	\$ 982,873	\$ 9,918,372	\$ 8,872,788
Professional services	739,526	207,955	63,321	271,276	1,010,802	907,528
Space sharing	638,799	29,625	-	29,625	668,424	615,438
Telecommunication	193,101	8,741	-	8,741	201,842	280,000
Office and instructional supplies	440,790	20,487	1,759	22,246	463,036	285,713
Lab and medical testing	591,891	-	-	-	591,891	411,350
Insurance	124,431	3,576	-	3,576	128,007	106,363
Client Services - transportation and assistance	286,820	846	20	866	287,686	288,604
Staff conferences, travel and development	89,339	17,864	320	18,184	107,523	164,828
Memberships and public relations	57,952	11,642	4,119	15,761	73,713	27,550
Utilities	171,755	856	-	856	172,611	86,528
Maintenance and housekeeping	278,406	843	-	843	279,249	284,458
Management fees	294,680	241	-	241	294,921	208,659
Miscellaneous and others	231,697	6,093	-	6,093	237,790	33,404
Contributed goods and services	61,600	-	-	-	61,600	74,100
Allocation of management and general expenses	<u>752,733</u>	<u>(752,733)</u>	<u>-</u>	<u>(752,733)</u>	<u>-</u>	<u>-</u>
Total expenses before Depreciation and Amortization	13,889,019	538,909	69,539	608,448	14,497,467	12,647,311
Interest Expense	5,508	140,794	-	140,794	146,302	135,335
Depreciation and Amortization	<u>360,847</u>	<u>136,545</u>	<u>-</u>	<u>136,545</u>	<u>497,392</u>	<u>421,224</u>
Total expenses	<u>\$ 14,255,374</u>	<u>\$ 816,248</u>	<u>\$ 69,539</u>	<u>\$ 885,787</u>	<u>\$ 15,141,161</u>	<u>\$ 13,203,870</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, 2015 AND 2014

	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 205,473	\$ 287,502
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	497,392	421,224
(Increase) decrease in operating assets		
Investments	198,507	(97,888)
Accounts and Grant receivable	(509,108)	21,959
Prepaid expenses	36,376	(820)
Other investments	(35,113)	(25,000)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(122,393)	51,114
Net Cash Provided (Used) By Operating Activities	271,134	658,091
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of furniture & equipment	(104,654)	(645,557)
Construction work in progress	(21,513)	2,245,136
Building, real estate acquisition and improvements	(59,723)	(2,856,773)
Leasehold improvement	(121,622)	(133,133)
Net Cash Used By Investing Activities	(307,512)	(1,390,327)
CASH FLOW FROM FINANCING ACTIVITIES		
Additional bank financing	544,397	650,000
Repayment of bank loans and other liabilities	(326,372)	(247,427)
Net Cash Provided By Financing Activities	218,025	402,573
NET INCREASE (DECREASE) IN CASH	181,647	(329,663)
CASH, beginning of year	269,959	599,622
CASH, end of year	\$ 451,606	\$ 269,959
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	\$ 146,302	\$ 135,335

See accompanying notes to financial statements

ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. Organization

Asian Human Services, Inc. (the Agency), an Illinois corporation, was incorporated on May 11, 1978. Its mission is to provide client-centered, quality and compassionate services to Asian immigrants and other under-served communities so that they can fully participate in society, prosper and thrive. The Agency identifies issues, needs and problems affecting the Pan-Asian and other communities and addresses them through direct services and community education covering both children and adults as follows: a charter grade school, mental health services, community health services, literacy and employment programs.

The Agency established Passages Charter School (the School) in 2000. The School's current charter expires on June 30, 2018, and is operating as a division of the Agency. Effective July 2014, the charter agreement was amended to increase student enrollment from 410 to 460 students.

During 2010, the Agency formed PIPAL, NFP, (PIPAL) a wholly owned subsidiary governed by a separate Board of Directors to hold and manage all real estate assets owned by the Agency.

The Agency incorporated Asian Human Services Family Health Center, Inc. (the Center), an Illinois corporation, in 2001. The Center is 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 and the suburbs. The Center operates three clinics during fiscal year 2015 providing services for common health problems such as the 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, OB/GYN and dental 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.

The combined financial statements include the accounts of the Agency, School, PIPAL, and the Center. All intercompany transactions and balances between and among the entities have been eliminated.

2. Summary of Significant Accounting Policies

Cash

For purposes of the Statements of Cash Flow, cash includes currency on hand, and demand deposits. The Center maintains its primary bank accounts with one financial institution. Cash balances are insured by the Federal Depository Insurance Corporation.

ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

2. Summary of Significant Accounting Policies (continue)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

The Center accounts for its other investments in related healthcare ventures using the equity method of accounting.

