

INTERNATIONAL INSTITUTE OF THE BAY AREA

Financial Statements
June 30, 2015
(With Comparative Totals for June 30, 2014)

INTERNATIONAL INSTITUTE OF THE BAY AREA

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors /Trustees
International Institute of the Bay Area
San Francisco, California**

Report on the Financial Statements

I have audited the accompanying financial statements of International Institute of the Bay Area (IIBA), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

INDEPENDENT AUDITOR'S REPORT (Continued)

Opinion

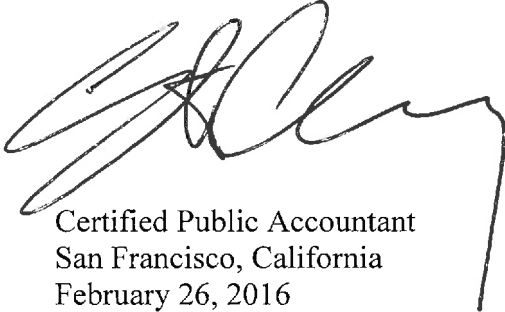
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Institute of the Bay Area as of June 30, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of International Institute of the Bay Area as of June 30, 2014, were audited by other auditors whose report dated October 16, 2014, expressed an unmodified opinion on those statements.

Report on Summarized Comparative Information

In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountant
San Francisco, California
February 26, 2016

INTERNATIONAL INSTITUTE OF THE BAY AREA
STATEMENTS OF FINANCIAL POSITION
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

	2015	2014
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 521,464	\$ 504,027
Government and Grant Receivable, net	454,290	212,507
Prepaid Expenses	35,366	25,020
Total Current Assets	1,011,120	741,554
Property and Equipment, net of accumulated depreciation	-	-
Deposits	35,159	4,200
Investments	895,829	733,361
TOTAL ASSETS	\$ 1,942,108	\$ 1,479,115
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$ 23,424	\$ 18,483
Accrued Payroll	14,510	16,624
Accrued Vacation	67,389	75,031
Deferred Revenue	31,250	31,912
Fiscal Sponsorships	23,122	25,249
Other Current Liabilities	78,826	-
TOTAL LIABILITIES	238,521	167,299
Net Assets:		
Unrestricted	1,249,904	1,168,346
Temporarily Restricted	453,683	143,470
Total Net Assets	1,703,587	1,311,816
TOTAL LIABILITIES AND NET ASSETS	\$ 1,942,108	\$ 1,479,115

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

INTERNATIONAL INSTITUTE OF THE BAY AREA
STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

	Unrestricted	Temporarily Restricted	2015	2014
REVENUE, GAINS AND OTHER SUPPORT:				
Government Grants and Contracts	\$ 718,884	\$ -	\$ 718,884	\$ 639,801
Foundation Grants	148,697	1,063,513	1,212,210	738,323
Contributions	60,149	-	60,149	55,819
DACA Collaborative	302,517	-	302,517	153,547
Fees for Services	731,409	-	731,409	655,361
Unrealized Gain/Losses	(18,240)	-	(18,240)	78,505
In-kind Contributions	495,020	-	495,020	367,740
Other Income	25,100	-	25,100	337
Net Assets Released from Restrictions	753,300	(753,300)	-	-
Total Revenue	3,216,836	310,213	3,527,049	2,689,433
 EXPENSES				
Program Expenses	2,871,139	-	2,871,139	2,341,944
Administration	42,299	-	42,299	110,349
Fundraising	12,732	-	12,732	2,570
Total Expenses	2,926,170	-	2,926,170	2,454,863
CHANGE IN NET ASSETS	290,666	310,213	600,879	234,570
NET ASSETS, beginning of year	1,168,346	143,470	1,311,816	1,077,246
Prior Period Adjustment	(209,108)	-	(209,108)	-
NET ASSETS, beginning bal. after adjustment	959,238	143,470	1,102,708	1,077,246
NET ASSETS, end of year	\$ 1,249,904	\$ 453,683	\$ 1,703,587	\$ 1,311,816

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

INTERNATIONAL INSTITUTE OF THE BAY AREA
 STATEMENTS OF FUNCTIONAL EXPENSES
 For the Year Ended June 30, 2015
 (With Comparative Totals for the Year Ended June 30, 2014)

