

Immigration Institute of the Bay Area

Financial Statements &
Independent Auditor's Report
for the Year Ended
June 30, 2022

**COOK &
COMPANY**

A PROFESSIONAL ACCOUNTANCY CORPORATION

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	6
Statement of Financial Position	6
Statement of Activities and Changes in Net Assets	7
Statement of Functional Expenses	8
Statement of Cash Flows	9
Notes to Financial Statements	10



A PROFESSIONAL ACCOUNTANCY CORPORATION

Independent Auditor's Report

To the Board of Directors
Immigration Institute of the Bay Area
San Francisco, California

Opinion

We have audited the financial statements of Immigration Institute of the Bay Area (“the Organization”), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, the changes in its net assets, its functional expenses, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

Page One of Three

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, including omissions, 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Immigration Institute of the Bay Area
Independent Auditor's Report
March 6, 2023
Page Three of Three

We are required to communicate, and have communicated, 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.

Report on Summarized Comparative Information

We have previously audited the June 30, 2021, financial statements of Immigration Institute of the Bay Area and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 22, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Cook & Company

A Professional Accountancy Corporation
San Francisco, California
March 6, 2023

Immigration Institute of the Bay Area

Statement of Financial Position June 30, 2022 with Comparative Totals for June 30, 2021

	<u>6/30/2022</u>	<u>6/30/2021</u> (Note 2)
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,861,412	\$ 724,804
Investments (Note 3)	4,025,850	4,249,563
Foundation / corporate grants receivable, current	506,750	758,127
Government grants receivable	981,328	1,326,938
Prepaid expenses and other current assets	307,185	159,661
Total current assets	<u>7,682,525</u>	<u>7,219,093</u>
Foundation / corporate grants receivable, non-current	-	255,000
Deposits	77,405	52,131
Property and equipment, net (Note 4)	31,163	-
Total assets	<u>\$ 7,791,093</u>	<u>\$ 7,526,224</u>
LIABILITIES & NET ASSETS		
Current Liabilities		
Accounts payable	\$ 159,402	\$ 348,336
Accrued payroll	68,125	47,314
Accrued vacation	210,506	221,226
Fiscal sponsorship liabilities	971,524	167,646
Deferred revenue	42,241	56,992
Total current liabilities	<u>1,451,798</u>	<u>841,514</u>
Deferred rent	49,803	32,076
Total liabilities	<u>1,501,601</u>	<u>873,590</u>
Net Assets		
Without donor restrictions	5,002,776	4,945,399
With donor restrictions (Note 5)	1,286,716	1,707,235
Total net assets	<u>6,289,492</u>	<u>6,652,634</u>
Total liabilities and net assets	<u>\$ 7,791,093</u>	<u>\$ 7,526,224</u>

See accompanying notes to financial statements and independent auditor's report.

Immigration Institute of the Bay Area

Statement of Activities & Changes in Net Assets for the Year Ended June 30, 2022 with Comparative Totals for the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	6/30/2022 Total	6/30/2021 Total (Note 2)
Support and Revenue				
Foundation / corporate grants	\$ -	\$ 1,633,243	\$ 1,633,243	\$ 2,759,677
Government grants	3,460,635	-	3,460,635	2,940,012
Contributions	426,524	-	426,524	529,248
In-kind contributions (Note 5)	122,746	-	122,746	72,306
Fees for services	351,599	-	351,599	259,997
Contract management fees	273,940	-	273,940	2,144
Fundraising event contributions	-	-	-	125,129
Interest & dividends	70,663	-	70,663	65,950
Realized and unrealized gains				
on investments	(571,959)	-	(571,959)	542,275
Investment management fees	(22,613)	-	(22,613)	(17,824)
Other income	1,826	-	1,826	879
Net assets released from restrictions	2,053,762	(2,053,762)	-	-
Total revenue and support	<u>6,167,123</u>	<u>(420,519)</u>	<u>5,746,604</u>	<u>7,279,793</u>
Expenses				
Program services	4,781,639	-	4,781,639	4,154,790
Management and general	980,495	-	980,495	871,784
Fundraising / development	347,612	-	347,612	303,535
Total expenses	<u>6,109,746</u>	<u>-</u>	<u>6,109,746</u>	<u>5,330,109</u>
Change in Net Assets	57,377	(420,519)	(363,142)	1,949,684
Net Assets, Beginning of Year	4,945,399	1,707,235	6,652,634	4,702,950
Net Assets, End of Year	<u>\$ 5,002,776</u>	<u>\$ 1,286,716</u>	<u>\$ 6,289,492</u>	<u>\$ 6,652,634</u>

See accompanying notes to financial statements and independent auditor's report.

