

Annual Economic Statement

- Organization Name: Chinese for Affirmative Action dba Asian Americans for Civil Rights and Equality
 - Our fiscal year: January 1st to December 31st
 - Our EIN: 94-2161304
1. Name of the CEO or employee who has daily managerial responsibilities:
 - a. Vincent Pan
 - b. Cynthia Choi
 2. Names of officers and directors, and all other boards of directors on which they serve
 - a. Celia Lee, Chair
 - b. Lisa Lee, Vice Chair/Secretary
 - c. Chris Jocson, Treasurer
 - d. Miguel de la Fuente-Lau
 - e. Henry Der
 - f. Sandhya Jha
 - g. Michelle MiJung Kim
 - h. Jill Kunishima
 - i. Kosheno Moore
 - j. Chandara Phanachone
 - k. Brian Yee
 3. Total budget and expenditures, and a program-by-program description of all monies expended or budgeted during calendar or fiscal year
 - a. [Data available on ProPublica](#)
 4. Letter from the IRS showing your valid nonprofit status (attached)
 5. Most recent federal tax return filed under Section 990
 - a. [Data available on ProPublica](#)
 6. Verification of current valid registration with the State of California's Registry of Charitable Trusts
 - a. [Registry Details Search Tool](#) (pdf of listing also attached)

7. Audited financial statements, if applicable (attached)



Department of the Treasury
Internal Revenue Service

Cincinnati Service Center
CINCINNATI OH 45999-0038

In reply refer to: 0256567250
July 31, 2023 LTR 4168C 0
94-2161304 000000 00

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BODC: TE

CHINESE FOR AFFIRMATIVE ACTION
ASIAN AMERICANS FOR CIVIL RIGHTS EQ
17 WALTER U LUM PL
SAN FRANCISCO CA 94108

059687

Employer ID number: 94-2161304
Form 990 required: Yes

Dear Sir or Madame:

We're responding to your request dated July 24, 2023, about your tax-exempt status.

We issued you a determination letter in April, 1972, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(03).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period:

- Form 990, Return of Organization Exempt From Income Tax
- Form 990EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m.,

0256567250

July 31, 2023 LTR 4168C 0

94-2161304 000000 00

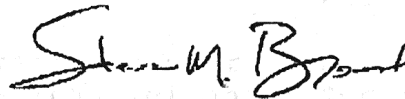
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CHINESE FOR AFFIRMATIVE ACTION
ASIAN AMERICANS FOR CIVIL RIGHTS EQ
17 WALTER U LUM PL
SAN FRANCISCO CA 94108

local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

Thank you for your cooperation.

Sincerely yours,



Steve M. Brown, Operations Manager
Operations 3-CIN

HOME ABOUT MEDIA CAREERS REGULATIONS RESOURCES PROGRAMS CONTACT

Registrant Details

Entity type: Corporate Class as registered with the Secretary of State or based on founding & registration documents.

Organization Name: CHINESE FOR AFFIRMATIVE ACTION IRS FEIN: 942161304
Entity Type: Charitable or nonprofit corporation SOS/FTB Corporate/Organization Number: 0630615

Registry Status: Current Renewal Due/Exp. Date: 5/15/2025
RCT Registration Number: 013489 Issue Date: 12/31/2004
Record Type: Charity Registration Effective Date: 12/31/2004
Date of Last Renewal: 11/12/2024 DBA: ASIAN AMERICANS FOR CIVIL RIGHTS AND EQUALITY

Mailing Address

Street: 17 WALTER U LUM PLACE
Street Line 2:
City, State Zip: SAN FRANCISCO CA 94108

Filings & Correspondence

| Founding Documents | Founding Documents |
|--|--------------------|
| IRS Form 990 Series | 2023 |
| Online Renewal Submission | 2023 |
| Explanations For Yes Answers | 2023 |
| Explanations For Yes Answers | 2022 |
| IRS Form 990 Series | 2022 |
| Explanations For Yes Answers | 2022 |
| Online Renewal Submission | 2022 |
| IRS Form 990 Series | 2021 IRS Form 990 |
| Form RRF-1 | 2021 |
| Renewal Filing | 2020 |
| CT-550 Form RRF-1 Incomplete | 2019 |
| Renewal Filing | 2019 |
| Renewal Filing | 2018 |
| CT-550 Form RRF-1 Incomplete | 2017 |
| Renewal Filing | 2017 |
| Form RRF-1 | 2016 |
| IRS Form 990 Series | 2016 |
| 2015 RRF-1 | 2015 RRF-1 |
| 2015 IRS Form 990 | 2015 IRS Form 990 |
| RRF-1 2014 | 2014 RRF-1 |
| IRS Form 990 2014 | 2014 IRS Form 990 |
| RRF-1 2013 | 2013 RRF-1 |
| IRS Form 990 2013 | 2013 IRS Form 990 |
| RRF-1 2012 | 2012 RRF-1 |
| RRF-1 2011 | 2011 RRF-1 |
| IRS Form 990 2011 | 2011 IRS Form 990 |
| RRF-1 2010 | 2010 RRF-1 |
| IRS Form 990 2010 | 2010 IRS Form 990 |
| RRF-1 2009 | 2009 RRF-1 |
| RRF-1 2008 | 2008 RRF-1 |
| IRS Form 990 2008 | 2008 IRS Form 990 |
| RRF-1 2007 | 2007 RRF-1 |
| IRS Form 990 2007 | 2007 IRS Form 990 |
| RRF-1 2006 | 2006 RRF-1 |
| IRS Form 990 2006 | 2006 IRS Form 990 |
| RRF-1 2005 | 2005 RRF-1 |
| IRS Form 990 2005 | 2005 IRS Form 990 |
| RRF-1 2004 | 2004 RRF-1 |
| IRS Form 990 2004 | 2004 IRS Form 990 |
| RRF-1 2003 | 2003 RRF-1 |
| IRS Form 990 2003 | 2003 IRS Form 990 |
| RRF-1 2002 | 2002 RRF-1 |
| RRF-1 2001 | 2001 RRF-1 |
| RRF-1 2000 | 2000 RRF-1 |

Annual Renewal Data

Related Registrations & Event Reports

The related records shown below depend on the record type being viewed:

- Charity Registrations relate to Professional Fundraising Events which relate to Professional Fundraiser Registrations.
- Raffle Registrations relate to Raffle Reports.
- Click on the RCT Registration No to navigate to the related record.

| | | | | | |
|-------------------|--------------------------|--------------------|-------------------|----------------------|------------|
| Prereq Type: | Prerequisite | Relationship: | Charity | | |
| Registrant: | JILL MIE KUNISHIMA | | | | |
| Registration No: | E0054734 | Registration Type: | Fundraising Event | Registration Status: | Complete |
| Date Established: | 6/27/2024 | Association Date: | 1/16/2024 | Expiration Date: | 5/19/2024 |
| Prereq Type: | Prerequisite | Relationship: | Charity | | |
| Registrant: | JINS EYEWEAR US, INC. | | | | |
| Registration No: | E0035862 | Registration Type: | Fundraising Event | Registration Status: | Complete |
| Date Established: | 3/21/2019 | Association Date: | 3/1/2018 | Expiration Date: | 10/9/2018 |
| Prereq Type: | Prerequisite | Relationship: | Charity | | |
| Registrant: | JINS EYEWEAR US, INC. | | | | |
| Registration No: | E0039329 | Registration Type: | Fundraising Event | Registration Status: | Complete |
| Date Established: | 5/4/2020 | Association Date: | 1/1/2019 | Expiration Date: | 12/31/2019 |