Building Property and Equipment

Building, property 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 are recorded on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the life of the lease. Depreciation on furniture and equipment depreciation ranges from three to five years.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Services

During the year ended June 30, 2015, the School was the recipient of special education clinician services contributed by Chicago Public Schools valued at \$61,600.

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 as contributed services.

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 be used 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, 2015

2. Summary of Significant Accounting Policies (continue)

Reserve for Accounts and Grants Receivable

The Agency uses the allowance method to determine uncollectible accounts and grants receivable. The allowance is based on prior year's experience and management's analysis of specific accounts or grants.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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.

Income Taxes

The Agency and affiliate are exempt from Federal income taxes on related income under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made in the accompanying financial statements for income taxes. The Agency's and affiliate's Forms 990, *Return of Organization Exempt From Income Tax*, for the years ended June 30, 2012, 2013 and 2014 are subject to examination by the IRS, generally for three years after they were filed.

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 2014. Accordingly, such information should be read in conjunction with the Agency's and the Center's financial statements for the year ended June 30, 2014, from which the summarized information was derived. Certain amounts reported in 2014 have been reclassified to conform with the 2015 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, 2015

3. Restrictions on Net Assets

Temporary restrictions on net assets at the end of 2015 and 2014 are related to government grants and foundation contributions for the following fiscal year.

4. 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. Patient Accounts Receivable consists of:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Medicaid	\$ 937,677	\$ 388,044
Medicare	142,990	67,600
Private Insurance and Self-pay	<u>935,484</u>	<u>621,427</u>
Subtotal	2,016,151	\$ 1,077,071
Allowance for Doubtful Accounts	<u>(1,527,613)</u>	<u>(871,943)</u>
Total	<u><u>488,538</u></u>	<u><u>\$ 205,128</u></u>

As of June 30, 2015, approximately 39% of total allowance relates to Medicaid receivables, 7% to Medicare receivables, and 20% to private insurance companies, and 34% to self-pay patients.

5. Fair Value Measurements of Investments

The Agency valued its investments using a three level hierarchy:

Level 1 - quoted prices for investments in active markets for identical assets or liabilities.

Level 2 - other observable inputs such as quoted prices of similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.

Level 3 - unobservable inputs, including the Agency's own assumptions and judgement in determining the fair value.

The fair value of the Agency's investments as of June 30, 2015 was \$95,456 of money market funds valued with Level 1 input.

ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

6. Other Investments

The Center is a non-controlling member in Together4Health, LLC (T4H), an Illinois Limited Liability Company (LLC). T4H was created on October 26, 2012 as a Care Coordination Entity (CCE) as defined in the State of Illinois statutes. T4H's mission is to be a regional community health home safety network that supports vulnerable people including those living with chronic and multiple medical, mental health and substance use conditions, people living in poverty, people experiencing homelessness, the unemployed and underemployed, and those with limited access to services due to cultural or language barriers. In FY2016 State of Illinois did not renew the CCE contract. As a result, T4H Board of Directors voted to dissolve the entity. In December 2015 the Center's original capital contribution was returned to the Center. In addition, after paying off all liabilities, any excess funds will be distributed to the LLC members, including the Center.

The Center is also a non-controlling (11.11%) equity member in Accountable Care Chicago, LLC (the Company), an Illinois Limited Liability Company, dba MyCare Chicago. The Company has been formed to serve as an Accountable Care Entity (ACE) in accordance with the criteria established by the Illinois Department of Healthcare and Family Services. The mission of the Company is to develop an integrated delivery system, share clinical information, and design and implement a model of care and financial management that provides improved health outcomes to the Medicaid population.

The Company has entered into an agreement with Molina Healthcare of Illinois (Molina) to become its partner in risk-based Medicaid managed care. By January 1, 2016, all current MyCare Chicago enrolled members will transition to the Molina Medicaid Plan.

The Center's original capital contribution was returned on August 31, 2015. Beginning January 1, 2016 MyCare Chicago will continue to manage and operate the MyCare Chicago provider network and provide care coordination for high and moderate risk enrollees. It will also set up infrastructure to facilitate population health and data analytics and management structure to influence and elevate provider driven managed care. After implementing infrastructure, any excess funds will be distributed to the LLC members according to the signed Accountable Care Chicago, LLC agreement and according to the schedule determined by the Accountable Care Chicago, LLC Board of Directors.

7. Equipment and Facilities

On September 3, 2013, the Center opened a new clinic at 2505 West Peterson Avenue, Chicago, Illinois. The approximately 8,000 square foot facility provides medical and dental services as a look-a-like facility as designated by the U.S. Department of Health and Human Services. The facility was capitalized in the approximate amount of \$2.7 million.

