Reports of Independent Auditors and
Financial Statements with
Supplementary Information

The Asian Americans for Community Involvement of Santa Clara County, Inc.

June 30, 2025 and 2024

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Table of Contents

	Page
Report of Independent Auditors	1
Financial Statements	
Statements of Financial Position	4
Statements of Activities and Changes in Net Assets	5
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9
Supplementary Information	
Schedule of Expenditures of Federal Awards	23
Notes to Schedule of Expenditures of Federal Awards	24
Report of Independent Auditors 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*	25
Report of Independent Auditors on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	27
Schedule of Findings and Questioned Costs	30
Summary Schedule of Prior Audit Findings	31

Report of Independent Auditors

The Board of Directors
The Asian Americans for Community Involvement of Santa Clara County, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Asian Americans for Community Involvement of Santa Clara County, Inc. (the Organization), a California nonprofit corporation, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and the related changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2025, on our consideration of The Asian Americans for Community Involvement of Santa Clara County, 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 solely 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 effectiveness of The Asian Americans for Community Involvement of Santa Clara County, Inc.'s 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 Asian Americans for Community Involvement of Santa Clara County, Inc.'s internal control over financial reporting and compliance.

Baker Tilly US, LLP

San Francisco, California
November 3, 2025

Financial Statements

The Asian Americans for Community Involvement of Santa Clara County, Inc.
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 18,273,906	$ 15,826,369
Grants receivable, net	4,455,835	6,058,845
Patient accounts receivable, net	1,588,795	450,290
Other receivables	1,519	2,271
Prepaid expenses	306,624	338,511
Total current assets	24,626,679	22,676,286
Property, buildings, and equipment, net	8,899,610	8,993,877
Operating lease right-of-use assets	79,772	119,887
Estimated third-party payor settlements	1,185,848	-
Deposits	10,236	28,236
Intangible assets	21,700	24,800
Other assets	28,000	28,000
Total assets	$ 34,851,845	$ 31,871,086
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 402,962	$ 403,031
Accrued expenses	2,542,420	2,211,004
Deferred revenue	657,542	768,481
Amount due to county, current portion	761,280	1,391,735
Operating lease liabilities, current portion	82,606	88,890
Total current liabilities	4,446,810	4,863,141
Amount due to county, less current portion	-	916,498
Operating lease liabilities, less current portion	3,975	36,884
Estimated third-party payor settlements	-	182,366
Total liabilities	4,450,785	5,998,889
Net assets		
Without donor restriction		
Undesignated	25,949,179	20,688,764
Board designated	3,514,599	3,514,599
With donor restriction	937,282	1,668,834
Total net assets	30,401,060	25,872,197
Total liabilities and net assets	$ 34,851,845	$ 31,871,086

See accompanying notes.

The Asian Americans for Community Involvement of Santa Clara County, Inc.
Statements of Activities and Changes in Net Assets
Years Ended June 30, 2025 and 2024

	2025	2024
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and revenues		
Support		
Contracts and grants	$ 19,818,230	$ 21,321,379
Contributions	2,464,617	7,445,415
Net assets released from restrictions used for operations	768,219	489,720
Total support	23,051,066	29,256,514
Revenues		
Patient service revenue, net	9,559,207	3,267,705
Building rental income	3,772,808	3,771,882
Investment income, net	517,357	407,007
Other revenue	840,872	153,110
Fundraising income - nonfinancial asset contributions	84,279	79,583
Total support and revenues	37,825,589	36,935,801
EXPENSES		
Program services	25,166,367	24,104,252
Supporting services	5,366,634	5,135,534
Building expenses	2,032,173	2,092,497
Total expenses	32,565,174	31,332,283
EXCESS OF SUPPORT AND REVENUES OVER EXPENDITURES	5,260,415	5,603,518
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Restricted contracts and grants	36,667	-
Net assets released from restrictions	(768,219)	(489,720)
Changes in net assets with donor restrictions	(731,552)	(489,720)
CHANGES IN NET ASSETS	4,528,863	5,113,798
NET ASSETS, beginning of year	25,872,197	20,758,399
NET ASSETS, end of year	$ 30,401,060	$ 25,872,197

See accompanying notes.