Details

| | | | | | |
|--|---------------------------------------|--------------------|----------------------------------|----------------------|------------|
| Prereq Type: | Prerequisite | Relationship: | Charity | | |
| Registrant: | JINS EYEWEAR US, INC. | | | | |
| Registration No: | E0042577 | Registration Type: | Fundraising Event | Registration Status: | Complete |
| Date Established: | 1/29/2021 | Association Date: | 1/1/2020 | Expiration Date: | 12/31/2020 |
| Prereq Type: | Prerequisite | Relationship: | Charity | | |
| Registrant: | KLEIN & ROTH CONSULTING | | | | |
| Registration No: | E0050522 | Registration Type: | Fundraising Event | Registration Status: | Complete |
| Date Established: | 4/26/2023 | Association Date: | 4/1/2023 | Expiration Date: | 12/31/2023 |
| Prereq Type: | Prerequisite | Relationship: | Charity | | |
| Registrant: | SUSAN KLEINMAN WALLIS CONSULTING, LLC | | | | |
| Registration No: | E0047854 | Registration Type: | Fundraising Event | Registration Status: | Complete |
| Date Established: | 7/14/2022 | Association Date: | 1/1/2022 | Expiration Date: | 12/31/2022 |
| Prereq Type: | Prerequisite | Relationship: | Charity | | |
| Registrant: | SUSAN KLEINMAN WALLIS CONSULTING, LLC | | | | |
| Registration No: | E0052916 | Registration Type: | Fundraising Event | Registration Status: | Complete |
| Date Established: | 1/9/2024 | Association Date: | 1/1/2023 | Expiration Date: | 12/31/2023 |
| Status of Filing: | | | Accepted | | |
| Accounting Period Begin Date: | | | 1/1/2010 | | |
| Accounting Period End Date: | | | 12/31/2010 | | |
| Filing Received Date: | | | 11/17/2011 | | |
| Form RRF-1 Reject/Incomplete Reason: | | | | | |
| Form CT-TR-1 Reject/Incomplete Reason: | | | | | |
| IRS Form 990 Reject/Incomplete Reason: | | | | | |
| Notes From Registry Staff: | | | | | |
| Status of Filing: | | | Accepted | | |
| Accounting Period Begin Date: | | | 1/1/2011 | | |
| Accounting Period End Date: | | | 12/31/2011 | | |
| Filing Received Date: | | | 11/21/2012 | | |
| Form RRF-1 Reject/Incomplete Reason: | | | | | |
| Form CT-TR-1 Reject/Incomplete Reason: | | | | | |
| IRS Form 990 Reject/Incomplete Reason: | | | | | |
| Notes From Registry Staff: | | | | | |
| Status of Filing: | | | Accepted | | |
| Accounting Period Begin Date: | | | 1/1/2012 | | |
| Accounting Period End Date: | | | 12/31/2012 | | |
| Filing Received Date: | | | 8/9/2013 | | |
| Form RRF-1 Reject/Incomplete Reason: | | | | | |
| Form CT-TR-1 Reject/Incomplete Reason: | | | | | |
| IRS Form 990 Reject/Incomplete Reason: | | | | | |
| Notes From Registry Staff: | | | | | |
| Status of Filing: | | | Accepted | | |
| Accounting Period Begin Date: | | | 1/1/2013 | | |
| Accounting Period End Date: | | | 12/31/2013 | | |
| Filing Received Date: | | | 8/13/2014 | | |
| Form RRF-1 Reject/Incomplete Reason: | | | | | |
| Form CT-TR-1 Reject/Incomplete Reason: | | | | | |
| IRS Form 990 Reject/Incomplete Reason: | | | | | |
| Notes From Registry Staff: | | | | | |
| Status of Filing: | | | Accepted | | |
| Accounting Period Begin Date: | | | 1/1/2014 | | |
| Accounting Period End Date: | | | 12/31/2014 | | |
| Filing Received Date: | | | 8/6/2015 | | |
| Form RRF-1 Reject/Incomplete Reason: | | | | | |
| Form CT-TR-1 Reject/Incomplete Reason: | | | | | |
| IRS Form 990 Reject/Incomplete Reason: | | | | | |
| Notes From Registry Staff: | | | | | |
| Status of Filing: | | | Accepted | | |
| Accounting Period Begin Date: | | | 1/1/2015 | | |
| Accounting Period End Date: | | | 12/31/2015 | | |
| Filing Received Date: | | | 8/15/2016 | | |
| Form RRF-1 Reject/Incomplete Reason: | | | | | |
| Form CT-TR-1 Reject/Incomplete Reason: | | | | | |
| IRS Form 990 Reject/Incomplete Reason: | | | | | |
| Notes From Registry Staff: | | | | | |
| Status of Filing: | | | Accepted | | |
| Accounting Period Begin Date: | | | 1/1/2016 | | |
| Accounting Period End Date: | | | 12/31/2016 | | |
| Filing Received Date: | | | 11/14/2017 | | |
| Form RRF-1 Reject/Incomplete Reason: | | | | | |
| Form CT-TR-1 Reject/Incomplete Reason: | | | | | |
| IRS Form 990 Reject/Incomplete Reason: | | | | | |
| Notes From Registry Staff: | | | | | |
| Status of Filing: | | | Accepted | | |
| Accounting Period Begin Date: | | | 1/1/2017 | | |
| Accounting Period End Date: | | | 12/31/2017 | | |
| Filing Received Date: | | | 10/25/2018 | | |
| Form RRF-1 Reject/Incomplete Reason: | | | | | |
| Form CT-TR-1 Reject/Incomplete Reason: | | | | | |
| IRS Form 990 Reject/Incomplete Reason: | | | | | |
| Notes From Registry Staff: | | | | | |
| Status of Filing: | | | Accepted | | |
| Accounting Period Begin Date: | | | 1/1/2018 | | |
| Accounting Period End Date: | | | 12/31/2018 | | |
| Filing Received Date: | | | 11/19/2019 | | |
| Form RRF-1 Reject/Incomplete Reason: | | | | | |
| Form CT-TR-1 Reject/Incomplete Reason: | | | | | |
| IRS Form 990 Reject/Incomplete Reason: | | | | | |
| Notes From Registry Staff: | | | | | |
| Status of Filing: | | | Accepted | | |
| Accounting Period Begin Date: | | | 1/1/2019 | | |
| Accounting Period End Date: | | | 12/31/2019 | | |
| Filing Received Date: | | | 11/16/2020 | | |
| Form RRF-1 Reject/Incomplete Reason: | | | Resubmission/Correction Accepted | | |
| Form CT-TR-1 Reject/Incomplete Reason: | | | | | |
| IRS Form 990 Reject/Incomplete Reason: | | | Resubmission/Correction Accepted | | |
| Notes From Registry Staff: | | | | | |
| Status of Filing: | | | Accepted | | |
| Accounting Period Begin Date: | | | 1/1/2020 | | |
| Accounting Period End Date: | | | 12/31/2020 | | |
| Filing Received Date: | | | 10/18/2021 | | |
| Form RRF-1 Reject/Incomplete Reason: | | | | | |
| Form CT-TR-1 Reject/Incomplete Reason: | | | | | |
| IRS Form 990 Reject/Incomplete Reason: | | | | | |
| Notes From Registry Staff: | | | | | |
| Status of Filing: | | | Accepted | | |
| Accounting Period Begin Date: | | | 1/1/2021 | | |
| Accounting Period End Date: | | | 12/31/2021 | | |
| Filing Received Date: | | | 12/1/2022 | | |
| Form RRF-1 Reject/Incomplete Reason: | | | | | |
| Form CT-TR-1 Reject/Incomplete Reason: | | | | | |
| IRS Form 990 Reject/Incomplete Reason: | | | | | |

| | |
|--|------------|
| Notes From Registry Staff: | |
| Status of Filing: | E-Accepted |
| Accounting Period Begin Date: | 1/1/2022 |
| Accounting Period End Date: | 12/31/2022 |
| Filing Received Date: | 10/30/2023 |
| Form RRF-1 Reject/Incomplete Reason: | |
| Form CT-TR-1 Reject/Incomplete Reason: | |
| IRS Form 990 Reject/Incomplete Reason: | |
| Notes From Registry Staff: | |
| Status of Filing: | E-Accepted |
| Accounting Period Begin Date: | 1/1/2023 |
| Accounting Period End Date: | 12/31/2023 |
| Filing Received Date: | 11/7/2024 |
| Form RRF-1 Reject/Incomplete Reason: | |
| Form CT-TR-1 Reject/Incomplete Reason: | |
| IRS Form 990 Reject/Incomplete Reason: | |
| Notes From Registry Staff: | |



