

**AUDITED FINANCIAL STATEMENTS  
AND SINGLE AUDIT REPORTS**

**CHINESE AMERICAN SERVICE LEAGUE, INC.**

*Year Ended June 30, 2018  
with Independent Auditors' Reports*

**Chinese American Service League, Inc.**  
**Audited Financial Statements and Single Audit Reports**  
**Year Ended June 30, 2018**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the  
Chinese American Service League, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of the Chinese American Service League, Inc. (the Agency), which comprise the statements of financial position as of June 30, 2018, and the related 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 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 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 the Chinese American Service League, Inc. as of June 30, 2018, 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 2017 financial statements, and our report dated September 30, 2017, 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, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Matters****Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying additional Supplementary Information on pages 25 to 32 is also presented for purposes of additional analyses and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Both the Schedule of Expenditures of Federal Awards and the additional Supplementary Information have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 2, 2018, on our consideration of Chinese American Service League, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Agency's internal control over financial reporting and compliance.



Elmhurst, Illinois  
November 2, 2018

**CHINESE AMERICAN SERVICE LEAGUE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2018 and 2017**

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Current Assets		
Unrestricted		
Cash	\$ 3,326,899	\$ 2,399,056
Contract receivables	2,187,514	2,640,539
Unconditional Promises to Give	33,600	247,600
Other Unrestricted Current Assets	<u>117,102</u>	<u>157,382</u>
Total Unrestricted Current Assets	<u>5,665,115</u>	<u>5,444,577</u>
Designated and Reserved		
Cash Designated for Building Replacement	183,282	284,411
Cash Reserved for IDOA Insurance Premium	413,872	413,872
Cash Reserved for In-Home Service Program	283,027	62,866
Cash Reserved for CBCAC	<u>60,088</u>	<u>-</u>
Total Designated and Reserved Current Assets	<u>940,269</u>	<u>761,149</u>
Total Current Assets	<u>6,605,384</u>	<u>6,205,726</u>
Other Long Term Assets		
Unconditional Promises to give, net	16,619	29,019
Cash Reserved for Retirement Benefit	176,591	217,102
Investment Reserved for Retirement Benefit	246,326	255,815
Investment Permanently Restricted	<u>24,644</u>	<u>22,850</u>
Total Other Long Term Assets	<u>464,180</u>	<u>524,786</u>
Fixed Assets		
Land	449,403	449,403
Building	6,732,065	6,732,065
Building Improvements	114,329	-
Furniture, vehicles and equipment	227,886	212,220
Accumulated depreciation and amortization	<u>(3,566,597)</u>	<u>(3,319,757)</u>
Net Fixed Assets	<u>3,957,086</u>	<u>4,073,931</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>11,026,650</u></b>	<b>\$ <u>10,804,443</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities		
Accounts Payable	\$ 194,145	\$ 109,057
Accrued Liabilities	1,180,162	912,321
Current Portion of Notes Payable	<u>117,169</u>	<u>117,759</u>
Total Current Liabilities	<u>1,491,476</u>	<u>1,139,137</u>
Notes Payable, less current portion	2,560,096	2,687,030
Accrual for Unemployment Benefits	<u>373,550</u>	<u>373,550</u>
<b>TOTAL LIABILITIES</b>	<u>4,425,122</u>	<u>4,199,717</u>
Net Assets		
Unrestricted, Undesignated	5,742,021	5,561,744
Unrestricted, Designated for Building Replacement	183,282	284,411
Unrestricted, Reserved for Retirement Benefit	422,917	472,917
Temporarily Restricted	228,664	262,804
Permanently Restricted	<u>24,644</u>	<u>22,850</u>
<b>TOTAL NET ASSETS</b>	<u>6,601,528</u>	<u>6,604,726</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>11,026,650</u></b>	<b>\$ <u>10,804,443</u></b>

See accompanying notes to financial statements

# CHINESE AMERICAN SERVICE LEAGUE, INC.

## STATEMENTS OF ACTIVITIES

YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE TOTALS FOR 2017

<b><u>SUPPORT:</u></b>	<b>2018</b>				<b>2017</b>
	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>	<u>Total</u>
Government contracts	\$ 7,027,671	\$ 43,778	\$ -	\$ 7,071,449	\$ 7,508,609
Contributions:					
Individuals and Corporate	87,222	-	-	87,222	225,208
Foundations	332,250	116,500	-	448,750	582,576
United Way of Chicago	117,750	-	-	117,750	84,250
Special events	338,159	-	-	338,159	388,065
(net of \$213,139 of related expenses)					
Long-term Care Service Fees	4,786,854	-	-	4,786,854	3,822,028
Program service fees and other	<u>462,546</u>	<u>39,365</u>	<u>1,794</u>	<u>503,705</u>	<u>615,802</u>
	<u>\$ 13,152,452</u>	<u>\$ 199,643</u>	<u>\$ 1,794</u>	<u>\$ 13,353,889</u>	<u>\$ 13,226,538</u>
Net assets released from restrictions:					
Satisfaction of program restrictions	193,947	(193,947)	-	-	-
Expiration of time restrictions	<u>39,836</u>	<u>(39,836)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total support</b>	<b><u>\$ 13,386,235</u></b>	<b><u>\$ (34,140)</u></b>	<b><u>\$ 1,794</u></b>	<b><u>\$ 13,353,889</u></b>	<b><u>\$ 13,226,538</u></b>
<b><u>EXPENSES:</u></b>					
Program Services	\$ 12,465,751	\$ -	\$ -	\$ 12,465,751	\$ 12,563,162
Support Services:					
Management and General	351,680	-	-	351,680	338,303
Fund Raising	<u>539,656</u>	<u>-</u>	<u>-</u>	<u>539,656</u>	<u>642,382</u>
Total support services	\$ 891,336	\$ -	\$ -	\$ 891,336	\$ 980,685
<b>Total expenses</b>	<b><u>\$ 13,357,087</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 13,357,087</u></b>	<b><u>\$ 13,543,847</u></b>
<b>Change in net assets</b>	<b><u>\$ 29,148</u></b>	<b><u>\$ (34,140)</u></b>	<b><u>\$ 1,794</u></b>	<b><u>\$ (3,198)</u></b>	<b><u>\$ (317,309)</u></b>
<b>Net assets at beginning of year</b>				<b><u>6,604,726</u></b>	<b><u>6,922,035</u></b>
<b>Net assets at end of year</b>				<b><u>\$ 6,601,528</u></b>	<b><u>\$ 6,604,726</u></b>

