

**ASIAN SERVICES IN ACTION, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT**

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	4
STATEMENTS OF ACTIVITIES.....	5
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8-11

Ben Capaccio, CPA, Inc.

*3810 Ridgewood Road
Copley, Ohio 44321
(330) 666-5082
(330) 665-5076-Fax*


Independent Auditor's Report

To the Board of Trustees of
Asian Services in Action, Inc.
Akron, Ohio

We have audited the accompanying statements of financial position of Asian Services in Action, Inc. (a nonprofit organization) as of June 30, 2008 and 2007 and the related statements of activities, functional expenses and cash flows, for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asian Services in Action, Inc., as of June 30, 2008 and 2007, and its changes in its nets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.


Copley, Ohio
November 12, 2008

ASIAN SERVICES IN ACTION, INC.
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Assets		
Cash and cash equivalents	\$ 161,312	\$ 30,764
Grants receivable	67,789	157,217
Prepaid expenses	2,284	-
Property and equipment, net	<u>13,202</u>	<u>14,038</u>
Total Assets	<u>\$ 244,587</u>	<u>\$ 202,019</u>
Liabilities		
Accounts payable	\$ 10,393	\$ 1,552
Pension payable	2,310	164
Deferred grant income	<u>57,162</u>	<u>27,592</u>
Total Liabilities	69,865	29,308
Net Assets		
Unrestricted	<u>174,722</u>	<u>172,711</u>
Total Net Assets	<u>174,722</u>	<u>172,711</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 244,587</u>	<u>\$ 202,019</u>

See accompanying notes

ASIAN SERVICES IN ACTION, INC.
 STATEMENTS OF ACTIVITIES
 JUNE 30, 2008 AND 2007

	2008	2007
Grants, Support and Other Receipts		
Local grants	\$ 218,932	\$ 373,150
State grants	153,069	297,132
Federal grants	15,417	14,592
Foundation, trust and other grants	297,909	79,383
Program service fees	67,297	55,384
Investment return	2,608	8,596
Donations and contributions	96,507	29,921
Other	5,482	9,731
Total Grants, Support and Other Receipts	857,221	867,889
 Expenses		
Program services	728,044	747,629
Supporting services	76,325	77,622
Fund-raising	50,841	50,889
Total Expenses	855,210	876,140
Change in Net Assets	2,011	(8,251)
Net Assets at Beginning of Year	172,711	180,962
Net Assets at End of Year	\$ 174,722	\$ 172,711

See accompanying notes

ASIAN SERVICES IN ACTION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
JUNE 30, 2008 AND 2007

	June 30, 2008			June 30, 2007				
	Program Services	Supporting Services	Fund Raising	Total	Program Services	Supporting Services	Fund Raising	Total
Salaries and related	\$ 399,561	\$ 48,727	\$ 38,982	\$ 487,270	\$ 392,257	\$ 47,836	\$ 38,269	\$ 478,362
Payroll taxes	34,584	4,218	3,374	42,176	35,786	4,364	3,491	43,641
Employee benefits	11,203	1,366	1,093	13,662	6,994	853	682	8,529
Conferences and training	5,762	640	-	6,402	5,115	568	-	5,683
Telephone	6,964	849	679	8,493	6,614	807	645	8,066
Professional fees	7,605	845	-	8,450	4,275	475	-	4,750
Specific assistance	55,872	6,208	-	62,080	72,359	8,040	-	80,399
Rent-facilities and other	43,434	4,826	-	48,260	40,101	4,456	-	44,557
Printing and related	7,600	927	741	9,268	7,487	913	730	9,131
Travel and meetings	13,316	162	2,761	16,239	12,598	154	2,612	15,364
Auto and related	2,917	356	285	3,557	13,568	1,655	1,324	16,546
Education and training	4,789	532	-	5,321	3,848	428	-	4,276
Food supplies	19,960	2,218	-	22,178	17,809	1,979	-	19,788
Office and postage	13,830	1,687	1,349	16,866	14,910	1,818	1,455	18,183
Depreciation	4,626	514	-	5,140	5,367	596	-	5,963
Insurance	7,013	-	-	7,013	7,308	-	-	7,308
Other	2,485	303	242	3,031	3,938	480	384	4,802
Advertising	697	85	68	850	609	74	59	743
Bank charges	-	279	-	279	-	581	-	581
Utilities	8,889	1,084	867	10,840	7,606	928	742	9,276
Program services	72,844	-	-	72,844	84,009	-	-	84,009
Repairs and maintenance	4,093	499	399	4,991	5,070	618	495	6,183
	<u>\$ 728,044</u>	<u>\$ 76,325</u>	<u>\$ 50,841</u>	<u>\$ 855,210</u>	<u>\$ 747,629</u>	<u>\$ 77,622</u>	<u>\$ 50,889</u>	<u>\$ 876,140</u>

See accompanying notes

ASIAN SERVICES IN ACTION, INC.
STATEMENTS OF CASH FLOWS
JUNE 30, 2008 AND 2007

	<u>2008</u> <u>UNRESTRICTED</u>	<u>2007</u> <u>UNRESTRICTED</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (Deficit) of Grants, Support and Other Receipts Over Expenses	\$ 2,011	\$ (8,251)
Adjustments to Reconcile to Net Cash From Operating Activities:		
Depreciation	5,140	5,963
(Increase) Decrease in Current Assets		
Grants Receivable	89,428	(151,523)
Prepaid Expenses	(2,284)	-
Increase (Decrease) Current Liabilities		
Accounts Payable	8,841	1,552
Pension Payable	2,146	164
Deferred Grant Income	<u>29,570</u>	<u>(2,608)</u>
Net Cash Flows Provided (Used) by Operating Activities	134,852	(154,703)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Acquisition) of Equipment	<u>(4,304)</u>	<u>(7,704)</u>
Net Cash Flows (Used In) Investing Activities	(4,304)	(7,704)
INCREASE (DECREASE) IN CASH	130,548	(162,407)
CASH & CASH EQUIVALENTS - BEGINNING OF YEAR	<u>30,764</u>	<u>193,171</u>
CASH & CASH EQUIVALENTS - END OF YEAR	<u>\$ 161,312</u>	<u>\$ 30,764</u>