The Asian Americans for Community Involvement of Santa Clara County, Inc.
Statements of Functional Expenses
Year Ended June 30, 2025

	Program Services				Support Services		
	Physical Health	Behavioral Health	Wellness and Others	Total	Management and General	Building	Total
Expenses							
Personnel expenses	$ 5,657,148	$ 10,760,648	$ 2,676,712	$ 19,094,508	$ 3,502,144	$ 603,860	$ 23,200,512
Rents and leases	92,372	1,524	368	94,264	8,238	26,669	129,171
Medical supplies	238,082	519	-	238,601	-	-	238,601
Professional fees	1,275,515	1,343,159	944,962	3,563,636	524,423	88,567	4,176,626
Office supplies	108,929	96,127	92,266	297,322	126,432	167,284	591,038
Depreciation	152,023	29,244	6,782	188,049	413,499	225,823	827,371
Insurance	35,096	42,626	19,903	97,625	10,614	84,279	192,518
Membership fees and publications	35,370	36,601	4,984	76,955	218,765	3,387	299,107
Utilities and communication	94,063	52,802	16,753	163,618	10,181	585,730	759,529
Repairs and maintenance	79,304	36,914	8,873	125,091	4,376	730,031	859,498
Meetings and trainings	47,466	28,171	34,504	110,141	96,758	28,736	235,635
Travel	14,265	37,520	95,972	147,757	84,047	6,816	238,620
Property taxes	-	2,812	689	3,501	-	57,478	60,979
Other	144,358	243,085	2,932	390,375	197,359	108,398	696,132
Bad debt	17,837	-	-	17,837	42,000	-	59,837
Total functional expenses before allocations	7,991,828	12,711,752	3,905,700	24,609,280	5,238,836	2,717,058	32,565,174
Building expenses - allocated	193,111	199,803	164,173	557,087	127,798	(684,885)	-
Total functional expenses	$ 8,184,939	$ 12,911,555	$ 4,069,873	$ 25,166,367	$ 5,366,634	$ 2,032,173	$ 32,565,174

See accompanying notes.

The Asian Americans for Community Involvement of Santa Clara County, Inc.
Statements of Functional Expenses
Year Ended June 30, 2024

	Program Services				Support Services		
	Physical Health	Behavioral Health	Wellness and Others	Total	Management and General	Building	Total
Expenses							
Personnel expenses	$ 5,024,389	$ 10,881,414	$ 2,388,624	$ 18,294,427	$ 3,235,774	$ 590,143	$ 22,120,344
Rents and leases	123,463	124,754	43,500	291,717	1,146	16,192	309,055
Medical supplies	160,565	22	-	160,587	-	-	160,587
Professional fees	1,236,976	1,043,825	705,069	2,985,870	851,845	66,152	3,903,867
Office supplies	149,945	86,350	117,187	353,482	71,011	111,177	535,670
Depreciation	132,182	48,284	2,005	182,471	360,229	249,643	792,343
Insurance	20,985	35,971	10,842	67,798	9,073	102,559	179,430
Membership fees and publications	37,254	24,745	200	62,199	88,336	3,166	153,701
Utilities and communication	69,312	93,708	28,867	191,887	8,665	608,635	809,187
Repairs and maintenance	85,739	90,781	16,999	193,519	31,218	941,386	1,166,123
Meetings and trainings	54,244	29,051	68,324	151,619	50,558	17,163	219,340
Travel	9,400	41,290	100,633	151,323	86,318	11,841	249,482
Property taxes	-	3,350	-	3,350	-	58,478	61,828
Other	106,460	243,389	20,678	370,527	212,682	88,117	671,326
Total functional expenses before allocations	7,210,914	12,746,934	3,502,928	23,460,776	5,006,855	2,864,652	31,332,283
Building expenses - allocated	228,473	230,099	184,904	643,476	128,679	(772,155)	-
Total functional expenses	$ 7,439,387	$ 12,977,033	$ 3,687,832	$ 24,104,252	$ 5,135,534	$ 2,092,497	$ 31,332,283

See accompanying notes.

The Asian Americans for Community Involvement of Santa Clara County, Inc.
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 4,528,863	$ 5,113,798
Adjustments to reconcile the changes in net assets to net cash provided by operating activities		
Depreciation	827,371	792,343
Amortization	3,100	3,100
Bad debt	59,837	-
Changes in operating assets and liabilities		
Patient accounts receivable, net	(1,138,505)	26,064
Grants receivable, net	1,543,173	(891,162)
Other receivables	752	12,539
Prepaid expenses	31,887	(60,822)
Deposits	18,000	(7,500)
Operating lease right-of-use assets	40,115	311,255
Estimated third-party payor settlements	(1,368,214)	-
Accounts payable	(69)	131,246
Accrued expenses	(1,215,537)	884,782
Deferred revenue	(110,939)	170,061
Operating lease liabilities	(39,193)	(314,682)
Net cash provided by operating activities	3,180,641	6,171,022
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, buildings, and equipment	(733,104)	(845,173)
Net cash used in investing activities	(733,104)	(845,173)
NET CHANGES IN CASH AND CASH EQUIVALENTS	2,447,537	5,325,849
CASH AND CASH EQUIVALENTS		
Beginning of year	15,826,369	10,500,520
CASH AND CASH EQUIVALENTS		
End of year	$ 18,273,906	$ 15,826,369
SUPPLEMENTAL DISCLOSURE OF CASH-FLOW INFORMATION		
Nonfinancial asset contribution	$ 84,279	$ 79,583
Noncash acquisition of operating lease right-of-use assets	$ -	$ 83,348

See accompanying notes.