See accompanying notes to financial statements

**CHINESE AMERICAN SERVICE LEAGUE, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE TOTALS FOR 2017**

	Program Services	Support Services			2018	2017
		Management and General	Fund Raising	Total		
Salaries	\$ 9,235,001	\$ 177,821	\$ 382,274	\$ 560,095	\$ 9,795,096	\$ 9,801,440
Health insurance and retirement	789,189	13,297	53,952	67,249	856,438	955,965
Payroll taxes and insurance	<u>846,546</u>	<u>15,280</u>	<u>35,049</u>	<u>50,329</u>	<u>896,875</u>	<u>924,446</u>
Total salaries and related benefits	10,870,736	206,398	471,275	677,673	11,548,409	11,681,851
Professional fees	180,366	58,198	3,052	61,250	241,616	396,883
Supplies	208,237	17,756	21,365	39,121	247,358	286,424
Software	212,033	-	-	-	212,033	-
Interest and Fees	85,833	4,665	2,799	7,464	93,297	79,811
Telephone	67,732	5,208	-	5,208	72,940	84,599
Postage and shipping	7,872	907	1,690	2,597	10,469	4,402
Utilities	102,345	5,562	3,337	8,899	111,244	114,323
Repairs and maintenance	116,531	5,767	3,316	9,083	125,614	121,527
Property and liability insurance	35,016	3,860	1,946	5,806	40,822	38,481
Printing	65,074	4,992	9,002	13,994	79,068	93,840
Local transportation	69,166	3,169	654	3,823	72,989	75,800
Conferences, conventions, meetings and travel	56,355	15,987	1,255	17,242	73,597	111,345
Client and trainee assistance	22,514	-	-	-	22,514	40,480
Other	<u>138,815</u>	<u>6,864</u>	<u>12,598</u>	<u>19,462</u>	<u>158,277</u>	<u>166,464</u>
Total expenses before Depreciation and amortization	12,238,625	339,333	532,289	871,622	13,110,247	13,296,230
Depreciation and amortization	<u>227,126</u>	<u>12,347</u>	<u>7,367</u>	<u>19,714</u>	<u>246,840</u>	<u>247,617</u>
	<u>\$ 12,465,751</u>	<u>\$ 351,680</u>	<u>\$ 539,656</u>	<u>\$ 891,336</u>	<u>\$ 13,357,087</u>	<u>\$ 13,543,847</u>

See accompanying notes to financial statements

# CHINESE AMERICAN SERVICE LEAGUE, INC.

## STATEMENTS OF CASH FLOW

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (3,198)	\$ (317,309)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	246,840	247,617
(Increase) decrease in operating assets		
Contracts receivable	453,025	(703,760)
Promises to give	226,400	(231,218)
Assets Reserved for In-Home Program	(220,161)	(11,109)
Assets Designated for Building Replacement	101,129	(8,341)
Assets Held for Third Party	(60,088)	18,968
Other Assets	40,280	(30,702)
Increase (decrease) in operating liabilities		
Accounts payable	85,088	23,868
Accrued liabilities	<u>267,841</u>	<u>(63,536)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ <u>1,137,156</u></b>	<b>\$ <u>(1,075,522)</u></b>
 <b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Assets Designated for Retirement Benefit	50,000	(472,917)
Purchases furniture & equipment	\$ (15,666)	\$ -
Building Improvements	(114,329)	-
Assets Permanently Restricted	<u>(1,794)</u>	<u>(968)</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>\$ <u>(81,789)</u></b>	<b>\$ <u>(473,885)</u></b>
 <b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments of notes payable	<u>(127,524)</u>	<u>(120,709)</u>
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<b>\$ <u>(127,524)</u></b>	<b>\$ <u>(120,709)</u></b>
 <b>NET INCREASE (DECREASE) IN CASH</b>	<b>\$ 927,843</b>	<b>\$ (1,670,116)</b>
 <b>CASH, beginning of year</b>	<b>\$ <u>2,399,056</u></b>	<b>\$ <u>4,069,172</u></b>
 <b>CASH, end of year</b>	<b>\$ <u>3,326,899</u></b>	<b>\$ <u>2,399,056</u></b>
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW:</b>		
Cash paid during the year for interest	<u>\$ 93,297</u>	<u>\$ 79,811</u>

See accompanying notes to financial statements



**CHINESE AMERICAN SERVICE LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**1. Organization**

Chinese American Service League, Inc. (the Agency), an Illinois corporation, was incorporated on February 3, 1978 as a nonprofit community-based social service agency.

**Mission Statement:**

The Chinese American Service League (CASL) was established and exists as a nonprofit community-based social service agency for the purpose of strengthening the physical, economic, and mental health of people of all ages and backgrounds of the Chinese community in the greater Chicago area. This is achieved through comprehensive program activities that:

Lead to family economic self-sufficiency

Strengthen families

Ease the cultural transitions of individuals and families as they integrate into American society

Engage in advocacy to achieve positive social systemic change

**Vision Statement**

CASL will be a critical anchor for the greater Chicago Chinese community delivering impactful programs and services that preserve and nurture the connection that current and future generations have to their Chinese culture and heritage. Supported by CASL, our community members will live prosperous and empowered lives integrating the best of Chinese and American cultures.