**CHINESE FOR AFFIRMATIVE ACTION
DBA
ASIAN AMERICANS FOR CIVIL RIGHTS AND EQUALITY**

**FINANCIAL STATEMENTS
and
ADDITIONAL INFORMATION**

DECEMBER 31, 2023

A Trusted Nonprofit Partner

Main Office: 2698 Mataro Street, Pasadena, CA 91107 Phone: 626.403.6801
www.npocpas.com

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Chinese for Affirmative Action
dba Asian Americans for Civil Rights and Equality

Opinion

We have audited the accompanying financial statements of Chinese for Affirmative Action dba Asian Americans for Civil Rights and Equality (a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 2023, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chinese for Affirmative Action dba Asian Americans for Civil Rights and Equality as of December 31, 2023, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Chinese for Affirmative Action dba Asian Americans for Civil Rights and Equality 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 Chinese for Affirmative Action dba Asian Americans for Civil Rights and Equality's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

A Trusted Nonprofit Partner

Main Office: 2698 Mataro Street, Pasadena, CA 91107 Phone: 626.403.6801
www.npocpas.com

INDEPENDENT AUDITORS' REPORT

continued

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Chinese for Affirmative Action dba Asian Americans for Civil Rights and Equality'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 Chinese for Affirmative Action dba Asian Americans for Civil Rights and Equality'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 Matter

Report on Summarized Comparative Information

We have previously audited Chinese for Affirmative Action 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 26, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

INDEPENDENT AUDITORS' REPORT

continued

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2024, on our consideration of Chinese for Affirmative Action dba Asian Americans for Civil Rights and Equality'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 Chinese for Affirmative Action dba Asian Americans for Civil Rights and Equality'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 Chinese for Affirmative Action dba Asian Americans for Civil Rights and Equality's internal control over financial reporting and compliance.

Harrington Group

Oakland, California

June 21, 2024

**CHINESE FOR AFFIRMATIVE ACTION
DBA ASIAN AMERICANS FOR CIVIL RIGHTS AND EQUALITY**

STATEMENT OF FINANCIAL POSITION

December 31, 2023

With comparative totals at December 31, 2022

| | 2023 | 2022 |
|---|----------------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents (Note 2) | \$ 2,223,755 | \$ 9,172,620 |
| Grants and contribution receivable (Note 4) | 2,260,251 | 1,569,823 |
| Contract receivable (Note 4) | 1,699,471 | 285,270 |
| Other receivable (Note 4) | 50,830 | 36,765 |
| Prepaid expenses and other assets | 265,531 | 188,253 |
| Investments (Note 5) | 41,823,056 | 32,059,794 |
| Right-of-use assets - operating (Note 9) | 56,014 | 67,027 |
| Property and equipment (Note 6) | 613,667 | 709,531 |
| TOTAL ASSETS | \$ 48,992,575 | \$ 44,089,083 |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| Accounts payable | \$ 552,546 | \$ 532,845 |
| Accrued liabilities (Note 7) | 799,214 | 416,878 |
| Deferred liabilities (Note 8) | 337,237 | 351,931 |
| Lease liability - operating (Note 9) | 56,588 | 67,027 |
| TOTAL LIABILITIES | 1,745,585 | 1,368,681 |
| NET ASSETS | | |
| Without donor restrictions - undesignated | 12,039,032 | 9,114,350 |
| Without donor restrictions - designated | | |
| Stop AAPI hate | 19,843,827 | 20,084,298 |
| AACRE program and capacity | 9,438,403 | 8,586,553 |
| With donor restrictions | | |
| Purpose restrictions (Note 11) | 5,725,728 | 4,735,201 |
| Held in perpetuity (Note 12) | 200,000 | 200,000 |
| TOTAL NET ASSETS | 47,246,990 | 42,720,402 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 48,992,575 | \$ 44,089,083 |

The accompanying notes are an integral part of these financial statements.

**CHINESE FOR AFFIRMATIVE ACTION
DBA ASIAN AMERICANS FOR CIVIL RIGHTS AND EQUALITY**

STATEMENT OF ACTIVITIES
For the year ended December 31, 2023
With comparative totals for the year ended December 31, 2022

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>2023</u> | <u>2022</u> |
|---|---------------------------------------|------------------------------------|----------------------|----------------------|
| REVENUE AND SUPPORT | | | | |
| Grants and contribution | \$ 3,659,427 | \$ 5,868,632 | \$ 9,528,059 | \$ 8,004,832 |
| Contract revenue | 5,410,164 | | 5,410,164 | 3,348,795 |
| Investment income | 1,146,807 | | 1,146,807 | 777,937 |
| Corporate donation | 800,884 | | 800,884 | 1,963,439 |
| Special events | 508,878 | | 508,878 | 370,948 |
| In-kind contribution (Note 14) | 731,834 | | 731,834 | 327,210 |
| Other income | 140,404 | | 140,404 | 177,490 |
| Net assets released from purpose restrictions (Note 11) | 4,878,105 | (4,878,105) | - | - |
| TOTAL REVENUE AND SUPPORT | <u>17,276,503</u> | <u>990,527</u> | <u>18,267,030</u> | <u>14,970,651</u> |
| EXPENSES | | | | |
| Program services | 14,492,372 | | 14,492,372 | 12,278,888 |
| Management and general | 1,729,280 | | 1,729,280 | 859,769 |
| Fundraising | 598,082 | | 598,082 | 501,023 |
| TOTAL EXPENSES | <u>16,819,734</u> | <u>-</u> | <u>16,819,734</u> | <u>13,639,680</u> |
| CHANGE IN NET ASSETS BEFORE OTHER CHANGES | <u>456,769</u> | <u>990,527</u> | <u>1,447,296</u> | <u>1,330,971</u> |
| OTHER CHANGES | | | | |
| Gain (loss) on investments | 3,079,292 | | 3,079,292 | (4,502,042) |
| Forgiveness of paycheck protection program loan | | | - | 724,712 |
| | <u>3,079,292</u> | <u>-</u> | <u>3,079,292</u> | <u>(3,777,330)</u> |
| CHANGE IN NET ASSETS | 3,536,061 | 990,527 | 4,526,588 | (2,446,359) |
| NET ASSETS, BEGINNING OF YEAR | <u>37,785,201</u> | <u>4,935,201</u> | <u>42,720,402</u> | <u>45,166,761</u> |
| NET ASSETS, END OF YEAR | <u>\$ 41,321,262</u> | <u>\$ 5,925,728</u> | <u>\$ 47,246,990</u> | <u>\$ 42,720,402</u> |

The accompanying notes are an integral part of these financial statements.