Note 1 – Description of Organization and Program Services

Organization – The Asian Americans for Community Involvement of Santa Clara County, Inc. (AACI or the Organization), is a nonprofit public benefit California corporation created in November 1973.

Founded in 1973, AACI serves individuals and families with cultural humility, sensitivity and respect, advocating for and serving the marginalized and ethnic communities in Santa Clara County. AACI's mission is to strengthen the resilience and hope of its diverse community members by improving their health and well-being. AACI's vision is that everyone in our diverse community is healthy, safe and well.

The array of programs advances a belief in providing care that goes beyond just health, but also providing people a sense of hope and new possibilities. Current programs include behavioral and primary health services, substance abuse treatment, center for survivors of torture, shelter for domestic violence victims, senior center, youth programs, and community advocacy.

AACI's array of programs and services are described in more detail below:

Physical Health:

Health services – The Primary Care Health Center, a fully licensed Federally Qualified Health Center (FQHC), provides culturally competent primary health care services. The health center derives support through grants and contracts with the U.S. Department of Health and Human Services and the California Health and Human Services Agency. The health center treats patients regardless of their ability to pay.

Integrated behavioral health services – The Integrated Behavioral Health Program provides behavioral health services in AACI's primary care health center.

Patient Navigation Center and Enhanced Care Management – The Patient Navigation Center and Enhanced Care Management provide enabling services, such as appointment scheduling, referrals, care coordination across multiple service providers, and assistance with other social service needs that in total results in a comprehensive approach to overall care management.

Dental services – As a licensed FQHC, AACI also provides dental services as a core service that is essential to an individual's overall health and wellness. AACI Family Dentistry provides oral care to adults and children in the same culturally sensitive manner.

Behavioral Health:

Behavioral health services – Behavioral health services include individual, group, and family counseling; case management; psychiatric assessment; and medical evaluation for children and adults. The CalWORKs Program provides a range of behavioral health and social services that are geared toward helping CalWORKs' clients achieve self-sufficiency.

Center for Survivors of Torture – Center for Survivors of Torture (CST) provides holistic rehabilitative services for survivors of torture and refugees from all over the world. CST provides psychological, psychiatric, and extensive case management services to help survivors heal from their trauma and provides linkages to medical, legal, and community services. CST also educates survivors, and trains and educates medical, psychological, and social service providers about the effects of torture and trauma. CST conducts and contributes to research to add to the body of knowledge about effective interventions and the effects of torture on survivors and communities.

Wellness and Others:

Senior and health services – The Senior Wellness Program provides English classes, hot lunches, transportation assistance, recreational activities, and case management for seniors. The HOPE Program offers HIV/AIDS testing, education, counseling, and referrals for individuals.

Gender based violence prevention and services – The Domestic Violence Program (Asian Women's Home) provides individual and group peer counseling, a 24-hour crisis hotline, housing and employment assistance, case management, legal advocacy support, and an emergency shelter for battered women and their children. This program further reaches out to the community by providing media outreach and educational training workshops for professionals, paraprofessionals, and community groups.

Substance abuse services – The DUI Driving Program (DDP) provides education and intervention to convicted first time offenders and repeat offenders.

Preventative substance abuse services – The Youth Development Services Program provides homework assistance, health education, group discussions, development of social and leadership skills, recreational activities, and a multicultural curriculum that uses a strength-based model to build on the participants' assets and prevent high-risk behavior.

Advocacy – The Advocacy Program provides a voice to the marginalized and vulnerable ethnic communities AACI serves in Santa Clara County, advocates on issues of equality and social justice, builds relationships among local Asian groups and policymakers, and promotes civic engagement among minority community members.

Other – Additional programming services are offered to support the delivery of an integrated care coordination model which includes outreach and care management of the primary care health, behavioral health and preventative services.

Note 2 – Summary of Significant Accounting Policies

Cash and cash equivalents – The Organization considers all liquid investments, other than certificates of deposits, with original maturities of three months or less, to be cash equivalents. At June 30, 2025 and 2024, cash equivalents consisted primarily of money market accounts with financial institutions.