The Agency provides services through the following major departments & programs:

Children & Youth Development supports children ages 0 to 18 years old in getting ready for school and becoming confident, responsible, and thriving individuals who contribute back to our community and succeed in global society. Specifically, CASL ensures that children of immigrant families develop with the social and emotional stability they need for healthy acculturation into American society and a positive blend of cultures. We also encourage non-immigrant, non-Chinese families to join us for an enriching cultural experience.

CASL's four, age-based children and youth programs are a vital foundation that provides the skills for children to succeed at school, and that support the family unit as a whole.

The Family Learning and Resource Center supports new parents of children ages 0 to 3, includes dynamic, on-site group activities for interactive social experiences, and is supplemented by developmentally-focused in-home visits.

The Child Development Center for children ages 2 to 5 is a certified and nationally accredited early childhood education program that provides multilingual, multicultural, full-day curricula in two-year-old, three-year-old, and four-to-five-year-old classrooms-well-rounded, research-based curricula that includes literacy, math, science, art, music, and physical fitness.

The School Age Center for children ages 5 to 12 addresses the social and emotional needs of children and pre-teens who are either immigrants or have immigrant parents. Academic assistance is paired with artistic outlets and opportunities for children and pre-teens to express themselves and learn to thrive within a blend of cultures.

The Youth Development Program for ages 12 to 18 provides after school tutoring, mentoring, healthy recreation, leadership training, and preparation for college as well as adulthood.

**CHINESE AMERICAN SERVICE LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**1. Organization, continues**

Senior Wellness & Independence assists seniors with leading healthy, happy, independent, dignified, and engaged lives-in the comfort of their own home and community, and with the support of their own families.

Adult Day Services enhances older adults' physical, mental, and social well-being by engaging them in life enrichment activities within a safe, full-day community center environment.

In-Home Services enable older adults to live independently in their own home through the assistance of home care aides who provide companionship and assist with daily living and personal care.

Pine Tree Senior Council is a self-driven, social and civic engagement group that empowers seniors to be active in their community-whether through group activities, hobbies, travel, or political advocacy.

Evidence-Based Workshops help seniors manage their chronic diseases, improve their physical strength and balance, and learn to live healthy lifestyles.

Community Research includes collaboration with medical and academic research institutions that enhance services to seniors.

Employment & Financial Empowerment strengthens our community as a whole by enhancing the economic power of the individuals and families contributing to it. When our community members' financial needs are met, they in turn become highly productive members of society who benefit us all.

Adult Employment Program assists in finding job opportunities for adults who have multiple barriers-particularly new immigrants with low English language proficiency. The programs include thorough assessments of individuals, employment coaching and classes, a resource center, placement assistance, and employment retention.

Title V Senior Employment Program fosters and promotes effective part-time opportunities for unemployed, low-income people age 55 or older with limited employment prospects. The goal is to help participants enter or re-enter the workforce via any career.

Culinary Training Program offers Western cooking instruction and vocational English as Second Language-equipping students with knowledge and skills for entry-level positions with major hotels, institutions, and restaurants.

Financial Literacy Program works with individuals and families to help them achieve their financial goals through coaching and education on budgeting, banking, credit, identity theft, loans, purchases, and financial planning.

Housing Counseling assists individuals and families with preliminary home-buying protocol, post-purchase protocol, foreclosure prevention and intervention, and rental counseling. This program is certified by the U.S. Department of Housing and Urban Development (HUD).

Small Accessible Repairs for Seniors (SARFS) program helps seniors, who are aged 60 and older, make their home more accessible and safer so they can continue living with dignity.

**CHINESE AMERICAN SERVICE LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**1. Organization, continues**

Community & Family Well-Being makes certain that members of our community secure the human rights, foundational services, and public benefits necessary to function and thrive in our society. By stabilizing individuals, we are able to strengthen families and the community as a whole.

Healthcare Outreach and Coordination is offered in partnership with local hospitals and organizations, and helps those in need to navigate healthcare systems, understand insurance, and gain access to vital resources such as culturally sensitive primary care physicians, women's health services, wellness maintenance workshops, and health screening.

Case Management assesses needs and makes referrals to the appropriate resources.

Benefits enrollment assistance in programs-such as Medicaid, Supplemental Security Income, Women, Infants, and Children (WIC), and Low Income Energy Assistance Program (LIHEAP)-ensure that members of our community have their basic needs met.

Immigration Services puts immigrants on the path to citizenship through application, education, naturalization, and reunification for those who wish to bring their families to the United States. English as a Second Language (ESL) classes empower individuals with the dignity and confidence they need to establish healthy, productive lives in our society.

Entitlement programs ensure that members of our community have guidance with Social Security applications, Social Security benefits, and other civic benefits they have a right to.

Chinatown Pro Bono Legal Clinic is run by attorneys from various law firms and government agencies. They provide free legal consultation for walk-in clients on matters such as family law, real estate, landlord-tenant, immigration, housing, contracts and warranties, consumer fraud, employment, housing, probate, torts, collections, some criminal, and violations of municipal and regulatory laws.

Advocacy projects-executed in tandem with other local organizations-help keep our community inspired to make positive changes and motivated to take action.

**CHINESE AMERICAN SERVICE LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**2. Summary of Significant Accounting Policies**

**Cash**

For purposes of the Statements of Cash Flow, cash includes currency on hand, and demand deposits.

**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 or amortization is provided on a straight-line basis over thirty-nine and a half years for building, five to ten years for furniture and equipment.

**Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values 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. Short-term investments consist of securities with original maturities of twelve months or less. Long-term investments consist of securities with original maturities greater than twelve months.