Effective March 26, 2014, Pipal, NFP, a wholly owned subsidiary of AHS, acquired a property located at 8800 Lockwood Drive, Skokie, Illinois and entered into a space sharing agreement with the Center to provide medical and dental services to the local area under the terms of a new access point provided to the Center by the U. S. Department of Health and Human Services. The facility is 6,200 square feet and opened on April 1, 2014.

ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

8. Commitments and Contingencies

The Agency and the Center receives support from the federal, state and local government, which are subject to the audit of various government agencies. Upon audit, if discrepancies are found, the Agency and the Center could be held responsible for refunding the amounts in question.

Medicaid and Medicare revenue is reimbursed to the 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.

As of June 30, 2015, the Agency reserved \$203,759 as a contingent liability to the Illinois Department of Human Services resulting from changes in the terms of the fiscal year 2010 mental health contract.

The Agency and the School rent their office and program space under the terms of leases with various expiration dates. Annual base rent excluding space sharing in subsequent fiscal years is summarized as follows:

	<u>Agency</u>	<u>School</u>	<u>Total</u>
Fiscal Year 2016	\$ 239,283	\$ 407,704	\$ 646,987
Fiscal Year 2017	245,048	421,195	666,243
Fiscal Year 2018	172,824	435,089	607,913
Fiscal Year 2019	175,055	-	175,055
Fiscal Year 2020	88,085	-	88,085
	<u>\$ 920,295</u>	<u>\$ 1,263,988</u>	<u>\$ 2,184,283</u>

The School's lease with the Archdiocese includes required improvements to the facility to be completed at an agreed upon future date, 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 School has completed more than half of the improvements agreed upon as of June 30, 2015.

**ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

9. Notes payable

	<u>6/30/2015</u>	<u>6/30/2014</u>
Note Payable at 3.11% and adjustable every five years, monthly payment of \$4,590 and matures on March 1, 2021	\$ 289,678	\$ 334,984
Note Payable at 2.89% and adjustable every five years, monthly payment of \$5,614 and matures on February 1, 2021	350,885	407,231
Note Payable at 5.875% and adjustable every five years, monthly payment of \$3,767 and matures in January 2025	330,441	355,627
Note Payable at 5% and adjustable every five years, monthly payment of \$980 and paid off in FY2015	-	79,551
Note Payable at 5% and adjustable every five years, monthly payment of \$5,268 and matures on April 1, 2029	616,030	645,276
Notes Payable at 5%, monthly payment of \$6,968 and matures on December 1, 2017	1,120,917	1,146,841
Note Payable at 6.88% with a monthly payment of \$1,537 for 36 months beginning September 1, 2014	35,825	-
Agency revolving line of credit at prime plus 1%	<u>500,000</u>	<u>-</u>
Total	<u>\$ 3,243,776</u>	<u>\$ 2,969,510</u>

Interest amounted to \$146,094 and \$133,821 in 2015 and 2014 respectively all of which was expensed. The Notes Payable is secured by the Agency's and the Center's business assets, real estate and guarantees.

Future annual principal and interest payments for each fiscal year are as follows:

June 30, 2016	\$ 832,940
June 30, 2017	332,940
June 30, 2018	1,323,753
June 30, 2019	230,876
June 30, 2020	230,876
Thereafter	<u>850,789</u>
Total	<u>\$ 3,802,174</u>

During FY2015, the Agency and the Center have lines-of-credit with a maximum borrowing limit of \$700,000 and \$300,000 respectively. They mature on December 31, 2015 and bear interest at the bank's prime rate plus 1% with an interest rate floor of 5%. Advances under the lines are limited to 75% of the grant and contract receivables. As of June 30, 2015, the Center had no balance due under its line-of-credit.

On July 23, 2015, the terms of the line-of-credit were changed to mature on July 21, 2016 with a maximum borrowing limit of \$950,000 and \$550,000 respectively. They bear interest at the bank's prime rate plus 1% with an interest rate floor of 5%. Advances under the line are limited to 80% of the grants and contracts receivables. During FY2016, the Center made a \$250,000 draw on its line-of-credit.

On November 13, 2015, the Center entered into a loan agreement for the renovation of the Skokie facility in the amount of \$400,000. The Center is the borrower and PIPAL, NFP the mortgagor. This note matures in fifteen years and bears an initial interest rate of 5.375% adjustable every five years.

ASIAN HUMAN SERVICES, INC.
ASIAN HUMAN SERVICES FAMILY HEALTH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

10. Government Contracts Support

The Statement of Activities reflects the organization or government entity who manages the contracts or grants. The following summary reflects the origin of the funds. Of the total 2014 government contracts support, \$1,539,202 was received from the Illinois Department of Human Services and \$4,526,595 was received from the Chicago Public Schools. Loss of funding from these sources would require the Agency to seek additional revenue or secure new grants in order to continue to provide its current level of services.