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash balances and money market funds maintained at creditworthy financial institutions. The Organization maintained cash balances in bank accounts including certificates of deposit and money market funds which, at times, may exceed insured limits set by the Federal Deposit Insurance Corporation (FDIC) and Securities Investors Protection Corporation (SIPC) for funds held in securities accounts. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Patient accounts receivable, net – Patient accounts receivable are recorded at amounts that reflect the consideration to which the Organization expects to be entitled in exchange for providing patient care. In evaluating the collectability of patient accounts receivable, the Organization regularly analyzes its historical collection data, current economic conditions, reasonable and supportable forecasts, and any other relevant factors, to estimate appropriate and sufficient implicit and explicit price concessions reflected in patient accounts receivable.

For receivables associated with services provided to patients who have third-party coverage, the Organization analyzes contractually due amounts and provides additional implicit and explicit price concessions, if necessary, based upon historical collection data, current economic conditions, reasonable and supportable forecasts, and any other relevant factors, for deductibles and copayments on accounts for which the third-party payor had not yet paid, or for remaining payor balances.

For receivables associated with private-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Organization records a significant current expected loss in the period of services on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is reflected as a reduction in patient accounts receivable.

The following table provides information about the Organization's receivables at June 30, pursuant to FASB ASC 606-10-50-11, *Revenue from Contracts with Customers–Overall–Disclosure*:

	2025	2024	2023
Patient accounts receivable, net	$ 1,588,795	$ 450,290	$ 257,685
Other receivables	1,519	2,271	14,810
Estimated third-party payor settlements	1,185,848	(182,366)	(401,510)
Total	$ 2,776,162	$ 270,195	$ (129,015)

The mix of accounts receivable at June 30, 2025 and 2024, from patients and third-party payors was as follows:

	2025	2024
Medi-Cal	87%	85%
Medicare	3%	6%
Other third-party payors	1%	6%
Private	9%	3%
Total	100%	100%

Estimated third-party payor settlements – The Organization has agreements with Medicare and with Medi-Cal that provide payment under the Prospective Payment System (PPS). In the case of Medicare, revenue is reported in the period services are rendered. In the case of Medi-Cal, payments under the PPS system are final, unless the number of reimbursable visits is changed as a result of an audit by the State of California, Department of Healthcare Services. In addition, under Medi-Cal PPS, the Organization may apply for a change-in-scope of services annually. This process may result in additional Medi-Cal reimbursement for the Organization.

Medicare and Medi-Cal reimburse the Organization at a tentative rate with a final settlement determined after the annual cost report submitted by the Organization. Depending on the result of the audit, the Organization might be obligated to refund part of the reimbursement to Medicare and Medi-Cal or vice versa. During the year ended June 30, 2025 and 2024, the Organization recorded a net increase (decrease) in revenue of $735,667 and ($313,968) related to adjustments to prior year third-party payor settlements, respectively. Management believes these adjustments reflect updated information received from Medicare and Medi-Cal and the filing of cost reports. As of June 30, 2025 and 2024, the Organization had recorded a receivable (payable) related to third-party payor settlements in the amounts of $1,185,848 and ($182,366), respectively. In the opinion of management, final settlement of the associated cost reports will not materially affect the financial statements of the Organization.

Property, buildings, and equipment, net – Property, buildings, and equipment are recorded at cost or estimated fair value for donated items. The Organization capitalizes all acquisitions greater than $5,000 and with an economic useful life greater than one year. The cost of repairs and maintenance that do not improve or extend the lives of the respective assets are expensed currently. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets, which range from 3 to 39 years. Depreciation is charged to the activity benefiting from the use of the property or equipment. Donated assets are recorded at their fair market value at the time the contributed asset is received. The Organization periodically evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Impairment losses on capital assets are measured using the method that best reflects the diminished service utility of the capital asset. No asset impairment was recognized during the years ended June 30, 2025 and 2024.

Leases – The Organization has lessee activity with various lessors that are classified as operating leases. Operating leases are included in operating lease right-of-use assets and operating lease liabilities on the statements of financial position. The Organization considers that a contract is, or contains, a lease if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration.

Right-of-use asset represents the right-of-use of an underlying asset for the lease term and lease liability represents obligations to make lease payments arising from the lease. Operating lease right-of-use assets and operating lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. When discount rates implicit in leases cannot be readily determined, the Organization uses the applicable incremental borrowing rate to perform lease classification tests and to measure lease liabilities and right-of-use assets. Lease expense for operating leases is recognized on a straight-line basis over the lease term. In addition, the Organization's leases generally do not contain any residual or restrictive covenants.