The Agency's endowment investment portfolio consists of ownership units in JFMC Pooled Endowment Portfolio, LLC (PEP). PEP records its investments at fair value.

Investment reserved for retirement benefits consists of ownership units in an annuity issued by Pruco Life Insurance Company (Pruco), a Prudential Financial Inc. company. Pruco records its investments at fair value.

**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**

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.

**CHINESE AMERICAN SERVICE LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**2. Summary of Significant Accounting Policies, continues**

**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.

**Income Taxes**

The Chinese American Service League, Inc. is exempt from Federal income taxes on related income under section 501(c)(3) of the Internal Revenue Code. In addition, the Internal Revenue Service has determined the Agency is not a private foundation within the meaning of section 509(a) of the code. The Agency's Forms 990, *Return of Organization Exempt From Income Tax*, for the years ended June 30, 2015, 2016, and 2017 are subject to examination by the IRS, generally for three years after they were filed.

**Estimates**

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

**Promises to Give**

Contributions are recognized when a donor makes a promise to give to the Agency that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Agency uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

**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 2017. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 2017, from which the summarized information was derived. Certain amounts reported in 2017 have been reclassified to conform with the 2018 presentation. Such reclassification has no effect on reported income.

**Date of Management Review**

Subsequent events were evaluated through November 2, 2018, which is the date the financial statements were available to be issued.

**CHINESE AMERICAN SERVICE LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**3. Restrictions on Net Assets**

Substantially all of the restrictions on the temporarily restricted net assets during the year ended June 30, 2018, relate to program advance payments for subsequent periods. As program conditions are met, temporarily restricted net assets are reclassified to unrestricted net assets.

Permanently restricted net assets consist of endowment fund investment to be held indefinitely, the income from which is expendable to support general or specific purposes.

**4. Concentrations of Credit Risks**

Certain financial instruments potentially subject the Agency to concentrations of credit risk. These financial instruments consist primarily of cash and contract receivables.

The Agency maintains its primary bank accounts with three financial institutions. Part of the accounts is not covered by insurance provided by the Federal Depository Insurance Corporation. It is the opinion of the management that the solvency of the financial institutions is not of concern at this time.

Approximately 21.7% of the contract receivables at June 30, 2018 was due from the Illinois Department on Aging and 51.2% were due from Managed Care Organizations.

**5. Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Agency values its investments using a hierarchy of valuation input based on the extent to which the inputs are observable in the market place. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Agency uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Agency measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs were not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs were not available.

For investments that calculate net asset value per share, the reported net asset value (NAV) of investments as determined by the external managers are used to estimate their fair value. Investments that use NAV as a practical expedient for valuation purposes are shown separately from the valuation hierarchy. The Agency's investments consist of the following externally managed portfolios, using NAV:

	<u>2018</u>	<u>2017</u>
Endowment fund investment in PEP	24,644	22,850
Pruco annuity reserved for retirement benefits	246,326	255,815

**CHINESE AMERICAN SERVICE LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**6. Notes Payable**

	<u>6/30/2018</u>	<u>6/30/2017</u>
Note dated August 2012, monthly payment of \$295 for 60 months.	\$ -	\$ 590
Direct Purchase Loan, initial principal of \$3,375,000	<u>2,677,265</u>	<u>2,804,199</u>
Total Notes Payable	<u>\$ 2,677,265</u>	<u>\$ 2,804,789</u>

In August 2002, the Agency issued through the Illinois Development Finance Authority its secured note ("Note") in the principal amount of \$5,000,000. The Agency obtained the Note proceeds through the issuance and sale of its Variable Rate Demand Revenue Bonds (Chinese American Service League Project) series 2002 ("Bond"). The Note proceeds were used by the Agency to finance the costs of the acquisition, construction and equipping of the Agency's community service center.

On May 1, 2016, US Bank National Association and the Agency renewed and extended the outstanding principal balance of the Bond in the amount of \$2,929,232 to December 1, 2022. Shortly thereafter, the Agency entered into an interest rate swap agreement with US Bank through December 1, 2022, at the end of which the Bond may be remarketed.

The weighted average interest rate was 3.34% for the year ended June 30, 2018 and 2.74% for the year ended June 30, 2017.

The Agency also has a \$750,000 line of credit. As of June 30, 2018, there was no outstanding balance on this line of credit.

Interest paid on Notes Payable amounted to \$93,420 in 2018 and \$79,811 in 2017. The Agency may not incur any indebtedness other than as specifically permitted in the Agreement. The Notes Payable are secured by the Agency's land and building, improvements, equipment and fixtures, and certain rights, interests, and judgement as defined in a Mortgage and Security Agreement between the Agency and US Bank.

Future annual principal payments on the Direct Purchase Loan for each fiscal year are as follows:

June 30, 2019	\$	117,169
June 30, 2020		117,169
June 30, 2021		117,169
June 30, 2022		117,169
June 30, 2023		117,169
Thereafter		<u>2,091,420</u>
Total	\$	<u>2,677,265</u>

**CHINESE AMERICAN SERVICE LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**7. Government Contracts**

Public support from government contracts represents reimbursements of qualified costs submitted by the Agency. Qualified costs are defined by the individual agreements between the Agency and the contracting governmental units.