Immigration Institute of the Bay Area

Statement of Functional Expenses for the Year Ended June 30, 2022 with Comparative Totals for the Year Ended June 30, 2021

	San Francisco	Oakland	San Mateo	Brentwood	Napa	Sonoma	Fremont	Total Program	Management	Fundraising /	6/30/2022	6/30/2021
	Immigration	Immigration	Immigration	Immigration	Immigration	Immigration	Immigration	Services	and General	Development	Total	Total
	Program	Program	Program	Program	Program	Program	Program					(Note 2)
Salaries	\$ 346,242	\$ 510,788	\$ 688,648	\$ 409,694	\$ 627,537	\$ 247,069	\$ 236,781	\$ 3,066,759	\$ 735,637	\$ 262,232	\$ 4,064,628	\$ 3,391,506
Employee benefits	50,415	64,736	102,059	55,345	103,204	23,989	39,973	439,721	81,493	20,924	542,138	448,466
Payroll taxes	25,329	39,367	50,876	30,398	46,500	18,358	17,885	228,713	46,468	18,931	294,112	225,317
Accounting fees	-	-	-	-	-	-	-	-	25,303	-	25,303	21,854
Other professional services	10,261	62,503	43,666	12,658	68,759	53,906	7,824	259,577	971	4,666	265,214	306,959
Communications	7,152	11,507	8,131	5,066	5,885	169	3,803	41,713	13,173	2,402	57,288	52,462
Marketing expenses	-	-	-	-	-	-	-	-	4,521	-	4,521	3,214
Office expenses	7,625	5,962	18,952	4,342	15,814	2,193	3,391	58,279	19,457	2,475	80,211	67,488
Postage & delivery	4,686	7,213	7,830	3,127	8,924	1,293	143	33,216	1,674	1,189	36,079	28,996
Printing & duplication	540	91	34,584	-	14,985	-	67	50,267	271	2,839	53,377	15,008
Information technology	6,046	5,011	7,428	4,440	6,307	2,279	2,172	33,683	22,437	1,558	57,678	53,052
Occupancy	63,272	99,122	62,408	38,235	62,882	460	26,915	353,294	32,830	8,401	394,525	373,134
Travel	3,880	421	529	157	559	343	-	5,889	5,233	957	12,079	3,896
Government form filing fees	-	3,135	11,060	7,045	33,950	850	-	56,040	-	-	56,040	176,410
Staff/board development	1,354	1,941	1,716	1,769	1,783	485	607	9,655	34,424	154	44,233	40,593
Insurance	2,822	3,989	6,131	3,651	5,557	1,955	2,111	26,216	4,416	1,332	31,964	27,569
Credit card processing fees	849	4,246	292	420	383	41	888	7,119	1,090	-	8,209	9,802
Depreciation	3,150	-	-	-	-	-	-	3,150	630	420	4,200	-
Other expenses	1,535	14,066	2,033	-	17,796	539	15,106	51,075	12,677	14,195	77,947	84,383
Allocation of shared costs	6,400	9,627	12,900	7,611	11,767	4,547	4,421	57,273	(62,210)	4,937	-	-
Total expenses by function	\$ 541,558	\$ 843,725	\$ 1,059,243	\$ 583,958	\$ 1,032,592	\$ 358,476	\$ 362,087	\$ 4,781,639	\$ 980,495	\$ 347,612	\$ 6,109,746	\$ 5,330,109

See accompanying notes to financial statements and independent auditor's report.

Immigration Institute of the Bay Area

Statement of Cash Flows for the Year Ended June 30, 2022 with Comparative Totals for the Year Ended June 30, 2021

	6/30/2022	6/30/2021 (Note 2)
Cash flows from operating activities:		
Cash received from grantors/contributors	\$ 6,495,135	\$ 4,881,299
Cash received from payments of program fees	454,567	166,861
Dividends and interest received	70,663	65,950
Cash generated from operating activities	7,020,365	5,114,110
Cash paid to, or for the benefit of, employees	(4,890,787)	(4,023,652)
Cash paid to contractors and suppliers	(609,361)	(958,082)
Cash disbursed for operating activities	(5,500,148)	(4,981,734)
Net cash flows generated from operating activities	1,520,217	132,376
Cash flows from investing activities:		
Purchases of capital assets	(35,363)	-
Purchases of marketable securities	(348,246)	(973,004)
Net cash flows from investing activities	(383,609)	(973,004)
NET INCREASE IN CASH	1,136,608	(840,628)
CASH & CASH EQUIVALENTS, beginning of year	724,804	1,565,432
CASH & CASH EQUIVALENTS, end of year	\$ 1,861,412	\$ 724,804