The Organization has agreements with lease and non-lease components, such as common area maintenance, and has elected to not account for the lease and non-lease components as separate components. The Organization has elected not to recognize lease right-of-use assets and lease liabilities for leases with terms of less than 12 months.

Revenue recognition

Contracts and grants – Support funded by grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required. Cash received in excess of revenue recognized is recorded as deferred revenue. During the years ended June 30, 2025 and 2024, approximately 52% and 58% of the Organization's support and revenue were derived from government contracts and grants, respectively. At June 30, 2025 and 2024, receivables from one government grantor represents 71% and 56% of grants receivable, respectively.

Contributions – Contributions are recognized when the donor makes a pledge to give that is, in substance, an unconditional promise. Contributions are recorded as with donor restrictions, or without donor restrictions depending on the nature of donor restrictions. Donor restricted contributions are reported as increases in net assets with donor restrictions. When the restriction is met the amount is shown as a reclassification of net assets with donor restrictions to net assets without donor restrictions. For the year ended June 30, 2025, the Organization did not have a concentration of contributions from any single donor or group of related donors that would be considered significant to its contribution revenue. For the year ended June 30, 2024, one donor made up 72% of contributions received.

The Organization reports gifts of cash and other assets as support with donor restrictions if received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from donor restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying financial statements. Absent donor-imposed restrictions, the Organization records donated services, materials, and facilities as support without donor restrictions. It is the policy of the Organization to encourage contributions.

Nonfinancial asset contribution – The Organization recognizes in-kind contributed goods that create or enhance nonfinancial assets, and would typically need to be purchased, if not provided by donation. In-kind contributed goods are not monetized by the Organization but used in the Organization's operations. Contributed goods and services during the years ended June 30, 2025 and 2024, consist primarily of donated materials and supplies. It is the policy of the Organization to record the estimated fair value, based on wholesale prices of comparable goods available in the market of these in-kind donations as nonfinancial asset contribution. During the years ended June 30, 2025 and 2024, $84,279 and $79,583, respectively, were recognized as nonfinancial asset contributions. During the years ended June 30, 2025 and 2024, the related expenses were recognized in professional fees in the statements of activities and changes in net assets.

Patient service revenue, net – Net patient service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the patients and third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14a and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization's sliding fee policy, and implicit price concessions provided to uninsured patients.

The Organization determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

For changes in credit issues not assessed at the date of service, such as a payor files for bankruptcy or a patient default on a payment plan, the Organization recognizes these write-offs as bad debt expense, which is presented on the accompanying statements of activities and changes in net assets as a component of other expenses.

The Organization is approved as a FQHC for both Medicare and Medi-Cal reimbursement purposes. The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. These payment arrangements include:

Medicare – Covered FQHC services rendered to Medicare program beneficiaries are reimbursed under the Medicare FQHC Prospective Payment System (PPS). Medicare pays 80% of the lesser of the FQHC's charge or the PPS rate, with the remaining 20% typically the responsibility of the patient or their secondary insurer. Services not covered under the FQHC benefit are reimbursed based on applicable Medicare fee schedules.

Medi-Cal – Covered FQHC services rendered to Medi-Cal program beneficiaries are paid based on a prospective reimbursement methodology. The Organization is reimbursed a prospectively determined encounter rate for covered services provided.

The Organization has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Organization under these agreements includes prospectively determined rates per unit of service and discounts from established charges.

Building rental income – Rental income is recognized according to the terms of the underlying leases. Rental revenue is recognized over the term of the related lease.

Sliding scale fee – The Organization provides care to patients, who meet certain criteria under its sliding scale fee policy, without charge or at amounts less than its established rates. The Organization does not pursue collection of amounts determined to qualify as sliding scale fee care and they are not reported as revenue.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support, revenue, and expenses during the period. Accordingly, actual results could differ from those estimates.

Professional liability insurance – The Organization maintains its professional liability insurance. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Organization's claim experience, no such accrual has been made and there are no known claims or incidents that may result in the assertion of additional claims as of the date of this report. It is reasonably possible that this estimate could change materially in the near term.

Advertising costs – The Organization expenses advertising costs as incurred. The advertising costs incurred for the years ended June 30, 2025 and 2024, are $4,472 and $12,615, respectively, included in professional fees in the statements of functional expenses.