**CHINESE FOR AFFIRMATIVE ACTION
DBA ASIAN AMERICANS FOR CIVIL RIGHTS AND EQUALITY**

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2023
With comparative totals for the year ended December 31, 2022

| | Total | | | Total Expenses | |
|---------------------------------------|----------------------|---------------------------|-------------------|----------------------|----------------------|
| | Program Services | Management and General | Fundraising | 2023 | 2022 |
| Salaries | \$ 7,313,891 | \$ 1,070,597 | \$ 252,889 | \$ 8,637,377 | \$ 6,216,489 |
| Payroll taxes | 546,187 | 81,119 | 19,194 | 646,500 | 466,044 |
| Employee benefits | 1,178,831 | 244,177 | 41,528 | 1,464,536 | 942,701 |
| Total personnel costs | 9,038,909 | 1,395,893 | 313,611 | 10,748,413 | 7,625,234 |
| Consultants | 1,519,860 | 203,962 | 84,703 | 1,808,525 | 1,846,996 |
| Subcontractors | 1,350,071 | | | 1,350,071 | 2,337,187 |
| In-kind expenses | 731,834 | | | 731,834 | 331,230 |
| Food and catering | 170,605 | 3,416 | 127,805 | 301,826 | 136,502 |
| Dues and donations | 270,325 | | 21,931 | 292,256 | 29,002 |
| Stipends | 235,197 | 46 | 1,288 | 236,531 | 195,428 |
| Rental | 214,779 | 3,864 | 9,478 | 228,121 | 106,067 |
| Travel | 217,070 | 1,103 | 1,456 | 219,629 | 105,889 |
| Computer | 122,150 | 42,195 | 408 | 164,753 | 247,985 |
| Staff development | 139,482 | 4,469 | 999 | 144,950 | 98,242 |
| Copying and printing | 84,503 | | 16,928 | 101,431 | 47,838 |
| Office expense | 64,937 | 6,162 | 4,102 | 75,201 | 61,583 |
| Depreciation | 68,754 | 5,193 | | 73,947 | 75,193 |
| Telephone | 66,925 | 4,635 | 900 | 72,460 | 55,148 |
| Accounting and audit | | 45,000 | | 45,000 | 33,598 |
| Insurance | 33,133 | 6,500 | | 39,633 | 19,389 |
| Workshop/events | 24,328 | 442 | 5,391 | 30,161 | 26,676 |
| Bank charges | 20,252 | 606 | 5,060 | 25,918 | 27,661 |
| Interpretation and translation | 23,664 | | | 23,664 | 7,996 |
| Utilities | 16,788 | | | 16,788 | 14,162 |
| Repairs and maintenance | 16,521 | | | 16,521 | 15,892 |
| Postage and delivery | 12,811 | 2,339 | 1,336 | 16,486 | 14,390 |
| Fees and licenses | 11,066 | 1,905 | 1,990 | 14,961 | 25,844 |
| Seminars and conferences | 14,121 | 490 | | 14,611 | 14,229 |
| Parking | 9,720 | | | 9,720 | 4,800 |
| Payroll processing fee | 8,445 | 1,000 | | 9,445 | 5,390 |
| Equipment rental | 2,604 | | 696 | 3,300 | 8,561 |
| Miscellaneous | 1,500 | 60 | | 1,560 | 4,230 |
| Advertising | 1,058 | | | 1,058 | 1,515 |
| Books and publications | 960 | | | 960 | - |
| Investments | | | | - | 115,823 |
| TOTAL 2023 FUNCTIONAL EXPENSES | \$ 14,492,372 | \$ 1,729,280 | \$ 598,082 | \$ 16,819,734 | |
| TOTAL 2022 FUNCTIONAL EXPENSES | \$ 12,278,888 | \$ 859,769 | \$ 501,023 | | \$ 13,639,680 |

The accompanying notes are an integral part of these financial statements.

**CHINESE FOR AFFIRMATIVE ACTION
DBA ASIAN AMERICANS FOR CIVIL RIGHTS AND EQUALITY**

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2023
With comparative totals for the year ended December 31, 2022
continued

Program Services

| | Program Services | | | | | | | | | | | | | | Total Program Services | | | | |
|---------------------------------------|-------------------|------------------|---------------------|-----------------|---------------------|------------------|---------------------|-----------------|----------------------|---------------|------------------|-----------------|--------------------|---------------------------------|------------------------|---------------------------------|-------------------|----------------------|--------------|
| | API Equality | Lavender Phoenix | CAA | APEX | APSC | ASATA | HIP | Hyphen | Stop AAPI Hate (SAH) | NRJ | Capital Campaign | VietUnity | Visibility Project | Bay Area Transformative Justice | Asian Refugees United | Movement Forward Campaign (MFC) | Shared | 2023 | 2022 |
| Salaries | \$ 668,587 | | \$ 2,726,361 | \$ - | \$ 803,042 | \$ - | \$ 982,284 | \$ - | \$ 1,521,815 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 289,380 | \$ - | \$ 322,422 | \$ 7,315,891 | \$ 5,408,917 |
| Payroll taxes | 51,635 | | 203,736 | | 59,928 | | 73,514 | | 111,725 | | | | | | 21,638 | | 23,991 | 546,187 | 406,023 |
| Employee benefits | 110,366 | | 451,608 | | 132,512 | | 162,891 | | 252,318 | | | | | | 47,818 | | 21,318 | 1,178,831 | 821,900 |
| Total personnel costs | 830,588 | | 3,381,705 | | 995,482 | | 1,218,689 | | 1,885,858 | | | | | | 358,856 | | 367,731 | 9,038,909 | 6,636,840 |
| Consultants | 23,302 | | 206,614 | 7,300 | 102,640 | 1,200 | 62,434 | 1,560 | 965,136 | | | 1,221 | 7,220 | 12,000 | 47,924 | | 81,309 | 1,519,860 | 1,732,836 |
| Subcontractors | | | 734,186 | | | | | | 615,885 | | | | | | | | | 1,350,071 | 2,337,187 |
| In-kind expenses | | | | | | | | | 373,982 | | | | | | 4,810 | | 300 | 731,834 | 327,210 |
| Food and catering | 2,612 | | 45,342 | | 11,011 | 10,544 | 45,833 | | 27,047 | | | | | | 16,618 | | 10,827 | 170,605 | 88,647 |
| Dues and donations | 24,285 | | 224,356 | | 6,132 | 602 | 2,550 | | 10,450 | | | | | | | | 1,950 | 270,325 | 28,177 |
| Stipends | 30,600 | | 39,876 | | 45,924 | 4,200 | 41,726 | | 22,252 | | | | | 14,500 | 35,399 | | 720 | 235,197 | 193,044 |
| Rental | 14,837 | | 10,760 | | 104,963 | 6,596 | 35,254 | | 5,761 | 324 | | 447 | | | 28,008 | | 8,600 | 214,779 | 105,529 |
| Travel | 12,094 | | 45,326 | | 12,632 | 1,969 | 40,372 | | 75,167 | | | | | | 24,207 | | 5,303 | 217,070 | 101,159 |
| Computer | 3,269 | | 45,277 | 600 | 4,580 | 170 | 18,268 | 1,422 | 39,042 | | | | 125 | | 371 | | 9,026 | 122,150 | 247,699 |
| Staff development | 10,261 | | 47,010 | | 3,500 | | 26,762 | | 23,366 | | | | | | 696 | | 27,887 | 139,482 | 97,509 |
| Copying and printing | 185 | | 15,948 | | 5,496 | 102 | 5,249 | | 54,075 | 199 | | | | | 3,249 | | | 84,503 | 34,784 |
| Office expense | 3,858 | | 16,857 | 110 | 12,818 | 253 | 9,873 | | 8,538 | | | | | | 9,158 | | 3,472 | 64,937 | 54,489 |
| Depreciation | | | 15,681 | | | | | | | | 53,073 | | | | | | | 68,754 | 69,754 |
| Telephone | 283 | | 34,925 | | 5,992 | | 7,280 | | 10,641 | | | | | | 1,846 | | 5,958 | 66,925 | 53,618 |
| Accounting and audit | | | | | | | | | | | | | | | | | | | |
| Insurance | | | | | | 410 | | | | | | | | | 1,074 | | 31,649 | 33,133 | 16,690 |
| Workshop/events | 766 | | 4,610 | | 3,297 | 3,359 | 5,677 | | 919 | | | | | | 2,571 | | 3,329 | 24,328 | 26,676 |
| Bank charges | | | 266 | | 1,598 | 1,077 | 191 | | 15,836 | | | | | | 1,785 | 96 | (4,653) | 20,252 | 22,409 |
| Interpretation and translation | | | 7,081 | | | | 525 | 2 | 15,988 | | | 2 | 19 | | | | 150 | 23,664 | 7,856 |
| Utilities | | | 12,133 | | 4,655 | | | | | | | | | | | | | 16,788 | 14,162 |
| Repairs and maintenance | | | 16,521 | | | | | | | | | | | | | | | 16,521 | 15,796 |
| Postage and delivery | 532 | | 1,647 | | 5,788 | | 556 | | 2,254 | | | | | 1,048 | | | 986 | 12,811 | 11,212 |
| Fees and licenses | 190 | | 8,501 | | 129 | | | | 1,828 | | | | | | 386 | | 32 | 11,066 | 24,648 |
| Seminars and conferences | 7,689 | | 2,495 | | | 1,000 | | | 2,403 | | | | | | | | 534 | 14,121 | 14,229 |
| Parking | | | 9,720 | | | | | | | | | | | | | | | 9,720 | 4,900 |
| Payroll processing fee | | | | | | | | | | | | | | | | | | 8,445 | 5,390 |
| Equipment rental | | | | | 2,604 | | | | | | | | | | | | | 2,604 | 1,393 |
| Miscellaneous | | | 226 | | | 134 | | | 1,080 | | | | | | | | 60 | 1,500 | 4,250 |
| Advertising | | | | | | 1,058 | | | | | | | | | | | | 1,058 | 1,515 |
| Books and publications | | | 211 | | | | | | 749 | | | | | | | | | 960 | |
| Investments | | | | | | | | | | | | | | | | | | | |
| TOTAL 2023 FUNCTIONAL EXPENSES | \$ 969,384 | \$ - | \$ 5,279,996 | \$ 8,010 | \$ 1,329,261 | \$ 31,674 | \$ 1,522,239 | \$ 2,984 | \$ 4,158,177 | \$ 523 | \$ 53,073 | \$ 1,670 | \$ 7,364 | \$ 26,500 | \$ 538,006 | \$ 96 | \$ 563,415 | \$ 14,492,372 | |
| TOTAL 2022 FUNCTIONAL EXPENSES | \$ - | \$ 589,774 | \$ 5,035,586 | \$ 21,616 | \$ 989,460 | \$ 40,951 | \$ 1,342,049 | \$ 4,082 | \$ 2,856,231 | \$ 567 | \$ 53,073 | \$ 73 | \$ 34 | \$ 37,480 | \$ 325,493 | \$ 846 | \$ 981,573 | \$ 12,278,888 | |