	San Francisco Immigration Program	San Mateo Immigration Program	Oakland Immigration Program	Antioch Immigration Program	Napa Immigration Program	DACA Collaborative Revenue	Total Program Services	Administration	Fundraising	2015 Total	2014 Total
Salaries and Wages	\$ 373,854	\$ 573,230	\$ 312,706	\$ 126,373	\$ 163,166	\$ 86,546	\$ 1,635,875	\$ 44,535	\$ -	\$ 1,680,410	\$ 1,772,148
Payroll Taxes	27,751	44,397	24,545	9,987	12,839	6,619	126,138	1,960	-	128,098	108,943
Benefits	70,564	74,169	37,262	13,803	22,192	9,144	227,134	(25,487)	-	201,647	213,485
Professional Fees	12,429	16,783	15,369	4,687	5,233	38	54,539	6,047	-	60,586	38,335
Occupancy Costs	29,324	15,037	51,472	15,671	18,611	-	130,115	2,309	-	132,424	141,618
Operating Expenses	22,036	41,016	29,402	16,668	14,042	524	123,688	10,612	-	134,300	130,552
Client Services	249	843	358	409	26,703	174	28,736	14	-	28,750	2,209
Staff/Board Development	5,056	19,734	6,640	4,137	5,810	63	41,440	1,962	-	43,402	41,911
Other Expenses	903	1,273	672	508	5,098	-	8,454	347	-	8,801	5,662
Fundraising	-	-	-	-	-	-	-	-	12,732	12,732	-
In-kind Expense	7,728	28,723	457,326	1,154	89	-	495,020	-	-	495,020	-
TOTAL	\$ 549,894	\$ 815,205	\$ 935,752	\$ 193,397	\$ 273,783	\$ 103,108	\$ 2,871,139	\$ 42,299	\$ 12,732	\$ 2,926,170	\$ 2,454,863

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

INTERNATIONAL INSTITUTE OF THE BAY AREA
STATEMENTS OF CASH FLOWS
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

	2015	2014
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 600,879	\$ 234,570
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Prior Period Adjustment	(209,108)	-
Depreciation	18,240	5,056
Unrealized Gain on Investments	-	(78,505)
Account Receivable	(241,783)	104,061
Prepaid Expenses and Deposits	(41,305)	(14,715)
Account Payable	4,941	(16,271)
Accrued Expenses	(9,756)	11,803
Deferred Revenue	(662)	31,912
Fiscal Sponsorships	(2,127)	10,605
Other Current Liabilities	78,826	-
Net Cash Provided (Used) by Operating Activities	198,145	288,516
Cash Flows from Investing Activities:		
Transfer (from) to Investments to Cash	(162,468)	-
Unrealized Loss on Investments	(18,240)	-
Net Cash (Used) by Investing Activities	(180,708)	-
Net Increase in Cash and Cash Equivalents	17,437	288,516
Cash and Cash Equivalents at Beginning of Year	504,027	215,511
Cash and Cash Equivalents at End of Year	\$ 521,464	\$ 504,027

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

INTERNATIONAL INSTITUTE OF THE BAY AREA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

NOTE 1 – ORGANIZATION

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. Services are provided in San Francisco, San Mateo, Alameda, Napa, 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accrual Basis - The financial statements of International Institute of the Bay Area have been prepared on the accrual basis of accounting.

Estimates - 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable - Accounts receivable consist of receivables from participating employers for employee benefits. Based on prior write-off history, overall economic conditions, and the current aging status of its participating employers, IIBA has established an allowance for doubtful accounts at a level considered adequate to cover anticipated losses on outstanding accounts receivable. No allowance was recorded at June 30, 2015 or 2014 as the amount was not deemed to be material.

Benefits - IIBA provides dental, vision, disability, accidental death and dismemberment, and life insurance through policies with insurance companies covering eligible employees of member employers who elect to participate, and to the eligible dependents or designated beneficiaries of such employees.

INTERNATIONAL INSTITUTE OF THE BAY AREA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Furniture, Fixtures, and Equipment - Furniture, fixtures, and equipment are recorded at cost and are depreciated using the straight line method over estimated useful lives. Depreciation expenses were \$0 and \$5,056 for the years ended June 30, 2015 and 2014, respectively.

Income Taxes - The Internal Revenue Service and the California Franchise Tax Board have determined that IIBA is exempt from federal and state income taxes under Internal Revenue Code Section (501)(c)(3) and the California Revenue and Taxation Code Section 23701 (d). IIBA has evaluated its current tax positions as of June 30, 2015 and is not aware of any significant uncertain tax positions for which a reserve would be necessary.

Cash Equivalents - For purpose of the statement of cash flows, IIBA considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

The Organization maintains its cash balances at several financial institutions located in the San Francisco Bay Area. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. All funds in a noninterest-bearing transaction account are insured in full by the FDIC through December 31, 2015.

Concentration of Support and Revenues - IIBA receives the majority of its financial support from government and foundation grants. The total comprised of 59.26% of total revenue and support for the fiscal year ended June 30, 2015, of which 26.57% were from government grants and 32.69% from foundation grants. An additional 27.17% of revenues were received from fees for services and 11.24% from a sub-grantee, DACA Collaborative.

In-Kind Donation – IIBA receives substantial support from volunteers who donate their time to accomplish its purpose. These volunteers contribute legal services, which meets one of the conditions for the Organization to recognize revenue or expenses in their financial statements. Pursuant to ASC 958, one of the two conditions states “The services require specialized skills, are provided by someone who actually possesses those skills, and would have to be purchased if not donated.”