<b><u>Federal Contracts Passed-through:</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
City of Chicago:		
Department of Family and Support Services		
Employment Preparation & Placement Services	\$ 81,915	\$ 80,187
Industry-Specific Training and Placement Program (Chef Training)	46,080	37,120
Child Care Collaboration and Head Start Program	855,984	791,739
Department of Planning and Development		
Small Accessible Repair for Seniors	67,262	78,835
Housing Counseling Center	44,877	23,996
Illinois Department on Aging - Child and Adult Care Food Program	60,494	62,147
Illinois State Board of Education		
Child Care Food Program	80,557	76,945
Chicago Cook Workforce Partnership		
Chef Training Program	140,620	151,259
WIOA - Adult Program	192,744	175,569
WIOA - Youth Activities	244,341	244,345
Illinois Department of Human Services		
Illinois Action for Children - Child Care and Development Block Grant	2,303	-
Immigrant Family - SNAP Initiative	17,500	17,500
Immigrant Family Resource Program WIC Collaborative	22,500	22,500
National Asian Pacific Center on Aging (NAPCA)		
Senior Community Service Employment Program	510,808	558,096
Chinese Mutual Aid Association - ICCB EL/Civics Program	52,000	51,609
National Coalition for Asian Pacific American Community Development		
HUD Comprehensive Housing Counseling Program	49,000	35,413
U.S. Department of Health & Human Services		
Culture and Caregiving Needed for Chinese Elderly with Cognitive Impaired	80,335	-
Filial Piety and Psychosocial Well-Being in Chinese Population	1,372	34,545
Adapting Patient Navigation to Promote Cancer Screening in Chicago Chinatown	63,427	72,514
Epidemiology of Psychological Distress in a Chinese Aging Population	120,418	199,157
Suicide Prevention in Chinese Older Adults	39,907	102,108
U.S. Department of Homeland Security		
Citizenship and Integration Direct Services Grant	119,839	123,700
Illinois Community College Board - EL/Civics and Adult Education	14,280	68,480
Center for Disease Control - Ebola Infectious Disease Assessment	-	1,500
National Association for Latino Community Asset Builders - Fair Housing Initiative	-	17,322
<b>Total Federal Contracts</b>	<b>\$ 2,908,563</b>	<b>\$ 3,026,586</b>



**CHINESE AMERICAN SERVICE LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**7. Government Contracts, continues**

<u>State and Local Contracts:</u>	<u>2018</u>	<u>2017</u>
Community Economic Development Association - Low Income Home Energy Assistance (LIHEAP)	\$ 37,655	\$ 41,285
Chicago Department of Family & Supportive Services		
Out of School Time Programming - Year Round	47,512	38,303
Ready to Learn - Corporate Fund	-	10,091
National Coalition for Asian Pacific American Community Development		
Housing Counseling Grant	-	41,841
Technical Assistance Program	-	10,000
Financial Capability Pilot Project	-	27,261
Illinois Action for Children	-	1,071
After School Matters Inc	14,979	15,726
Asian American Advancing Justice	16,000	
Public Health Institute of Metropolitan Chicago - Healthy Chicago	40,000	-
Chinese Mutual Aid Association - ICCB Program	28,920	32,414
Illinois Housing Development Authority - Foreclosure Prevention Counseling & Education	63,141	-
Illinois Department of Human Services		
Teen REACH	-	58,320
Immigrant Family Resource Program	87,500	60,000
New Americans Initiative	91,000	60,000
Illinois State Board of Education		
Early Childhood Educational Service	285,600	273,350
Illinois Attorney General - National Foreclosure Settlement	-	43,522
Illinois Department on Aging - Adult Day Service	249,360	307,772
Illinois Department on Aging - In-Home Service	<u>3,009,985</u>	<u>3,503,141</u>
<b>Total State and Local Contracts</b>	<b>\$ 3,971,652</b>	<b>\$ 4,524,097</b>
<b>Total Government Contracts</b>	<b>\$ <u>6,880,215</u></b>	<b>\$ <u>7,550,683</u></b>

**CHINESE AMERICAN SERVICE LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**8. Promises to Give**

Unconditional promises to give consist of the following:

	<u>2018</u>	<u>2017</u>
Unrestricted promises	\$ 53,600	\$ 280,000
Less: Unamortized discount	<u>(3,381)</u>	<u>(3,381)</u>
Net unconditional promises to give	\$ 50,219	\$ 276,619
Amount due in		
Less than one year	\$ 30,220	\$ 247,600
One to four years	<u>19,999</u>	<u>32,400</u>
Total	\$ 50,219	\$ 280,000

Unconditional promises to give due in more than one year are recognized at fair value, using present value techniques and a discount rate of daily treasury yield plus one percent, averaging 2.19%, when the donor makes an unconditional promise to give to the Agency.

**9. Reserve for Unemployment Benefits**

As permitted by law, the Agency does not participate in the State unemployment program. It participates in the First Nonprofit Unemployment Savings Program which would reimburse the State for the actual unemployment claims paid to the Agency's employees. As a result of the fiscal uncertainties of the State of Illinois, the Agency has recorded an unemployment benefit reserve to meet its obligations for unplanned reduction in its work force that may result from the reduction of its State funded programs.

**10. Accrued Vacation Pay**

All regular employees of the Agency are granted paid vacation days. The Agency's policies provide for a maximum number of vacation days an employee can have accrued at year-end. Vacation days accrued in excess of the maximum are normally forfeited except in situations requiring the employee to be on duty. The amount of vacation days for which the Agency is obligated is \$183,919 as of June 30, 2018 and \$189,348 as of June 30, 2017. These amounts have been included in Accrued Liabilities.

**11. In-Home Service Health Insurance Program**

Illinois Department on Aging ("IDOA") funded a health insurance program for the In-Home Service program service providers based on service units defined in a contract with the Agency. As of June 30, 2018, the total amount received from IDOA exceeded the actual insurance premium by \$413,872, and this amount has been included in Accrued Liabilities.

**CHINESE AMERICAN SERVICE LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**12. Retirement Plan**

The Agency has a defined-contribution retirement plan which covers all eligible employees. Employer contributes a 3% Safe Harbor Non-Elective contribution. In addition, the employer can make discretionary matching and also non-matching contributions for eligible employees with the rates to be determined by the Board of Directors each year. Contributions to the plan amounted to \$188,577 in fiscal year 2018 and \$195,583 in fiscal year 2017.