The accompanying notes are an integral part of these financial statements.

**CHINESE FOR AFFIRMATIVE ACTION
DBA ASIAN AMERICANS FOR CIVIL RIGHTS AND EQUALITY**

STATEMENT OF CASH FLOWS
For the year ended December 31, 2023
With comparative totals for the year ended December 31, 2022

| | 2023 | 2022 |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 4,526,588 | \$ (2,446,359) |
| Adjustments to reconcile change in net assets to net cash (used) provided by operating activities: | | |
| Depreciation | 95,863 | 75,193 |
| (Gain) loss on investments, net | (3,076,204) | 4,499,671 |
| Forgiveness of paycheck protection program loan | - | (724,712) |
| (Increase) decrease in operating assets: | | |
| Contract and grants receivable | (2,104,629) | 921,492 |
| Accounts receivable | (14,065) | 99,406 |
| Prepaid expenses and other assets | (77,278) | (97,218) |
| Amortization of right-of-use assets, operating leases | 35,069 | - |
| Reduction of lease liability, operating leases | (34,495) | - |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | 19,701 | 61,109 |
| Accrued liabilities | 382,336 | 104,265 |
| Deferred liability | (14,694) | 215,243 |
| NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES | (261,808) | 2,708,090 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sale of investments | (5,553,449) | 90,799 |
| Reinvested interest and dividends | (1,133,608) | (776,306) |
| NET CASH (USED) BY INVESTING ACTIVITIES | (6,687,057) | (685,507) |
| NET (DECREASE) INCREASE IN CASH | (6,948,865) | 2,022,583 |
| CASH, BEGINNING OF YEAR | 9,172,620 | 7,150,037 |
| CASH, END OF YEAR | \$ 2,223,755 | \$ 9,172,620 |
| NON-CASH OPERATING ACTIVITIES: | | |
| Addition to right-of-use assets and lease liabilities in accordance with ASC 842 | \$ 24,056 | \$ - |
| Right-of-use assets - operating lease from adoption of ASC 842 | \$ 91,083 | \$ 75,581 |

The accompanying notes are an integral part of these financial statements.

CHINESE FOR AFFIRMATIVE ACTION DBA ASIAN AMERICANS FOR CIVIL RIGHTS AND EQUALITY

NOTES TO FINANCIAL STATEMENTS

1. **Organization**

A. General

Chinese for Affirmative Action (the “Organization”) is a non-profit organization founded in 1969 and established on August 3, 1971 in California. The Organization, located in San Francisco, promotes equal education, civil rights and economic opportunities for Asian Americans, Pacific Islanders, immigrants and other underserved communities through advocacy, research, services, community education and organizing.

The Organization has obtained a business name “Asian Americans for Civil Rights and Equality” (“AACRE”) to differentiate the Organization’s role as the fiscal hub and sponsor for the network of grassroots groups that are part of AACRE. The Board of Trustees conducts business under the AACRE name as the board acts on behalf of the entire network. However, Chinese for Affirmative Action remains the primary, legal name for the Organization, and the Organization continues to conduct business under this name.

Chinese for Affirmative Action, dba Asian Americans for Civil Rights and Equality, is supported primarily through government contracts, grants, donor contributions, and fundraising events.

B. Description of Programs

Chinese Affirmative Action Programs (CAA)

CAA was founded to protect the civil rights of Chinese Americans and to advance multiracial democracy in the United States of America. Today, CAA is a progressive voice in and on behalf of the broader Asian Pacific Islander (API) community. CAA advocates for systemic change that protects immigrant rights, promotes language diversity, and remedies racial injustice.

At the grassroots level, community building work nurtures the ability of immigrants to participate fully in civic life. These activities include leadership development for monolingual public school parents, employment services for limited-English proficient newcomers, outreach for immigrant legal services, and community and voter education underscoring issues that impact CAA's constituency.

In addition to community engagement, CAA leads advocacy to improve public policy and to inform public discourse. CAA produces community-based research, publishes policy analyses and recommendations, shapes opinion through ethnic and mainstream media, and organizes to engage elected and government officials.

At the state level, CAA conducts state legislative and budget advocacy in Sacramento. The Sacramento office identifies and seeks to advance policies and priorities that improve the lives of low-income, immigrant, and underserved communities.