Supplemental information:

Reconciliation of change in net assets to cash flows generated from operating activities:

Change in net assets	\$ (363,142)	\$ 1,949,684
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation expense	4,200	-
Realized and unrealized (gains)/losses on investments	571,959	(542,275)
Changes in assets and liabilities:		
Grants receivable	851,987	(1,545,073)
Prepaid expenses & deposits	(172,798)	(96,159)
Accounts payable	(188,934)	236,043
Accrued payroll	20,811	6,502
Accrued vacation	(10,720)	35,135
Fiscal sponsorship payable	803,878	(549)
Other current liabilities	2,976	89,068
Net cash flows generated from operating activities	\$ 1,520,217	\$ 132,376

See accompanying notes to financial statements and independent auditor's report.

Immigration Institute of the Bay Area

Notes to Financial Statements June 30, 2022

1. The Organization

Nature of Activities

The Immigration Institute of the Bay Area (IIBA) is a non-profit corporation that was founded in 1918. The mission of the IIBA is to welcome, educate and serve immigrants, refugees and their families as they join and contribute to the community. Services are provided in San Francisco, San Mateo, Alameda, Napa, Sonoma and Contra Costa Counties. IIBA is the largest non-profit provider of immigration legal services in Northern California. Support for IIBA's projects and programs comes from government, private foundations, corporations, service fees for immigration legal assistance, and individual donation.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, support is recognized when it is awarded, revenue is recognized when it is earned and realizable, and expenses are recognized when they are incurred.

Cash and Equivalents

Cash and equivalents include deposits held in bank checking and savings accounts, as well as money market funds held with an investment brokerage firm.

Grants Receivable

Grants receivable from foundations are recorded based on formal, written promises received. Amounts due within one year are presented as current and stated at face value. Amounts due beyond one year are discounted to present value only when such discounts would be material to the financial statements as a whole. Since all amounts are deemed fully collectible within one year of the balance sheet date, there is no allowance for doubtful accounts or present value discount reflected in the financial statements.

Government grants receivable pertain to conditional contributions (i.e., cost reimbursement contracts) and are reported at the amount management expects to collect from municipal agencies on balances outstanding at year-end. All amounts are deemed fully collectible within one year of the balance sheet date.

Fair Value of Financial Instruments

The carrying amounts of cash, receivables, and accounts payable approximate fair value because of the short maturity of these instruments.

Property & Equipment

The Organization capitalizes purchases of fixed assets with an initial cost (or fair value if donated) of \$3,000 or more. The balance of property and equipment consists of leasehold improvements. Depreciated is recorded using the straight-line method over the assets' estimated useful life of 84 months.

Fiscal Sponsorship Liabilities

IIBA acts as a custodian of contributions raised and designated for other nonprofit organizations. Because IIBA does not have variance power over the use of the contributions, they are considered

Immigration Institute of the Bay Area

Notes to Financial Statements June 30, 2022

agency transactions and not reflected on the Organization's statement of activities. Amounts received under this arrangement are reflected as a liability until the point when they are transferred to recipients.

Deferred Rent

The Organization's office leases contain staggered rent schedules whereby rent gradually increases over the course of the lease term. In accordance with GAAP, rent expense has been straight-lined so that it is spread evenly over the term of the lease. The difference between the straight-lined expense and the rental payments to date is recorded as a deferred rent liability that will be fully amortized by the end of the leases.

Net Assets

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

Net assets without donor restrictions, which includes resources not subject to, or no longer subject to, donor-imposed stipulations.

Net assets with donor restrictions, which includes resources whose use is limited by donor-imposed time and/or purpose restrictions.

Recognition of Support and Revenue

Revenue and support have been reflected in these financial statements in accordance with the provisions of ASC 958 and ASC 606, respectively. Amounts received are generally considered contributions recognizable under ASC 958 when the funding sources do not receive direct commensurate value in exchange for their payments. Conversely, amounts received from a funding source to provide services directly to the resource provider are considered contracts with customers recognizable under ASC 606.