During fiscal year 2015, IIBA chose to record these contributions as the values were readily determinable and specified by the donors. In-kind revenue and in-kind expense in the amount of approximately \$495,020 and \$367,740 for 2015 and 2014 respectively is recorded in the accompanying statement of activities, of which \$19,181 includes donated rental of space occupancy of Redwood City facility.

INTERNATIONAL INSTITUTE OF THE BAY AREA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prior Year Summarized information - 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 GAAP. Accordingly, such information should be read in conjunction with IIBA’s financial statements for the year ended June 30, 2014 from which the summarized information was derived.

Reclassification - Certain amounts in the prior-year financial statements have been reclassified to conform with the presentation in the current-year financial statements.

Subsequent Events - At the time of the audit, IIBA has evaluated all subsequent events through February 26, 2016, the date the financial statements were available to be issued, and determined that there is no material impact from the subsequent events.

NOTE 3 – RETIREMENT PLAN

The Organization sponsors an IRC section 403(b) retirement plan for all eligible employees who elect to participate. The Organization matches up to 2% of participating employee’s compensation. Total retirement plan expense for the year ending June 30, 2015 and 2014 were \$13,486 and \$6,082, respectively.

NOTE 4 – RESTRICT NET ASSETS

Temporarily restricted net assets as of June 30, 2015 are as follows:

	2015
Grove Foundation	\$ 55,000
Soda Foundation	50,000
Silicon Valley Community Foundation	40,000
The San Francisco Foundation	20,833
Napa Valley Community Foundation	241,100
Kaiser Foundation	22,000
Asian Pacific Islander Legal Outreach	13,500
ILRC	11,250
Total	\$ 453,683

INTERNATIONAL INSTITUTE OF THE BAY AREA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

NOTE 5 – 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:

	<u>2015</u>
2016	\$ 128,550
2017	89,866
Total	<u>\$ 218,416</u>

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2015 and 2014, consists of the following:

	<u>2015</u>	<u>2014</u>
Furniture and Equipment	\$ 118,414	\$ 118,414
Less Accumulated Depreciation	(118,414)	(118,414)
Total	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 – ACCOUNTS RECEIVABLE

The components of accounts receivable at June 30, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Government Receivable		
Office of Aging - Naturalization	\$ 31,308	\$ 15,117
Calworks Violence Against Women	20,017	10,265
Calworks Collaborative	-	8,640
City of Hayward	211	8,300
DOE	25,452	-
Office of Civic Engagement	3,750	-
UCSF	5,363	-
VAWA	17,500	-
Family Justice Center - Alameda County Family Project	7,782	9,099
Department of Public Health	45,658	47,537
Total Government Receivable	<u>157,041</u>	<u>98,958</u>

INTERNATIONAL INSTITUTE OF THE BAY AREA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

NOTE 7 – ACCOUNTS RECEIVABLE (Continued)

	2015	2014
Foundation Receivable		
Self Help for the Elderly	\$ 8,326	\$ 8,333
San Francisco Foundation	-	6,000
Bay Area Legal Aid	-	3,500
Asian Pacific Islander Legal Outreach (APILO)	27,000	-
Napa Valley Community Foundation	93,500	-
Silicon Valley Community Foundation	40,000	-
DACA Collaborative	94,937	86,517
Miscellaneous	-	9,199
Immigrant Legal Resource Center (ILRC)	20,000	-
BALA	7,636	-
New American Campaign	1,250	-
SIREN-Services Immigrant Rights & Ed	4,600	-
Total Foundation Receivable	297,249	113,549
Total Account Receivable	\$ 454,290	\$ 212,507

NOTE 8 – 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, 2015 and 2014, liability balance was at \$67,389 and \$75,031 respectively.

NOTE 9 – 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.

INTERNATIONAL INSTITUTE OF THE BAY AREA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

NOTE 10 – FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the assets or liability.

Fair values of assets measured on recurring basis were as follows as of June 30, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Net Cash Equivalents	\$ 23,962	\$ -	\$ 23,962
Equities	276,302		276,302
Corporation/Government Bonds	356,083		356,083
Mutual Funds	<u>239,482</u>		<u>239,482</u>
Total Assets	<u>\$ 895,829</u>	<u>\$ -</u>	<u>\$ 895,829</u>

NOTE 11 – PRIOR PERIOD ADJUSTMENT

The \$209,108 prior period adjustment consisted of many grants transactions that were incorrectly recognized as unrestricted equity in fiscal year 2014.

INTERNATIONAL INSTITUTE OF THE BAY AREA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

NOTE 12 – CONCENTRATIONS

Financial instruments that potentially subject the Organization to concentrations of credit risk are primarily cash, short term investments and accounts receivable. The Organization places its cash in financial institutions that are insured in limited amounts by the Securities Investor Protection Corporation and the Federal Deposit Insurance Corporation. Cash balances at December 31, 2015 and 2014 exceed the balances covered by such insurance by \$200,442 and \$221,764, respectively.