Lastly, CAA spearheads initiatives to grow and sustain a progressive API movement. These multi-strategy and multi-constituency change projects consist of efforts that broaden and deepen the understanding of civil rights issues and support emerging API social justice leaders and activities.

CHINESE FOR AFFIRMATIVE ACTION DBA ASIAN AMERICANS FOR CIVIL RIGHTS AND EQUALITY

NOTES TO FINANCIAL STATEMENTS

1. **Organization**, continued

Stop AAPI Hate (SAH)

Stop AAPI Hate is an initiative led by CAA with AAPI Equity Alliance (formerly A3PCON) and San Francisco State University Asian American Studies Department to address anti-Asian hate, violence, and racism. The need and demand for this work surfaced and has escalated during the COVID-19 pandemic.

Movement Forward Fund (MFF)

The Movement Forward Fund was created in celebration of CAA's 50th anniversary to ensure the Organization can tackle the most pressing racial justice battles for the next 50 years, and to enable CAA to make a meaningful investment against the unprecedented racism and xenophobia facing immigrants right now. MFF includes an unrestricted action fund and endowment gifts. Planned, legacy, and named gifts are among the options to contribute to the endowment.

APEX Express

The Organization is the fiscal sponsor for APEX Express, a weekly magazine-style radio show featuring the voices and stories of Asians and Pacific Islanders from all corners of the community. The show is produced by a collective of media makers, disc jockeys, and activists and airs each week on KPFA 94.1FM in the San Francisco Bay Area.

Asian Prisoner Support Committee (APSC)

The Organization is the fiscal sponsor for APSC which seeks to address and challenge root causes of the growing API prisoner and detainee crisis, such as the deterioration of our educational system, the criminalization of our youth, and the lack of access to resources for low-income immigrants and communities. Activities include direct support for API incarcerated individuals, connection to social services for recently released individuals, research, and advocacy.

Asian Refugees United (ARU)

The Organization is the fiscal sponsor for ARU, which builds voice, visibility and power of the Bhutanese and Vietnamese immigrant and refugee communities in East Oakland. ARU achieves this through intergenerational leadership development, political education, community organizing, social movement building, storytelling, artistic and cultural practices, and cross-cultural communications.

Alliance of South Asians Taking Action (ASATA)

The Organization is the fiscal sponsor for ASATA, a San Francisco Bay Area all-volunteer group working to educate, organize, and empower the Bay Area South Asian communities to end violence, oppression, racism and exploitation within and against our diverse communities. ASATA has been engaged in campaigns to stand against anti-immigrant sentiment and gender-based exploitation and to promote immigration justice and peace in South Asian communities and the United States.

CHINESE FOR AFFIRMATIVE ACTION DBA ASIAN AMERICANS FOR CIVIL RIGHTS AND EQUALITY

NOTES TO FINANCIAL STATEMENTS

1. **Organization**, continued

Hmong Innovating Politics (HIP)

Hmong Innovating Politics (HIP) is a grassroots organization whose mission is to advance social justice and build power with Hmong youth and families through leadership development and multi-generational community organizing. HIP is based in Fresno and Sacramento, CA, bridging two of the largest Hmong American populations in the state and nation. HIP's work includes civic engagement, youth organizing, communication, narrative change, and social justice coalition building.

Hyphen

The Organization is the fiscal sponsor for Hyphen magazine, a volunteer-run, news and culture magazine that tells the stories of Asian America, beyond identity, featuring emerging artists, thinkers and doers. By documenting and disseminating these stories, Hyphen contributes to the ever-expanding, multifaceted narrative of Asians in America.

Lavender Phoenix

The Organization is the fiscal sponsor for Lavender Phoenix, formerly known as API Equality - Northern California. Lavender Phoenix builds lesbian, gay, bisexual, transgender, queer ("LGBTQ") power to amplify our voices and increase visibility of our communities. They inspire and train leaders, establish intergenerational connections, and document and disseminate our histories. They envision a world where LGBTQ Asians and Pacific Islanders can be present and affirmed in our families and communities as our full authentic selves.

Network on Religion and Justice (NRJ)

The Organization is the fiscal sponsor for NRJ, a volunteer network of groups and individuals working to nurture and support efforts toward a fully LGBTQ-inclusive Asian and Pacific Islander faith community. Activities include talking circles, workshops, bible studies, and other community events in the Bay Area.

VietUnity

The Organization is the fiscal sponsor for VietUnity-Bay Area, a community which works towards positive social change that acknowledges and combats all forms and systems of oppression. VietUnity connects its work to broader multi-racial and multi-class movements for social justice and systemic change.

Visibility Project

The Organization is the fiscal sponsor for the Visibility Project that documents the personal experiences of the Queer Asian Pacific American women and transgender community by interweaving visual art, personal narratives, and social justice onto an accessible online platform. They seek to strategically influence the digital landscape of information about the Queer APA women and transgender community, while being protectively open source.

**CHINESE FOR AFFIRMATIVE ACTION
DBA ASIAN AMERICANS FOR CIVIL RIGHTS AND EQUALITY**

NOTES TO FINANCIAL STATEMENTS

1. **Organization**, continued

Bay Area Transformative Justice (BATJC)

The organization is a pre-approved grant sponsor for BATJC. The Bay Area Transformative Justice Collective is a volunteer run collective based out of Oakland, CA working to build and support transformative justice responses to child sexual abuse. Their work consists of securing safety and intervening in current violence, while also building long term spaces of accountability and strategies for healing and resilience for all survivors, bystanders, and those who have caused harm.

Management and Administrative Support Services

Management and administrative activities include the functions necessary to provide support for the Organization's program activities. They include activities that provide governance (Board of Trustees), oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, digital security, information and technology, and similar functions that ensure a supportive, sustainable, and people-centered work environment.

Fundraising Support Services

Fundraising activities include publicizing and conducting fundraising campaigns; maintaining donor lists; conducting fundraising events; and other activities involved with soliciting contributions from corporations, foundations, individuals, and others.

2. **Summary of Significant Accounting Policies**

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions – Undesignated. These generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving interest from investments less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

**CHINESE FOR AFFIRMATIVE ACTION
DBA ASIAN AMERICANS FOR CIVIL RIGHTS AND EQUALITY**

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Without Donor Restrictions – Designated. These are the net book value of property and equipment that the Board of Directors have established as being designated for use in specific programs. For purposes of complying with net asset accounting, they are included in net assets without donor restrictions at December 31, 2023.

With Donor Restrictions. Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization has \$5,925,728 in net assets with donor restrictions at December 31, 2023.

Cash and Cash Equivalents

The Organization has cash and cash equivalents consisting of funds in bank accounts and highly liquid investments with original maturities of three months or less from date of acquisition, unless the investments are held for meeting restrictions of a capital or endowment nature.

Grants, Contracts and Other Accounts Receivable

At December 31, 2023, management assessed the collectability of grants and accounts receivable, and pledges receivable, concluding that no allowance was considered necessary. Furthermore, management did not record discounts on its grants or contracts, accounts receivable which are expected to be collected in greater than one year as the amount is not deemed material to the financial statements.

Investments

The Organization values its investments at fair value. Realized and unrealized gains or losses (including investments bought, sold, and held during the period) are reflected in the Statement of Activities as investment income gain or (loss) on investments.