See accompanying notes

ASIAN SERVICES IN ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Asian Services in Action, Inc., (the Organization) is a community resource center providing information to and services for and about Asian Americans. The Organization is supported primarily through local, state, and federal governmental grants, foundation grants, non-profit organizational grants, donor contributions and other sources. Approximately 79% and 87% of the Organization's support came from governmental grants, foundation grants, and non-profit organizational grants for the years ended June 30, 2008 and 2007, respectively.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Allocation of Functional Expenses

The costs of providing programs and activities have been summarized in the statement of functional expenses. Accordingly, certain costs have been allocated among the program services, supporting services, and fundraising activities benefited in accordance with management estimates.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

ASIAN SERVICES IN ACTION, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008 AND 2007

Estimates

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

Donated Services and Non-cash Gifts

Many individuals have donated time and services to advance the Organization's programs and objectives. The value of these services has not been recorded in the financial statements because they do not meet the definition for recognition under United States generally accepted accounting principles.

Income Taxes

The Organization is a not-for-profit Organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Rounding

Rounding of certain amounts for addition, subtraction, and percentage calculation purposes has occurred in the preparation of the financial statements and the differences are immaterial in relation to the financial statements taken as a whole.

NOTE B - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2008 and 2007:

	<u>2008</u>			<u>2007</u>		
	<u>COST</u>	<u>ACCUM. DEPREC.</u>	<u>NET VALUE</u>	<u>COST</u>	<u>ACCUM. DEPREC.</u>	<u>NET VALUE</u>
Equipment & Furnishings	\$ 33,942	\$ 20,740	\$ 13,202	\$ 29,638	\$ 17,056	\$ 12,582
Leashold Improvements	3,560	3,560	-	3,560	3,185	375
Vehicle	12,970	12,970	-	12,970	11,889	1,081
	<u>\$ 50,472</u>	<u>\$ 37,270</u>	<u>\$ 13,202</u>	<u>\$ 46,168</u>	<u>\$ 32,130</u>	<u>\$ 14,038</u>

Depreciation expense for the years ended June 30, 2008 and 2007 amounted to \$5,140 and \$5,963, respectively.

ASIAN SERVICES IN ACTION, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008 AND 2007

NOTE C – LOCAL, STATE, AND FEDERAL GOVERNMENTAL FINANCIAL ASSISTANCE AND FOUNDATION, TRUST AND OTHER GRANTS

The Organization has been awarded grants from local municipalities, the State of Ohio Department of Health and Human Services, U.S. Department of Labor and foundation, trust and other grants, to provide general and specific services to Asian Americans. These services include tobacco use prevention, substance abuse prevention, healthy lifestyles and a variety of youth and senior citizen programs. These grants accounted for approximately 80% and 88% of total receipts of the Organization for the years ended June 30, 2008 and 2007, respectively.

	2008	2007
Grant receipts-Local	\$218,932	\$373,150
Grant receipts-State	153,069	297,132
Grant receipts-Federal	15,417	14,592
Grant receipts-Foundation, Trust and other Grants	297,909	79,383
	\$685,327	\$764,257

NOTE D - DESCRIPTION OF LEASING ARRANGEMENTS

The Organization leases its Akron, Ohio offices under the terms of a long-term lease agreement. The initial lease period was for a period of sixty two (62) months from November 1, 2002 through December 31, 2007. The Organization has renewed its lease for a one-year period from January 1, 2008 through December 31, 2008 at a fixed monthly rate of \$2,107. Future lease terms to be negotiated.

The Organization also leases office space in Cleveland, Ohio under the terms of a long-term lease agreement dated December 6, 2005. The lease is for a fixed period of 36 months beginning January 1, 2006 through December 31, 2008. Future lease terms to be negotiated.

Future Lease Payments are due as follows:

June 30:	2009	\$	39,454
	2010		34,944
	2011		34,944
	2012		34,944
	2013		34,944
			\$ 179,230

Rent expense for the years ended June 30, 2008 and 2007 amounted to \$48,260 and \$44,557, respectively.

ASIAN SERVICES IN ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

NOTE E - COMPENSATED ABSENCES

Statement of Financial Accounting Standards No. 43 requires that a liability be accrued for employees' rights to receive compensation for future absences, such as vacations. The liability for these compensated absences is not recognized in these financial statements. The liability is estimated at less than \$1,000 at year end.

NOTE F - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances in two financial institutions located in Northeast Ohio. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000 per account. At June 30, 2008 and 2007, the Organization's cash balances were fully insured under this federal deposit insurance program.

NOTE G - RETIREMENT PLAN

The Organization has a defined contribution retirement plan for eligible employees. Employees who have been employed full time for at least one year qualify to participate in the plan. The Organization can, at its discretion, match up to 2% of employee's contributions. Employees are vested at the completion of one year of service. Retirement expense amounted to \$2,654 and \$1,574 for the years ended June 30, 2008 and 2007, respectively. Retirement expense is a component of employee benefits on the statement of functional expenses.

NOTE H - ADVERTISING

The Organization expenses advertising costs as they are incurred. Advertising expenses for the fiscal years ended June 30, 2008 and 2007 amounted to \$850 and \$743, respectively.