In December 2016, the Agency established a Non-Qualified Deferred Compensation Plan (NQDC) for the benefit of the retiring President who had served the Agency since inception. The benefit became vested on the day the NQDC was established. Under the NQDC, the Agency would make quarterly payments of \$12,500 each beginning on April 1, 2017 with a final payment on January 1, 2022 totaling \$250,000. In addition, the Agency purchased an annuity from Pruco in the amount of \$250,000 for the benefit of the retiring President, and owned by the Agency. Annuity payments would begin April 1, 2022. The Agency set up a reserve against its net asset for the benefit under the NQDC; expenses would be recognized as payments are made, and the reserve would be reduced accordingly.

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**Independent Auditors' Report on  
Internal Control over Financial Reporting  
and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance with Government Auditing Standards**

To the Board of Directors of the  
Chinese American Service League, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Chinese American Service League, Inc. (the Agency), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 2, 2018.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

### **Purpose of this report**

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

A handwritten signature in black ink that reads "Wong & Knowles". The signature is written in a cursive, flowing style.

Elmhurst, Illinois  
November 2, 2018

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**Independent Auditors' Report on Compliance  
for Each Major Program and on  
Internal Control over Compliance  
Required by The Uniform Guidance**

To the Board of Directors of the  
Chinese American Service League, Inc.

**Report on Compliance for Each Major Federal Program**

We have audited the Chinese American Service League, Inc.'s (the Agency) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2018. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

## **Report on Internal Control Over Compliance**

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Wong & Knowles".

Elmhurst, Illinois  
November 2, 2018

**CHINESE AMERICAN SERVICE LEAGUE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditure	Expenditure to Subrecipient
<b><u>U.S. Department of Homeland Security</u></b>				
Direct program				
Citizenship and Integration Direct Services Grant	97.010	2016-CS-010-000011	\$ 119,839	\$ -
<b>Total U.S. Department of Homeland Security</b>			<b>\$ 119,839</b>	<b>\$ -</b>
<b><u>U.S. Department of Agriculture</u></b>				
Pass through programs from				
Illinois State Board of Education				
Child and Adult Care Food Program	10.558	15016575P00	\$ 80,557	\$ -
Illinois Department on Aging				
Child and Adult Care Food Program		SDA1212011	<u>60,494</u>	<u>-</u>
Total	10.558		141,051	-
Illinois Coalition for Immigrant and Refugee Rights				
Immigrant Family Resource Program WIC Collaborative	10.557		22,500	-
Immigrant Family - SNAP Initiative	10.561		<u>17,500</u>	<u>-</u>
<b>Total U.S. Department of Agriculture</b>			<b>\$ 181,051</b>	<b>\$ -</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Pass through program from				
Nat'l Coalition for Asian Pacific American Community Development				
Housing Counseling Assistance Program	14.169		\$ 49,000	\$ -
Chicago Dept of Family and Support Services				
Employment Preparation and Placement Services	14.218		30,692	-
Employment Preparation and Placement Services		43846	51,223	-
Industry-Specific Training and Placement Program			26,880	-
Industry-Specific Training and Placement Program		44147	19,200	-
Chicago Department of Planning & Development				
Small Accessible Repair for Seniors			53,679	-
Small Accessible Repair for Seniors		50008	13,583	-
Housing Counseling Center			23,504	-
Housing Counseling Center		50296	<u>21,373</u>	<u>-</u>
Total	14.218		<u>240,134</u>	-
<b>Total U.S. Department of Housing and Urban Development</b>			<b>\$ 289,134</b>	<b>\$ -</b>
<b><u>U.S. Department of Labor, Employment &amp; Training Administration</u></b>				
Pass through programs from				
National Asian Pacific Center on Aging				
Senior Community Service Employment Program	17.235*	SSP17-0004	\$ 510,808	\$ -
Ed Link				
Chef Training Program	17.258	NA	140,620	-
Chicago Cook Workforce Partnership				
WIOA - Adult Program		2016-253	46,678	-
		2017-253	<u>146,065</u>	<u>-</u>
Total	17.258		333,363	-
WIOA - Youth Activities	17.259	2017-454	<u>244,341</u>	<u>-</u>
<b>Total U.S. Department of Labor, Employment &amp; Training Administration</b>			<b>\$ 1,088,512</b>	<b>\$ -</b>

\* Major Programs

See accompanying notes to schedule of federal awards



**CHINESE AMERICAN SERVICE LEAGUE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditure	Expenditures to Subrecipient
<b><u>U.S. Department of Education</u></b>				
Pass through programs from Chinese Mutual Aid Association				
Illinois Community College Board Via Chinese Mutual Aid Assoc.				
Federal Basic and EL/Civics Program	84.002A	508AY	\$ 66,280	\$ -
<b>Total U.S. Department Education</b>			<b>\$ 66,280</b>	<b>\$ -</b>
<b><u>U.S. Department of Health and Human Services</u></b>				
Pass through programs from				
Illinois Department of Human Services				
Illinois Action for Children	93.575	N/A	\$ 2,303	\$ -
Chicago Department of Family and Support Services				
Child Care Collaboration and Child Care Services Programs	93.596*	28416	633,103	-
Head Start and Early Head Start Program	93.600	33331	222,882	-
National Institute of Health via Rush University Medical Center				
Suicide Prevention in Chinese Older Adults	93.242	5R34MH100443-03	13,554	-
Filial Piety and Psychosocial Well Being in Chinese Population	93.307	5R01MD006173-04	1,372	-
Culture and Caregiving Needed for Chinese Elderly	93.361	5R01NR014846-02	58,471	-
Culture and Caregiving Needed for Chinese Elderly	93.361	5R01NR014846-03	21,864	-
Total	93.361		\$ 80,335	\$ -
Epidemiology of Psychological Distress in a Chinese Aging Population	93.866	5R01AG042318-03	120,418	-
National Institute of Health via Northwestern University				
Suicide Prevention in Chinese Older Adults	93.242	60037020CASL	26,353	-
Adapting Patient Navigation to Promote Cancer Screening in Chicago Chinatown	93.393	60042986CASL	63,427	-
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 1,163,747</b>	<b>\$ -</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 2,908,563</b>	<b>\$ -</b>

