

**International Institute of the Bay Area**

**Independent Auditor's Report  
and  
Financial Statements**

**For the Fiscal Year Ended June 30, 2013**



**Certified Public Accountant**

# International Institute of the Bay Area

## Table of Contents

	<u>PAGE</u>
Independent Auditor's Report	1-2
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6
Notes to Financial Statements	7-10

## **Independent Auditor's Report**

Board of Directors  
International Institute of the Bay Area  
San Francisco, California

We have audited the accompanying financial statements of the International Institute of the Bay Area (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013 and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements. The financial statements of the International Institute of the Bay Area as of June 30, 2012 were audited by other auditors whose report dated November 20, 2012 expressed an unqualified opinion on those statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Institute of the Bay Area as of June 30, 2013, and the changes in net assets, and its cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

*JRB Accountancy*

Hayward, California  
October 7, 2013

**INTERNATIONAL INSTITUTE OF THE BAY AREA**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2013**

	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Current Assets		
Cash and Cash Equivalents	\$ 215,511	\$ 137,025
Accounts Receivable, net	316,568	131,313
Prepaid expenses	13,305	14,170
Total Current Assets	<u>545,384</u>	<u>282,508</u>
Property and Equipment, net of accumulated depreciation	5,363	11,212
Deposits	1,200	11,539
Investments	<u>654,550</u>	<u>603,704</u>
Total Assets	<u>\$ 1,206,497</u>	<u>\$ 908,963</u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts Payable	\$ 34,754	23,839
Accrued Payroll	14,737	
Accrued Vacation	65,115	54,513
Fiscal Sponsorships	14,644	27,879
Total Liabilities	<u>129,250</u>	<u>106,231</u>
Net Assets:		
Unrestricted	986,822	686,815
Temporarily Restricted	<u>90,425</u>	<u>115,917</u>
Total Net Assets		
Total Liabilities and Net Assets	<u>\$ 1,206,497</u>	<u>908,963</u>

See accompanying notes to the financial statements

**INTERNATIONAL INSTITUTE OF THE BAY AREA**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2013	Total 2012
<b><u>Revenues, Gains and Other Support:</u></b>					
Government Grants and Contracts	\$ 646,704	\$ -	\$ -	\$ 646,704	\$ 669,448
Foundation Grants	520,562			520,562	414,089
Contributions	51,014			51,014	17,182
DACA Collaborative	161,812			161,812	
Fees for Services	631,462			631,462	414,307
Unrealized Gain/Losses	31,138			31,138	(12,016)
Other Income	20,531			20,531	22,578
Net Assets Released from Restrictions				0	
<b>Total Revenue</b>	<b>2,063,223</b>	<b>-</b>	<b>-</b>	<b>2,063,223</b>	<b>1,525,588</b>
 <b><u>Expenses:</u></b>					
Program Expenses	1,723,709			1,723,709	1,494,788
Administration	115,858			115,858	67,201
Fundraising	1,295			1,295	119,758
<b>Total Expenses</b>	<b>1,840,861</b>	<b>-</b>	<b>-</b>	<b>1,840,861</b>	<b>1,681,747</b>
Change in net assets	222,362	-	-	222,362	(156,159)
Net assets at beginning of year	686,815	115,917	-	802,732	842,974
Prior period adjustments (Note 8)	77,645	(25,492)		52,153	-
<b>Net assets at end of year</b>	<b>\$ 986,822</b>	<b>\$ 90,425</b>	<b>\$ -</b>	<b>\$ 1,077,247</b>	<b>\$ 686,815</b>