Basis of presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, support and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations. Investment earnings are recorded as net assets without donor restrictions for certain temporarily restricted funds in accordance with the Organization's spending rule and for certain funds in accordance with donor stipulations. Net assets without donor restrictions also include those assets over which the Board of Directors (the Board) has discretionary control in carrying out the operations of the Organization. Under this category, the Organization maintains an operating fund, property and equipment fund plus any net assets designated by the Board for specific strategic purposes. The Board has designated reserves for operating shortfalls, capital expenditures and service expansion. These reserves are deposited in a financial institution in the form of cash, cash equivalents, and money market funds. At June 30, 2025 and 2024, the board designated net assets without donor restrictions were $3,514,599.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may, or will be met, either by actions of the Organization and/or the passage of time. When a restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. At June 30, 2025 and 2024, there were net assets with donor restrictions of $937,282 and $1,668,834, respectively.

Deferred revenue – Deferred revenue primarily consists of contracts and grants received in advance of revenue recognition to provide various programs and services. The Organization generally recognizes revenue when the revenue recognition criteria are met through performance of services as stipulated in the respective contracts and grants.

Fair value measurement – FASB ASC 820, *Fair Value Measurements (ASC 820)*, defines fair value as 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. ASC 820 also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following methods were used to estimate the fair value of all other financial instruments:

Cash and cash equivalents – The carrying amount approximates fair value.

Unless otherwise indicated, the fair value of all reported assets and liabilities that represent financial instruments approximate their carrying values reported in the accompanying statements of financial position.

Expense allocation – Expenses directly identifiable with programs are charged to program services based upon employee's time for each function, purpose of each expenditure, and/or services provided for each program. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Building expenses include expenses directly related to the upkeep of the Organization's building. The costs of the Organization's various activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and functional expenses.

Income taxes – The Organization is a nonprofit corporation under Internal Revenue Code Section 501(c)(3) and has been granted tax-exempt statuses by the Internal Revenue Service and the California Revenue and Taxation Code. As of June 30, 2025 and 2024, the Organization had no unrecognized tax positions or uncertain tax positions requiring accrual. Therefore, no provision for income taxes has been provided in the financial statements.

Reclassifications – Certain reclassifications of prior years' balances and disclosures have been made to conform with the current year presentations. These reclassifications did not affect the total change in net assets.

Performance indicator – The statements of activities and changes in net assets include excess of support and revenues over expenditures, which is the performance indicator.

Note 3 – Property, Buildings, and Equipment, Net

Property, buildings, and equipment, net at June 30, consisted of the following:

	2025	2024
Land and building	$ 8,202,028	$ 8,202,028
Building improvements	9,047,770	9,027,770
Machinery and equipment	3,859,216	3,617,976
Furniture and fixtures	515,023	364,259
Construction in progress	511,139	190,040
Total property, buildings, and equipment	22,135,176	21,402,073
Less accumulated depreciation	(13,235,566)	(12,408,196)
Property, buildings, and equipment, net	$ 8,899,610	$ 8,993,877

Depreciation expense for the years ended June 30, 2025 and 2024, was $827,371 and $792,343, respectively.

At June 30, 2025 and 2024, there was no construction commitment.

Note 4 – Accrued Expenses

At June 30, accrued expenses consisted of the following:

	2025	2024
Vacation accrual	$ 950,323	$ 905,808
Accrued retirement contribution	161,940	164,933
Accrued salaries	767,986	680,734
Other	662,171	459,529
Total accrued expenses	$ 2,542,420	$ 2,211,004

Note 5 – Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, were available for the following specific program services:

	2025	2024
Subject to expenditure for specified purpose		
Homelessness prevention	$ 900,615	$ 1,668,834
Domestic violence prevention and victim assistance	36,667	-
Total	$ 937,282	$ 1,668,834

Existing net assets with donor restriction are expected to be released within five years from the date the award was received. As of June 30, 2025, the existing net assets with donor restriction are expected to be released before the year ended June 30, 2027. Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes by donors for the years ended June 30, 2025 and 2024, were $768,219 and $489,720, respectively.

Note 6 – Building Rental Income

The Organization leases a portion of its office building to county agencies. The leases expire on various dates through September 2027. The Organization is responsible for all operating and maintenance expenses and other costs of ownership of the facility.

Future minimum lease proceeds are as follows:

Years Ending June 30,	
2026	$ 202,851
2027	68,624
2028	52,617
Total	$ 324,092

Rental income for the years ended June 30, 2025 and 2024, was $3,772,808 and $3,771,882, respectively.

Note 7 – Leases

The Organization has various noncancelable operating agreements for the lease of certain facilities with expiration dates through March 2026.

The Organization does not recognize lease right-of-use assets and lease liabilities arising from leases with a term of 12 months or less. The Organization's lease payments are for the right-of-use of the underlying leased asset over the lease terms. The leases also contain provisions that periodically increase the rent due, typically annually, based on a fixed escalation percentage or an inflationary index, or a combination of both. The weighted-average remaining lease term and the weighted-average discount rate of the Organization's operating leases is one (1) year and 6.5%, respectively, at June 30, 2025 and June 30, 2024.