Contributions

The Organization recognizes contributions when it receives cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest.

Contributions are reported as increases in *net assets without donor restrictions* unless use of the contributed assets is limited by donor-imposed stipulations. Expirations of donor-restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time-period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Conditional contributions

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. The Organization's contracts with government agencies are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at June 30, 2022, conditional contributions approximating \$1.1 million, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements.

Immigration Institute of the Bay Area

Notes to Financial Statements June 30, 2022

In-kind Support

The vast majority of in-kind support consists of donated services that require specialized skills, are provided by volunteers who possess those skills, and would have to be purchased if not donated. These include ESL teachers, paralegals and attorneys.

Contracts with Customers

Revenues from contracts with customers (as defined by FASB ASC 606) are presented under the *fees for services* and *contract management fees* captions of the *statement of activities and changes in net assets*. These primarily include amounts received for immigration legal services. A contract's total consideration typically ranges from less than \$100 to approximately \$2,000. Revenue from these services is recognizable at the point in time when performance obligations are completed. Performance obligations relate to immigration legal services, including Form I-130 family/marriage visa petitions, DS-260 consular processing, I-129F fiancé petitions, and completion of other consular processing services. Contract obligations are typically satisfied within three months of a contract's inception.

Customers typically submit a down payment and/or arrange for a payment plan with any remaining contract balance due upon completion of the contracted services. Accounts receivable are recorded when collection from the customer is only conditioned upon the passage of time. Deferred revenue consists of amounts received from customers before the associated contract performance obligations have been satisfied. These amounts will be recognized as revenue when the performance obligations have been satisfied.

Functional Expenses

The Organization presents its expenses by function and natural category. *Program services* include the direct conduct and direct supervision of specific program activities. *Fundraising / development* includes efforts to solicit monetary and nonmonetary contributions. *Management & general* includes general oversight, the solicitation and administration of earned income, recordkeeping, regulatory compliance, governance, financial management, and all other activities that do not constitute the direct conduct or direct supervision of specific program services or fundraising activities.

Expenses that pertain to a single function are charged directly to the function's respective cost center / class in the Organization's accounting system. Some employee salaries are allocated to functions based on management's estimate of time and effort. These include the Executive Director, Communication Manager, and four members of the program staff who spend a portion of their time on activities that are not program services. Other positions are charged entirely to a single function based on the underlying nature of the position. Shared costs, consisting primarily of office expenses, are allocated based on salary allocations at the year-end. Other expenses are charged directly to the appropriate function based on specific identification.

All advertising costs are expensed as incurred.

Income Taxes

As a public charity, the Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3), except on activities unrelated to its mission. Since management believes that all of the Organization's activities are directly related to its mission, no provision has been made for income tax expense. The Organization's federal *Return of Organization Exempt from Income Tax* (Form 990) filings for the tax years ending in 2020 through 2022 are subject to examination

Immigration Institute of the Bay Area

Notes to Financial Statements June 30, 2022

by the Internal Revenue Service, generally for three years after they were filed. The Organization's California *Exempt Organization Annual Information Return* (Form 199) filings for the tax years ending in 2019 through 2022 are subject to examination by the Franchise Tax Board, generally for four years after they were filed.

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.

Recent Accounting Pronouncement

The prior year comparative column of these financial statements reflects the enactment of Accounting Standards Update No. 2014-09— *Revenue from Contracts with Customers (Topic 606)* (ASU 2014-09), which was issued by the Financial Accounting Standards Board (FASB) in May 2014 and was effective for nonpublic entities in calendar years ending in 2020 and beyond. This update supersedes or replaces nearly all GAAP revenue recognition guidance for reciprocal transactions. These standards establish a new five-step contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue.

This pronouncement was effective for IIBA's financial statements for the year ended June 30, 2021. Analysis of various provisions of this standard have necessitated delayed revenue recognition for some contracts. However, the effects of the new pronouncement did not have a material impact on beginning net assets (i.e., June 30, 2020). It is estimated that approximately \$33,000 in fee revenue recognized in 2019-2020 would have been recognized in 2020-2021 under the provisions of ASC 606. Because these amounts were not considered to be material to the financial statements as whole, no changes to previously issued audited financial statements were necessary on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Comparative Data

The financial statement information for the year ended June 30, 2021, presented for comparative purposes, is not intended to be a complete financial statement presentation. Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 financial statement presentation. For a complete presentation of June 30, 2021, please refer to the financial statements for that year.