See accompanying notes to the financial statements

**INTERNATIONAL INSTITUTE OF THE BAY AREA**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$222,362	\$ (148,017)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Prior period adjustment	77,645	-
Depreciation	5,734	4,681
Accounts receivable	(185,255)	79,064
Prepaid expenses and deposits	11,204	(1,422)
Accounts payable	10,915	2,611
Accrued expenses	25,339	(9,631)
Fiscal sponsorships	(13,235)	(133)
Net cash provided (used) by operating activities	<u>154,709</u>	<u>(72,847)</u>
<b>Cash flows from investing activities:</b>		
Investment unrealized gain	(31,138)	(6,786)
Transfer (from) to Investments to Cash	(45,085)	125,000
Net cash provided (used by) investing activities	<u>(76,223)</u>	<u>118,214</u>
Net increase in cash and cash equivalents	78,486	45,367
Cash and cash equivalents at beginning of year	<u>137,025</u>	<u>91,658</u>
Cash and cash equivalents at end of year	<u><u>\$215,511</u></u>	<u><u>\$ 137,025</u></u>

See accompanying notes to the financial statements

**INTERNATIONAL INSTITUTE OF THE BAY AREA  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2012)**

	<b>San Francisco Immigration Program</b>	<b>San Mateo Immigration Program</b>	<b>Oakland Immigration Program</b>	<b>Antioch Immigration Program</b>	<b>Napa Immigration Program</b>	<b>DACA Collaborative Revenue</b>	<b>Total Program Services</b>	<b>Admin</b>	<b>Fundraising</b>	<b>Total</b>	
										<b>2013</b>	<b>2012</b>
<b>EXPENSES</b>											
Salaries and wages	\$ 339,425	\$ 386,325	\$ 311,129	\$ 97,212	\$ 7,165	\$ 77,446	\$ 1,218,702	\$ 9,343	\$ -	\$ 1,228,046	\$ 1,168,447
Payroll taxes	25,807	27,040	24,738	7,063	548	9,392	94,589	2,627	-	97,216	88,572
Benefits	64,999	56,967	48,744	13,456	2,436	9,816	196,418	4,761	-	201,178	170,046
Total personnel expenses	430,231	470,332	384,611	117,731	10,150	96,654	1,509,709	16,731	-	1,526,439	1,427,064
<b>OPERATING EXPENSES</b>											
Professional Fees	6,792	12,475	5,025	1,338	113	2,079	27,821	8,969	33	36,822	24,855
Occupancy Costs	32,561	978	33,413	11,735	-	-	78,686	17,888	-	96,574	97,247
Operating Expenses	16,004	28,075	26,144	8,278	1,633	2,242	82,375	25,505	51	107,930	102,077
Client Services	-	-	-	-	-	480	480	-	-	480	50
Staff / Board Development	3,202	7,530	4,661	2,557	2,638	1,263	21,850	13,520	469	35,839	29,808
Other Expenses	982	157	167	1,456	-	25	2,788	33,246	743	36,776	646
<b>TOTAL EXPENSES</b>	<b>\$ 489,772</b>	<b>\$ 519,546</b>	<b>\$ 454,021</b>	<b>\$ 143,093</b>	<b>\$ 14,532</b>	<b>\$ 102,744</b>	<b>\$ 1,723,709</b>	<b>\$ 115,858</b>	<b>\$ 1,295</b>	<b>\$ 1,840,861</b>	<b>\$ 1,681,747</b>



**International Institute of the Bay Area**  
**Notes to Financial Statements**  
**June 30, 2013**

**Note 1 Summary of Significant Accounting Policies**

Organization and Nature of Operations

The International Institute of the Bay Area (IIBA) is a non-profit corporation that was founded in 1918. With a diverse Board of Directors, and an annual budget averaging \$2.2 million, the mission of the IIBA is to welcome, educate and serve immigrants, refugees and their families as they join and contribute to the community. The website for the organization is [www.iibayarea.org](http://www.iibayarea.org). Services are provided in San Francisco, San Mateo, Alameda, and Contra Costa Counties in Northern California. Support for IIBA's projects and programs comes from government, private foundations, corporations, service fees for immigration law assistance, and individual donations.

The primary focus of the IIBA's service is to promote immigrant integration through expert legal and accredited immigration law assistance, citizenship preparation, English classes, and workshops that describe the rights and responsibilities of citizenship, civic engagement, community-building, and education. Additional services include medical interpretation for refugees and asylees, and training for employees of other social service organizations on immigration laws.