The Organization has an investment policy that is monitored by the Investment Committee made up of members of the AACRE Board of Trustees, the Organization's Board of Directors, one of the Co-Executive Directors, the Director of Finance, and community member(s) with investment experience. The objective of the investments is to earn the highest possible total return consistent with a level of risk suitable for these assets. At a minimum, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment investments assets, to provide necessary capital to fund the spending policy, and to cover the costs of managing the endowment investments assets. The portfolio is constructed using a total return approach with a significant portion of the funds invested to seek growth of principal over time.

continued

**CHINESE FOR AFFIRMATIVE ACTION
DBA ASIAN AMERICANS FOR CIVIL RIGHTS AND EQUALITY**

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Investments are divided into endowment investments that are longer range and can take on higher risk and non-endowment funds with shorter term goals. Endowment funds include those that are externally restricted as non-operating funds and internally designated by the board and treated in a similar fashion. Non-endowment investments may be appropriated for expenditure with approval by the Board of Directors upon request from the Co-Executive Directors. There were no accumulated earnings in the externally restricted endowment at December 31, 2023 and 2022. The following is a summary of the asset allocation guidelines, with allowable ranges for each asset type: Asset Category Target.

| | <u>Non-Endowment</u> | <u>Endowment</u> |
|------------------|----------------------|------------------|
| Cash equivalents | 0-10% | 0-10% |
| Fixed income | 30-55% | 25-45% |
| Equities | 50-70% | 55-75% |

Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs - quoted prices in active markets for identical assets

Level 2 inputs - quoted prices in active or inactive markets for the same or similar assets

Level 3 inputs - estimates using the best information available when there is little or no market

The Organization is required to measure certain investments at fair value. The specified technique used to measure fair value for the financial statement element is described in the notes below that relates to the element.

Property and Equipment

Property and equipment are capitalized if the cost of an asset is greater than or equal to five thousand dollars and the useful life is greater than one year. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Estimated useful lives of software, office equipment, and building improvements are 3 to 5 years, and 10 to 15 years, respectively.

continued

**CHINESE FOR AFFIRMATIVE ACTION
DBA ASIAN AMERICANS FOR CIVIL RIGHTS AND EQUALITY**

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Lease

The organization applies Accounting Standards Codification (“ASC”) 842, *Leases*, in determining whether an arrangement is or contains a lease at the lease inception. An arrangement is considered to include a lease if it conveys the right to control the use of identified property, plant or equipment for a period of time in excess of twelve months in exchange for consideration. The Organization defines control of the asset as the right to obtain substantially all of the economic benefits from use of the identified asset as well as the right to direct the use of the identified asset. The Organization further determines all existing leases are operating leases, which are included in right-of-use (“ROU”) assets and lease liabilities in the Statement of Financial Position.

In-kind Contributions

Contributed nonfinancial assets include donated professional services, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. The Organization does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation, (see Note 14).

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by them to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 per depositor, per insured bank, for each account ownership category. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with grants and contribution receivable and contract receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies, and foundations supportive of the Organization’s mission. Investments are made by diversified investment managers whose performance is monitored by the Organization and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

continued

**CHINESE FOR AFFIRMATIVE ACTION
DBA ASIAN AMERICANS FOR CIVIL RIGHTS AND EQUALITY**

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Income Taxes

The Organization is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Organization in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal taxing authorities, generally for three and four years, respectively, after they are filed.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Certain contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Those contracts and grants, or conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met or qualifying expenses have been incurred.

The Organization reports contract revenues received in advance are recorded as deferred liability in the Statement of Financial Position and recognized as support when the qualifying costs are incurred for cost-reimbursement contracts.

Functional Allocation of Expenses

Costs of providing the Organization's programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The Organization uses the percentage of staff time to allocate indirect costs.

**CHINESE FOR AFFIRMATIVE ACTION
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NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

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 reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Subsequent Events

Management has evaluated subsequent events through June 21, 2024, the date which the financial statements were available for issue. No events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.

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NOTES TO FINANCIAL STATEMENTS

3. Liquidity and Availability of Resources

The Organization regularly monitors liquidity required to meet its operating needs. As part of liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, accounts receivable, and investments in marketable securities.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities and the pattern of income from grants, contracts, fundraising, and investments. The Board approves the overall budget and the Investment Committee approves all cash distribution from investments.

As of December 31, 2023, the following table shows the total liquid financial assets, as reflected in this audit, held by the Organization and the amounts of those financial assets that could readily be made available within one year of the statement of financial position date to meet its operational cash flow needs:

| | |
|--|---------------------|
| Cash and cash equivalents | \$ 2,223,755 |
| Accounts receivable, net | 4,010,552 |
| Investments | <u>41,823,056</u> |
| Financial assets at year-end | 48,057,363 |
| minus: | |
| Endowment investment | <u>(200,000)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$47,857,363</u> |

The Organization considers all expenditures related to its ongoing program, management and administrative and fundraising activities to be general expenditures.

4. Receivables

Management deems grant, contract, and other receivables to be fully collectible and, therefore, no allowance for doubtful accounts has been established. Moreover, management did not record discounts on its grants and contributions that are expected to be collected in greater than one year as the amount is not deemed material to the financial statements. Total receivable of \$4,010,552 at December 31, 2023 is expected to be collected in the periods listed.

Receivables at year-end consist of the following:

| | |
|--------------------------|--------------------|
| Grants and contributions | \$2,260,251* |
| Contracts receivable | 1,699,471 |
| Other receivable | <u>50,830</u> |
| | <u>\$4,010,552</u> |

*\$1,708,251 will be realized in one year or less, while \$552,000 will be realized between one year and five years.

continued

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NOTES TO FINANCIAL STATEMENTS

5. Investments

Composition of investments at December 31, 2023 is as follows:

| | |
|-------------------------|---------------------|
| Common stock | \$16,787,160 |
| Mutual fund | 11,460,573 |
| Money market funds | 5,755,768 |
| Corporate bonds | 2,753,689 |
| Asset backed securities | 1,855,239 |
| Government securities | 1,668,418 |
| Saving deposits | 1,075,736 |
| Insured sweep program | <u>466,473</u> |
| Total | <u>\$41,823,056</u> |

6. Property and Equipment

Property and equipment at December 31, 2023 consists of the following:

| | |
|--------------------------------|--------------------|
| Building and improvement | \$ 1,371,251 |
| Land | 149,731 |
| Software | 147,083 |
| Office equipment | <u>68,701</u> |
| | 1,736,766 |
| Less: accumulated depreciation | <u>(1,123,099)</u> |
| | <u>\$ 613,667</u> |

Depreciation expense for the year ended December 31, 2023 was \$73,947.

7. Accrued Liabilities

Accrued liabilities at December 31, 2023 consist of the following:

| | |
|---------------------------|------------------|
| Vacation accrual | \$563,331 |
| TDA employer payable | 204,658 |
| Other payroll liabilities | 22,385 |
| Other accrued liabilities | <u>8,840</u> |
| | <u>\$799,214</u> |

continued

**CHINESE FOR AFFIRMATIVE ACTION
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NOTES TO FINANCIAL STATEMENTS

8. Deferred Revenue

Deferred revenue at December 31, 2023 consist of government contract funds received in advanced for activity that will take place in the next fiscal year.

| | |
|--|------------------|
| Stop the Hate for Asian Americans for Civil Rights and Equality | \$257,789 |
| Office of Civic Engagement Immigrant Affairs (Language Access Network) | 78,778 |
| Other | <u>670</u> |
| Total | <u>\$337,237</u> |

9. Leases

The Organization evaluated current office and equipment contracts to determine which met the criteria of a lease. The ROU assets represents the Organization's right to use underlying assets for the lease term and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization made an election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. Lease terms may include new, renewal or extension options to the extent they are reasonably certain to be exercised. Lease expense is recognized on a straight-line basis over the lease term.

Cash paid for operating leases for the year ended December 31, 2023 was \$37,082. There were no noncash investing and financing transactions related to leasing during the year ended December 31, 2023.

The weighted average of remaining lease terms and weighted average of discount rate for operating leases as of December 31, 2023 were 4.83 years and 4.26%, respectively.