Rental expense for the years ended June 30, 2025 and 2024, was $129,171 and $309,055, respectively, which is included in rents and leases expense on the accompanying statements of functional expenses.

Cash paid for amounts included in the measurements of operating lease liabilities was $81,325 and $282,789 for the years ended June 30, 2025 and 2024, respectively.

There were no variable lease payments for the years ended June 30, 2025 and 2024.

Future minimum rental payments required under noncancelable operating leases as of June 30, 2025, are as follows:

Years Ending June 30,	
2026	$ 84,962
2027	3,975
Total lease payments	88,937
Less present value discount	(2,356)
Lease paymenets, net	$ 86,581

Note 8 – Retirement Plan

Under Section 403(b)(7) of the Internal Revenue Code of 1986, individual employees may establish a custodial agreement account for elective salary deferrals. The 403(b) defined contribution plan is based on compensation up to a specified limited amount. All full-time employees of the Organization are eligible to participate in the plan. The Organization contributes an amount up to 4% of the participant's annual salary, and may elect to make other voluntary contributions to the plan. Contributions are fully vested at the time of the contribution. Other voluntary contributions made by the employer vest in equal annual installments over three years commencing at the participant's hire date. During the years ended June 30, 2025 and 2024, the Organization contributed $272,111 and $298,349, respectively, to the plan, and these amounts are included in personnel expenses on the accompanying statements of functional expenses.

Note 9 – Contingencies

Grants and contracts awarded to the Organization are subject to the funding agencies' criteria, contract terms, and regulations under which expenditures may be charged and are subject to audit under such terms, regulations and criteria. Occasionally, such audits may determine that certain costs incurred in connection with the grants do not comply with the established criteria that govern them. In such cases, the Organization could be held responsible for repayments to the funding agency for the costs or be subject to a reduction of future funding in the amount of the costs.

Management does not anticipate any material questioned costs for the contracts and grants administered during the period. The Organization would be responsible for the absorption of any over-expenditure of its restricted grants that cannot be covered by additional grant funds or contributions from other sources.

The Organization is aware of certain asserted and unasserted legal claims. While the outcome cannot be determined at this time, it is management's opinion that the liability, if any, from these actions will not have a material adverse effect on the Organization's financial position.

The Organization's operations and financial condition may be affected by potential changes in government healthcare programs, including Medicare and Medicaid reimbursement rates, which remain uncertain due to ongoing federal and state budgetary constraints and political developments. Recent proposals and legislative actions could result in funding reductions or delays that may impact future revenue. Additionally, labor actions or unionization efforts, including recent SEIU-related activities, could affect operational costs or staffing. Management continues to monitor these developments closely and is actively assessing their potential impact on the Organization's financial position and results of operations. Given the evolving regulatory and political environment, actual outcomes could differ materially from current expectations.

Note 10 – Liquidity and Availability

The following table reflects the Organization's financial assets as of June 30, reduced by amounts not available for general expenditure within one year:

	2025	2024
Cash and cash equivalents	$ 18,273,906	$ 15,826,369
Grants receivable, net	4,455,835	6,058,845
Patient accounts receivable, net	1,588,795	450,290
Other receivables	1,519	2,271
Less donor restricted net assets	(937,282)	(1,668,834)
Financial assets available to meet cash needs for general expenditures within one year	$ 23,382,773	$ 20,668,941

Financial assets are considered unavailable when illiquid, not convertible to cash within one year or subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 11 – Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are available to be issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before the financial statements are available to be issued.

The Organization has evaluated subsequent events through November 3, 2025, which is the date the financial statements were available to be issued.