Basis of Accounting

The accompanying financial statements of IIBA have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Receipts from patients and government agencies are recognized in the period received. Reimbursable earnings not yet received from grantors and patients are recorded as receivables. Funds received in excess of actual earnings are recorded as deferred revenue. Contributions and other donations are recorded as received. Expenditures for goods and services are recorded at the time goods are received or services are rendered.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the *Financial Accounting Standards Board* in its *Accounting Standards Codification (ASC) No. 958*. Under ASC 958, IIBA is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**International Institute of the Bay Area**  
**Notes to Financial Statements**  
**June 30, 2013**

Property and Equipment

Property and equipment acquired by IIBA are considered owned by IIBA except for those acquired with funds received from funding sources. Such property shall not be disposed of without written approval from the grantor.

Depreciation is computed on all depreciable property and equipment using the straight-line method based on estimated useful lives ranging from five (5) to thirty (30) years. Depreciation expense for the fiscal year ended June 30, 2013 is \$5,734.

Income Taxes

IIBA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state income taxes under Section 23701d of the California Revenue and Tax Code. This exemption is subject to periodic review by the federal and state taxing authorities and management is confident that the organization continues to satisfy all federal and state statutes in order to qualify for continued tax exemption status.

Concentration of Support and Revenues

IIBA receives the vast majority of its financial support from government and foundation grants. The total comprised of 59% of total revenue and support for the fiscal year ended June 30, 2013.

Expense Allocation

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

Use of Estimates

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

Cash and Cash Equivalents

For the purposes of the statement of cash flows, IIBA considers all highly liquid investments with a remaining maturity of three months or less when purchased to be cash equivalents.

**International Institute of the Bay Area**  
**Notes to Financial Statements**  
**June 30, 2013**

Investments

Investments are carried at market value. Unrealized gains and losses are reflected in the statement of activities.

**Note 2 Cash/Concentrations of Credit Risk**

IIBA maintains its cash balances in financial institutions insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2013, IIBA's uninsured cash balances total \$0.

**Note 3 Accounts Receivable**

The components of accounts receivable at June 30, 2013 are as follows:

Newcomers	\$ 64,942
Human Services Agency	42,197
Family Violence Law Center	16,766
Bay Area Legal Aid	10,571
Immigrant Legal Resource Center	45,606
Services Immigrant Rights & Education Network	19,890
Department of Public Health	6,317
County of Alameda	9,999
DACA Collaborative	77,663
New Citizenship	4,166
Miscellaneous	<u>18,451</u>
 Total	 <u>\$316,568</u>

**Note 4 Property and Equipment**

Property and equipment at June 30, 2013, consists of the following:

Furniture and equipment	\$ 123,777
Less: Accumulated Depreciation	<u>(118,414)</u>
Total	<u>\$ 5,363</u>

**Note 5 Accrued Compensated Absences**

IIBA employees are granted varying amounts of vacation and sick leave in accordance with the Organization's personnel policy. As such, IIBA accounts for compensated balances. A liability attributable to services already rendered and not contingent on a specific event that is outside the control of IIBA and employee is accrued as employees earn the rights to the benefits. As of June 30, 2013, liability balance was at \$65,115.

**International Institute of the Bay Area**  
**Notes to Financial Statements**  
**June 30, 2013**

**Note 6 Contingencies**

IIBA has received funds for programs that are subject to review and audit by the funding agencies. Although such audits could generate expenditure disallowances under terms of the contracts, it is believed that any required reimbursements will not be material.

**Note 7 Lease Commitments**

IIBA entered into various leases agreements of office buildings for operational purposes in its respective locations. Below are the future lease commitments as of June 30:

2014	\$ 86,849
2015	75,890
2016	<u>25,900</u>
Total	<u>\$188,639</u>

**Note 8 Prior Period Adjustments**

It was determined during fiscal year 2013 that certain transactions needed to be recognized for various programs pertaining to prior periods. As such, these have been recorded as prior period adjustments increasing net assets by a total net amount of \$52,153.

**Note 9 Subsequent Events**

Events subsequent to June 30, 2013 have been evaluated through September 30, 2013, the date at which IIBA's financial statements were made available to be issued. No events requiring disclosures have occurred through this date.