\* Major Programs

See accompanying notes to schedule of federal awards

**CHINESE AMERICAN SERVICE LEAGUE, INC.**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**JUNE 30, 2018**

**1. Summary of Significant Policies**

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Agency under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

During fiscal year 2018, there were no Federal awards expended in the form of non-cash assistance, insurance in effect, loan or loan guarantee.

Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, Cost Principles for Non-Profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Agency has not elected to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance. Indirect costs are allocated to the Federal programs in accordance with the costs allocation plan developed internally.

**Chinese American Service League, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the year ended June 30, 2018**

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

***Financial Statements***

Type of auditor's report issued: Unmodified

Internal Control over financial reporting:

Material Weakness identified? \_\_\_\_\_ Yes   X   No

Significant Deficiency identified? \_\_\_\_\_ Yes   X   No

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

***Federal Awards***

Internal Control over major programs:

Material Weakness identified? \_\_\_\_\_ Yes   X   No

Significant Deficiency identified? \_\_\_\_\_ Yes   X   No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

\_\_\_\_\_ Yes   X   No

Identification of major programs:

17.235	Senior Community Service Employment Program
93.596	Child Care Collaboration and Child Care Services Programs

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None

**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None

**SECTION IV - SUMMARY OF PRIOR YEAR FINDINGS**

None

DIRECT SERVICE WORKER COST CERTIFICATION  
ILLINOIS DEPARTMENT ON AGING

Community Care Program  
In-Home Services

Provider Name: Chinese American Service League

Reporting Period July 1, 2017 Thru June 30, 2018

Contract Number(s) Covered: INH1612013

A.	<u>Accrued Direct Service Worker Costs</u>	<u>IDO A</u>
	1) Wages	2,031,293
	2) Earnfare Wages	0
	3) Health Insurance Costs (in excess of enhanced rate) **	102,797
	4) Life Insurance	0
	5) Retirement Coverage	0
	6) F.I.C.A.	155,394
	7) Uniform	0
	8) Worker's Compensation	29,694
	9) F.U.T.A.	0
	10) Direct Service Worker Travel	6,955
	11) Unemployment Insurance	8,911
	12) Other Direct Service Worker Costs (approved in advance by the Illinois Department on Aging)	0
	13) Total Direct Service Worker Costs	2,335,044

B.	<u>Administrative Costs</u>	
	1) Salaries and wages	59,386
	2) Benefits	13,643
	3) Other Personnel Costs	0
	4) Consultants	39,170
	5) Supplies	3,225
	6) Office Equipment (less than \$1,000)	0
	7) Depreciation	8,146
	8) Telephone	15,082
	9) Postage	514
	10) Software	7,635
	11) Other Administrative Costs	15,711
	12) Total Administrative Costs	162,512

C.	<u>Program Support Costs</u>	
	1) DSWs' Supervisors' Wages and Salaries	202,986
	2) DSWs' Supervisors' Benefits	40,859
	3) DSEs' Supervisors' Other Personnel Costs	1,167
	4) Training Expenses	0
	5) Malpractice Insurance	0
	6) Other Program Support Costs	8,629
	7) Total Program Support Costs	253,641
D.	<u>Total Costs (A.13 + B.12 + C.7)</u>	2,751,197
E.	<u>Total Revenue Accrued</u>	
	1) IDOA Payments	3,027,083
	2) Earnfare Payment	0
	3) Total Revenue	3,027,083
F.	<u>Percentage D.S. Worker Cost to Accrued Revenue (A/E X 100)</u>	77.14%
G.	<u>Profit or Loss (E minus D)</u>	275,886

I hereby certify that I have examined the above Direct Service Worker Cost Certification for the reporting period indicated and that to the best of my knowledge and belief, it is a true, correct and complete report prepared from the books and records of this agency in accordance with applicable instructions.

  
Signature of Authorized Agent

Jerred Pruitt  
Typed Name

Chief Operating Officer  
Title of Authorized Agent

Chinese American Service League

2141 S. Tan Court

Chicago, IL 60616  
Provider's Name and Address

CHINESE AMERICAN SERVICE LEAGUE, INC.

STATEMENT OF REVENUES AND EXPENSES  
FOR ILLINOIS COALITION FOR IMMIGRANT AND REFUGEE RIGHTS

Program Name ( SNAP )  
ENDING JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>
Grant Revenues:		
Government contract received	<u>17,500</u>	<u>17,500</u>
Grant Expenditures		
Total Salary	11,533	11,533
Fringe Benefits	<u>1,592</u>	<u>1,592</u>
Total Personnel	13,125	13,125
Other Direct Cost		
Staff Travel		
Staff Development/Conferences		
Space Rental		
Utilities		
Telephone		
Office Supplies		
Equipment Service Contract		
Printing		
Postage		
Meeting Expenses		
Advertising / Subscriptions		
Others		
Total Direct Cost	<u>13,125</u>	<u>13,125</u>
Indirect Costs		
Total Expenses	<u>13,125</u>	<u>13,125</u>