Future maturities of the lease liabilities are as follows:

| | |
|---------------------------------|-----------------|
| <u>Year ending December 31,</u> | |
| 2024 | \$32,829 |
| 2025 | 24,080 |
| 2026 | <u>4,427</u> |
| Total lease payments | 61,336 |
| Less: present value discount | <u>(4,748)</u> |
| | <u>\$56,588</u> |

| | |
|--|------------------|
| ROU asset balance at January 1, 2023 | \$ 67,027 |
| Add: ROU assets | 24,056 |
| Less: amortization of lease | <u>(35,069)</u> |
| ROU asset balance at December 31, 2023 | <u>\$ 56,014</u> |

Rental expense under operating leases was \$228,122 for the year ended December 31, 2023, and is included in the Statement of Functional Expenses.

**CHINESE FOR AFFIRMATIVE ACTION
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NOTES TO FINANCIAL STATEMENTS

10. Commitments and Contingencies

Contracts and Grants

The Organization's contracts and grants are subject to inspection and audit by the appropriate state and county funding agency. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these audits cannot be reasonably estimated and, accordingly, the Organization has no provisions for the possible disallowance of program costs on its financial statements.

11. Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2023 consist of assets restricted for the following:

| <u>Purpose restrictions</u> | |
|---|--------------------|
| Hmong Innovating Politics | \$1,675,426 |
| Asian Prisoner Support Committee | 1,021,000 |
| Chinese for Affirmative Action | 917,351 |
| Asian Refugees United | 687,229 |
| Lavender Phoenix | 653,666 |
| Stop AAPI Hate | 404,133 |
| Asian Americans for Civil Rights and Equality | 138,740 |
| Estate gifts | 134,582 |
| Bay Area Transformative Justice Collective | 60,979 |
| APEX Express | 15,135 |
| The Alliance of South Asians Taking Action | 10,892 |
| Visibility project | <u>6,595</u> |
| | <u>\$5,725,728</u> |

For the year ended December 31, 2023, \$4,878,103 of net assets were released from purpose restrictions.

**CHINESE FOR AFFIRMATIVE ACTION
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NOTES TO FINANCIAL STATEMENTS

12. Designated Endowment

The Organization's endowment consists of a fund established by donors. As required by U.S. generally accepted accounting principles, net assets associated with endowment investments are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of California enacted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") effective January 1, 2009. UPMIFA establishes law for the management and investment of donor restricted endowment funds. The Board of Trustees of the Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted permanent endowment investments unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies the original value of gifts donated as net assets with donor restrictions held in perpetuity.

UPMIFA permits the Organization to appropriate for expenditure or accumulate as much of a donor restricted endowment fund as it determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. In making its determination to appropriate or accumulate, the Organization must act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and it must consider, if relevant, the following factors:

- The duration and preservation of the endowment fund;
- The purposes of the Organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Organization; and
- The investment policy of the Organization.

The Organization has a restricted fund from a CAA supporter who designated that only income generated from the contribution may be used for general operations. The balance of the net assets held in perpetuity is \$200,000.

**CHINESE FOR AFFIRMATIVE ACTION
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NOTES TO FINANCIAL STATEMENTS

12. Designated Endowment, continued

The designated endowment, in the amount of \$200,000 as of December 31, 2023, is the only income generated from the contribution that may be used for general operations. Significant information about the designated endowment as of December 31, 2023 is as follows:

Designated endowment net asset composition by type of fund:

| | |
|----------------------|------------------|
| Designated endowment | <u>\$200,000</u> |
|----------------------|------------------|

Changes in designated endowment net assets:

| | |
|------------------------------------|------------------|
| Beginning of year, January 1, 2022 | \$205,196 |
| Purchases | |
| Sales (release from restrictions) | (75,796) |
| Fees | |
| Investment gain | <u>70,600</u> |
| End of year, December 31, 2022 | <u>\$200,000</u> |

Investment income

| | |
|------------------------|-----------------|
| Interest and dividends | \$ 2,052 |
| Gain on investments | <u>68,548</u> |
| | <u>\$70,600</u> |

13. Fair Market Value

The table below presents the balances of assets or liabilities measured at fair value at December 31, 2023 on a recurring basis:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| Common stock | \$16,787,160 | \$ - | \$ - | \$16,787,160 |
| Mutual fund | 11,460,573 | | | 11,460,573 |
| Money market fund | 5,755,768 | | | 5,755,768 |
| Corporate bonds | 2,753,689 | | | 2,753,689 |
| Asset backed securities | 1,855,239 | | | 1,855,239 |
| Government securities | 1,668,418 | | | 1,668,418 |
| Saving deposit | 1,075,736 | | | 1,075,736 |
| Insured sweep program | <u>466,473</u> | <u> </u> | <u> </u> | <u>466,473</u> |
| | <u>41,823,056</u> | <u> </u> | <u> </u> | <u>41,823,056</u> |
| Fair value at December 31, 2023 | <u>\$41,823,056</u> | <u>\$ </u> | <u>\$ </u> | <u>\$41,823,056</u> |

The fair value of common stock, mutual fund, money market fund, corporate bonds, asset backed securities, government securities, saving deposit and insured sweep program within the Level 1 inputs are based on quoted market prices as of the closing of the last business day of the fiscal year.

**CHINESE FOR AFFIRMATIVE ACTION
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NOTES TO FINANCIAL STATEMENTS

14. In-kind Contributions

For the years ended December 31, 2023, contributed nonfinancial assets recognized within the statements of activities included the following:

| | |
|------------------------|------------------|
| Legal services | \$357,742 |
| Marketing services | 355,050 |
| Travel tickets | 13,820 |
| Entertainment services | 2,555 |
| Artwork services | 2,080 |
| Fundraising goods | 475 |
| Employee retreats | <u>112</u> |
| | <u>\$731,834</u> |

During the year end December 31, 2023, the Organization received marketing services from Venables Bell & Partners for advertising and web design for the new SAH website from Automatic; legal research and analysis related to Stop AAPI Hate's civil rights report and related projects; legal counsel for San Francisco State University Memorandum of Understanding (MOU) for coalition partnership. Value of marketing services were provided by donors at the date of donation. The legal services were measured by hourly rate of donor estimated and hours conducted for the services.

The Organization also received entertaining services, fundraising goods and art services from individual for fundraising event QTViets on the Road Vietnam Trip; travel tickets from United Airline and staff retreat goods for staff team building and training. In-kind products were measured by listed value at the date of donation provided by donors.

15. Employee Benefit Plan

The Organization sponsors a 403(b) retirement plan ("the Plan") for the benefit of its employees, all of whom are eligible to participate after meeting minimum eligibility requirements. The Organization has elected to make bi-weekly discretionary contributions to the Plan on behalf of participating employees, as well as the Organization's discretionary contributions. For the year ended December 31, 2023, the Organization's contributions to the Plan were \$204,658.

ADDITIONAL INFORMATION



**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
Chinese for Affirmative Action
dba Asian Americans for Civil Rights and Equality

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 for Affirmative Action dba Asian Americans for Civil Rights and Equality (a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 2023, and the related Statements of Activities, 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 June 21, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chinese for Affirmative Action dba Asian Americans for Civil Rights and Equality'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 Chinese for Affirmative Action dba Asian Americans for Civil Rights and Equality's internal control. Accordingly, we do not express an opinion on the effectiveness of Chinese for Affirmative Action dba Asian Americans for Civil Rights and Equality'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 entity'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chinese for Affirmative Action dba Asian Americans for Civil Rights and Equality'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 statement. 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*.

A Trusted Nonprofit Partner

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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***

continued

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harrington Group

Oakland, California

June 21, 2024