<u>Federal Contracts</u>	<u>2015</u>	<u>2014</u>
Pass-through from City of Chicago:		
Department of Family and Support Services		
CDBG - Youth Development Services	\$ -	\$ 21,059
Department of Public Health		
Prevention with Positives	36,264	63,486
Ryan White Services	50,601	64,240
Housing Opportunities for Persons with AIDS	72,795	47,469
CDBG - Family Violence Prevention	40,412	15,000
HIV Prevention (AIDS)	43,828	-
HIV Prevention NE/NS	-	52,888
Food Program for Women, Infant & Children - FHC	188,003	192,000
Chicago Public Schools		
Title I	125,973	178,414
Title II	34,101	44,402
Pass-through from Illinois Department of Human Services:		
Employment Services for Disabled FSS	184,196	233,632
Mental Health	135,716	135,716
Donated Funds Initiative Title XX	110,050	108,830
Workfirst, Earnfare, Job Placement & Retention	536,857	562,617
Americorp	153,125	101,795
Pass-through from Illinois Department of Public Health		
HOPWA (HIV)	24,735	-
Ryan White Care Services	55,000	45,055
Consolidated Health Centers - FHC	689,233	135,719
Passthrough from Illinois State Board of Education		
Child and Adult Care Food Program	29,836	26,211
Pass-through from Illinois Community College Board		
Adult Education and Family Literacy	161,157	133,433
Pass-through from United Way Metropolitan Chicago		
Emergency Food and Shelter Program	12,000	9,500
Pass-through Chicago Cook Workforce Partnership		
WIA Youth	301,927	147,607
Direct from U.S. Department of Health and Human Services		
Consolidated Health Centers - FHC	<u>1,715,520</u>	<u>1,629,863</u>
Total Federal Contracts	<u>\$ 4,701,329</u>	<u>\$ 3,948,936</u>

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10. Government Contracts Support (Continue)

<u>State Contracts</u>	<u>2015</u>	<u>2014</u>
Illinois Department of Human Services		
Mental Health Non-Medicaid	\$ 55,739	\$ 72,232
Mental Health Evidence Based Training	-	8,050
Day Care Action	120,611	121,448
SNAP	11,062	13,655
Employment Services for Disabled FSS	64,334	-
Mental Health Psychiatric Services	167,512	167,512
Aids Foundation of Chicago		
Office of Rehabilitation Services	207,472	147,955
Illinois Department of Public Health		
Center for Minority Health Services	34,915	35,000
Center for Minority Health - Breast & Cervical Cancer	24,137	-
HIV Prevention	35,256	62,400
HIV Housing	75,000	75,000
Office of Health Promotion - Quality of Life	105,779	66,667
Hepatitis B Outreach	63,502	63,508
Ticket for Cure - FHC	25,000	-
Breast and Cervical Cancer - FHC	249,767	358,239
Tobacco Settlement - FHC	12,500	6,250
Illinois State Board of Education		
Early Childhood Block Grant	-	78,158
Illinois Community College Board - Adult Education	313,140	291,792
Illinois Secretary of State - Family Literacy	70,000	93,003
Illinois Capital Development Board	-	313,044
Illinois DCEO		
Home Energy Audit Grant	86,813	-
Opportunity Job Training	70,445	74,724
Total State Contracts	<u>1,792,984</u>	<u>2,048,637</u>
 <u>Local Contracts and Awards</u>		
CPS Community Partnership Program	276,900	87,600
Chicago Department of Public Health - HIV Prevention	48,129	-
CDBG - Youth Grant	35,157	10,691
CPS - Passages Charter School	4,089,621	3,782,353
Total Local Contracts	<u>4,449,807</u>	<u>3,880,644</u>
Total Government Contracts	<u>\$ 10,944,120</u>	<u>\$ 9,878,217</u>

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11. 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. As of March 1, 2009, the Agency and the Center suspended its matching contributions.

The School participates in the Public School Teachers' Pension and Retirement Fund of Chicago (Fund), a defined benefit plan. Members of the Fund include all active non-annuitants 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, 2015 was 11.16% of pensionable salaries and amounted to \$189,761. This amount included \$6,875 attributable to the special education clinician in-kind contributed services.

Eligible employees were also required to contribute 9% of their pensionable salaries. As a benefit to the employees with continuous employment meeting certain requirements, the School paid a portion of the employee contribution. For the year ended June 30, 2015, this amounted to \$5,715.

12. Evaluation of Subsequent Events

The Agency has evaluated subsequent events through December 29, 2015, which is the date financial statements were available to be issued.