**CHINESE AMERICAN SERVICE LEAGUE, INC.**

**STATEMENT OF REVENUES AND EXPENSES  
FOR ILLINOIS COALITION FOR IMMIGRANT AND REFUGEE RIGHTS**

**IMMIGRANT FAMILY RESOURCE PROGRAM**

**Program Name: WIC  
ENDING JUNE 30, 2018**

	<u>Budget</u>	<u>Actual</u>
Grant Revenues:		
Government contract received	<u>22,500</u>	<u>22,500</u>
Grant Expenditures		
Program Salaries, & Consultants	19,368	19,368
Payroll Taxes & Benefits	<u>3,132</u>	<u>3,132</u>
Total Personnel	22,500	22,500
Other Direct Cost		
Consumable / Supplies		
Staff Development/Conferences		
Printing		
Occupancy		
Miscellaneous		
Conference, Meeting and Training etc.		
Publicity		
Total Direct Cost	<u>22,500</u>	<u>22,500</u>
Indirect Costs		
Total Expenses	<u>22,500</u>	<u>22,500</u>

**CHINESE AMERICAN SERVICE LEAGUE, INC.**

**STATEMENT OF REVENUES AND EXPENSES  
ILLINOIS DEPARTMENT OF HUMAN SERVICES  
FOR ILLINOIS COALITION FOR IMMIGRANT AND REFUGEE RIGHTS**

**Program: IFRP  
ENDING JUNE 30, 2018**

	<u>Budget</u>	<u>Actual</u>
Grant Revenues:		
Government contract received	<u>87,500</u>	<u>87,500</u>
Grant Expenditures		
Program Salaries, & Consultants	65,499	65,499
Payroll Taxes & Benefits	<u>14,701</u>	<u>14,701</u>
Total Personnel	80,200	80,200
Other Direct Cost		
Consumable / Supplies		
Staff Development/Conferences		
Printing		
Occupancy		
Miscellaneous		
Travel		
Conference, Meeting and Training etc.		
Fingerprint Fee		
Total Direct Cost	<u>80,200</u>	<u>80,200</u>
Indirect Costs	7,300	7,300
Total Expenses	<u>87,500</u>	<u>87,500</u>



**CHINESE AMERICAN SERVICE LEAGUE, INC.**

**STATEMENT OF REVENUES AND EXPENSES  
ILLINOIS DEPARTMENT OF HUMAN SERVICES  
FOR ILLINOIS COALITION FOR IMMIGRANT AND REFUGEE RIGHTS**

**Program: NAI  
ENDING JUNE 30, 2018**

	<u>Budget</u>	<u>Actual</u>
Grant Revenues:		
Government contract received	<u>91,000</u>	<u>91,000</u>
Grant Expenditures		
Program Salaries, & Consultants	67,511	67,511
Payroll Taxes & Benefits	<u>15,156</u>	<u>15,156</u>
Total Personnel	82,667	82,667
Other Direct Cost		
Consumable / Supplies		
Staff Development/Conferences		
Printing	810	810
Occupancy		
Miscellaneous		
Travel		
Conference, Meeting and Training etc.		
Fingerprint Fee		
Total Direct Cost	<u>83,477</u>	<u>83,477</u>
Indirect Costs	7,523	7,523
Total Expenses	<u>91,000</u>	<u>91,000</u>

**CHINESE AMERICAN SERVICE LEAGUE, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES PREPARED FOR INDIRECT COST RATE ANALYSIS**

**For the Year Ended June 30, 2018**

	A	B1	B2	B = B1+B2	C	D	E	F=A+B+C+D+E
	Allocation/ Indirect	Program Direct	Admin Direct	Program & Admin Total	Management and General	Fundraising Direct	Unallowable	<b>2018</b>
Salaries	\$ -	\$ 8,589,388	\$ -	\$ 8,589,388	\$ 893,050	\$ 262,658	\$ 50,000	\$ 9,795,096
Health insurance and retirement	-	754,870	-	754,870	78,485	23,083	0	856,438
Payroll taxes and insurance	-	787,139	-	787,139	81,840	24,071	3,825	896,875
Total salaries and related benefits	-	10,131,397	-	10,131,397	1,053,375	309,812	53,825	11,548,409
Fringe rate		17.95%		17.95%	17.95%	17.95%	7.65%	17.90%
Professional fees	113,085	69,750	-	69,750	58,198	583	-	241,616
Supplies	5,387	203,149	-	203,149	17,756	21,066	-	247,358
Software	212,033	0	-	0	0	0	-	212,033
Interest & Fees	77,355	-	(0)	(0)	-	-	15,942	93,297
Telephone	29,866	37,823	-	37,823	5,251	0	-	72,940
Postage and shipping	7,469	817	-	817	907	1,276	-	10,469
Utilities	-	102,344	-	102,344	5,562	3,338	-	111,244
Repairs and maintenance	-	116,532	-	116,532	5,767	3,315	-	125,614
Property and liability insurance	35,026	1,905	-	1,905	3,891	0	-	40,822
Printing	72	65,006	-	65,006	4,992	8,998	-	79,068
Local transportation	432	68,970	-	68,970	2,958	629	-	72,989
Conferences, conventions, meetings, and travel	-	56,355	13,573	69,928	2,414	1,255	-	73,597
Client and trainee assistance	-	22,514	-	22,514	-	-	-	22,514
Other	21,675	110,232	1,479	111,711	12,864	11,358	669	158,277
Total Non-Personnel Expenses	502,400	855,397	15,052	870,449	120,560	51,818	16,611	1,561,838
Total expenses before Depreciation and amortization	502,400	10,986,794	15,052	11,001,846	1,173,935	361,630	70,436	13,110,247
Depreciation and amortization	246,840	-	-	-	-	-	-	246,840
	<u>\$749,240</u>	<u>\$10,986,794</u>	<u>\$15,052</u>	<u>\$11,001,846</u>	<u>\$1,173,935</u>	<u>\$361,630</u>	<u>\$70,436</u>	<u>\$13,357,087</u>