Supplementary Information

The Asian Americans for Community Involvement of Santa Clara County, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Award Number	Federal Expenditures
U.S. Department of Health and Human Services			
Direct Award			
Assistance for Torture Victims	93.604	90ZT0238-02-00	$ 11,199
Assistance for Torture Victims	93.604	90ZT0238-03-00	325,540
Subtotal for ALN 93.604			336,739
Health Center Program	93.224	5H80CS26615-11-00	1,071,434
Health Center Program	93.224	5H80CS26615-12-00	397,111
Health Center Program	93.224	6H80CS26615-11-03	31,678
Subtotal for Health Center Program Cluster			1,500,223
Mental and Behavioral Health Education and Training Grants	93.732	5MC1HP42071-02-00	288,547
Pass-through from CA Governor's Office of Emergency Services			
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	DV24018501	58,517
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	EC23 01 1471	141,000
Subtotal for ALN 93.671			199,517
Pass-through from Sourcewise Community Resource Solutions			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2023SWARP01	85,407
Subtotal for ALN 93.044			85,407
Pass-through from Santa Clara County Social Services			
Agency-County of Santa Clara			
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	4300022684	34,278
Pass-through from Santa Clara County Social Services			
Agency-County of Santa Clara			
Nutrition Services Incentive Program	93.053	4300022684	9,788
Subtotal for Aging Cluster			129,473
Pass-through from Santa Clara County			
Block Grants for Substance Use Prevention, Treatment and Recovery Services	93.959	PO 4300023615	177,500
Block Grants for Substance Use Prevention, Treatment and Recovery Services	93.959	PO 4300023611	290,000
Block Grants for Substance Use Prevention, Treatment and Recovery Services	93.959	PO 4300023616	140,000
Block Grants for Substance Use Prevention, Treatment and Recovery Services	93.959	MOU	45,000
Subtotal for ALN 93.959			652,500
Total U.S. Department of Health and Human Services			3,106,999
United States Department of Homeland Security			
Direct Award			
Emergency Food and Shelter National Board Program	97.024	MOU	4,000
Subtotal for ALN 97.024			4,000
Total United States Department of Homeland Security			4,000
United States Department of Justice			
Pass-through from Asian Law Alliance			
Legal Assistance for Victims	16.524	2017-WL-AX-0031	4,900
Pass-through from California Emergency Management			
Crime Victim Assistance	16.575	DV23 31 1471	100,281
Crime Victim Assistance	16.575	DV24018501	97,556
Crime Victim Assistance	16.575	KI23 01 1471	171,184
Crime Victim Assistance	16.575	KI240185401	54,488
Subtotal for ALN 16.575			423,509
Total United States Department of the Treasury			428,409
United States Department of the Treasury			
Pass-through from American Rescue Plan			
Coronavirus State and Local Fiscal Recovery Funds	21.027	MOU	65,781
Total United States Department of the Treasury			65,781
Total expenditures of federal awards			$ 3,605,189

See accompanying notes to schedule of expenditures of federal awards.

The Asian Americans for Community Involvement of Santa Clara County, Inc.
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of The Asian Americans for Community Involvement of Santa Clara County, Inc. (the Organization), under programs of the federal government for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Title 2 U.S. *Code of Federal Regulations* (CFR) 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 Organization, it is not intended to, and does not, present the financial position, changes in net assets, functional expenses or cash flows of the Organization.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization has elected not to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 – Subrecipients

The Organization did not provide federal awards to subrecipients during the year ended June 30, 2025.

Report of Independent Auditors 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*

The Board of Directors
The Asian Americans for Community Involvement of Santa Clara County, 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 The Asian Americans for Community Involvement of Santa Clara County, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 3, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* 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 Organization'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 or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 financial statements. 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 Organization'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.

Baker Tilly US, LLP

San Francisco, California
November 3, 2025

Report of Independent Auditors on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Board of Directors
The Asian Americans for Community Involvement of Santa Clara County, Inc.

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited The Asian Americans for Community Involvement of Santa Clara County, Inc.'s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2025. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards*)*;* and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Asian Americans for Community Involvement of Santa Clara County, Inc. as of and for the year ended June 30, 2025, and have issued our report thereon dated November 3, 2025, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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. The information has 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Baker Tilly US, LLP

San Francisco, California
December 10, 2025

The Asian Americans for Community Involvement of Santa Clara County, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	*Unmodified*
Internal control over financial reporting:	
• Material weakness(es) identified?	☐ Yes ☒ No
• Significant deficiency(ies) identified?	☐ Yes ☒ None reported
Noncompliance material to financial statements noted?	☐ Yes ☒ No

Federal Awards

Internal control over the major federal program:	
• Material weakness(es) identified?	☐ Yes ☒ No
• Significant deficiency(ies) identified?	☐ Yes ☒ None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	☐ Yes ☒ No

Identification of Major Federal Program and Type of Auditor's Report issued on Compliance for the Major Federal Program:

Federal Assistance Listing Number	*Name of Federal Program*	*Type of Auditor's Report Issued on Compliance for the Major Federal Program*
93.224&93.527	Health Center Program Cluster	*Unmodified*

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	☒ Yes ☐ No

Section II – Financial Statement Findings

None reported

Section III – Major Federal Award Findings and Questioned Costs

None reported

The Asian Americans for Community Involvement of Santa Clara County, Inc.
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025

There were no prior audit findings reported.

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