3. Investments – Fair Value Measurements

The Organization has valued its investments in accordance with FASB ASC #820, which establishes a fair value framework in accordance with generally accepted accounting principles. ASC #820 clarifies the definition of fair value, taking the position that fair value is the exchange price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.

There are three defined levels in the fair value hierarchy:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.

Immigration Institute of the Bay Area

Notes to Financial Statements June 30, 2022

Level 2 – Prices or valuations based on observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and are unobservable (i.e., supported by little or no market activity).

Fair value of assets measured on a recurring basis at June 30, 2022, consist of various publicly traded securities held with an investment brokerage:

	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$1,819,597	\$1,819,597		
Bond funds				
Blended US corporate and government bond funds	1,690,341	1,690,341		
Mortgage-backed securities fund	206,581	206,581		
US Corporate bond funds	182,592	182,592		
US Treasury bond funds	<u>126,739</u>	<u>126,739</u>		
Total	\$4,025,850	\$4,025,850		

4. Property & Equipment

Leasehold improvements	\$35,363
Less: accumulated depreciation	(4,200)
Net book value	\$31,163

5. Net Assets with Donor Restrictions

The balance of net assets with donor restrictions at June 30, 2022, consisted of unspent awards restricted to the following activities:

General support for future periods	\$977,424
Napa County programs	114,583
San Mateo County programs	77,917
Deportation prevention	62,500
Other projects & programs	<u>54,292</u>
Total	\$1,286,716

Immigration Institute of the Bay Area

Notes to Financial Statements June 30, 2022

6. In-Kind Contributions

In-kind contributions received during the fiscal year ended June 30, 2022, consisted of the following:

Citizenship classes and workshops	
Attorneys	\$112,412
Credentialed teachers	5,474
Office rent discount during COVID-19	<u>4,860</u>
Total	\$122,746

7. Office Leases

IIBA has entered into facility operating leases in San Francisco, Fremont, Redwood City, Napa, Brentwood, Oakland, and Petaluma under agreements with various terms.

Future minimum lease payments as of June 30, 2022, are as follows:

<u>Fiscal Year Ending June 30:</u>	
2023	\$431,582
2024	464,970
2025	434,739
2026	338,621
2027	559,186
2028 and thereafter	<u>515,150</u>
Total future minimum lease payments	\$2,744,248

Total rent expense for the year was approximately \$324,033.

8. Retirement Plan

The Organization sponsors a 403(b) retirement plan for all eligible employees who elect to participate. The Organization matches up to 3% of participating employee's compensation. Total retirement plan expense for the year ended June 30, 2022 was \$126,665.

9. Contingencies, Risks & Uncertainties

Revenue Concentration

Approximately 46% of the Organization's total support and revenue is derived from cost-reimbursement grants with the California Department of Social Services (CDSS). Should funding from CDSS decrease, the Organization could experience a contraction of its services.

Funding Source Requirements

The Organization receives contributions and grants that are restricted for a specific program or purpose. If such restrictions are not met in accordance with the funding source agreement, there is the possibility that funds would have to be returned to the donor. It is management's opinion that

Immigration Institute of the Bay Area

Notes to Financial Statements June 30, 2022

all donor conditions have been met for grants and contributions that have either been recorded as unrestricted or for which donor restrictions have been released.

Cash Deposits in Excess of FDIC Insurance Limits

The Organization maintains its cash deposits with several financial institutions. Such amounts may at times exceed Federal Deposit Insurance Corporation limits (currently \$250,000 per depositor per institution), however, management believes the risk of loss is minimal. Total uninsured cash was approximately \$1.6 million as of June 30, 2022.

10. Management's Liquidity Disclosure

The Organization's working capital and cash flows vary during the year based on the timing of grant awards and contributions, as well as seasonal variations attributable to special events. As part of the Organization's liquidity management plan, the Organization invests cash in excess of immediate requirements in a savings account.

Financial assets available to meet cash needs for general expenditures within one year are as follows:

Cash & equivalents	\$1,861,412
Investments	4,025,850
Grants receivable	1,488,078
Accounts receivable	84,093
Less: net assets with purpose restrictions	<u>(309,292)*</u>
Total	\$7,150,141

*The total presented for *financial assets available to meet cash needs for general expenditures within one year* is not reduced by time-restricted contributions totaling \$977,425 since such amounts are deemed to be available for the organization's ongoing and major activities.

11. Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through March 6, 2023, the date the financial statements were available to be issued.