

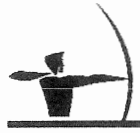
**Immigration Institute of the Bay Area**  
*(A Nonprofit Corporation)*

***FINANCIAL REPORT***

**June 30, 2024**  
**(With Comparative Totals for 2023)**

## **C O N T E N T S**

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# B O W M A N

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

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

### Opinion

We have audited the accompanying financial statements of **Immigration Institute of the Bay Area** (A Nonprofit Organization) which comprise the statement of financial position as of June 30, 2024, 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 Immigration Institute of the Bay Area as of June 30, 2024, 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. 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 Immigration Institute of the Bay Area 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 these 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 Immigration Institute of the Bay Area's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditors' Responsibility 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 Immigration Institute of the Bay Area'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Immigration Institute of the Bay Area's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charges 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**

The previously audited Immigration Institute of the Bay Area's June 30, 2023, financial statements, report dated March 20, 2024, expressed an unmodified opinion on the audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

As discussed in Note 10, certain errors resulting in the overstatement of payables and understatement of revenues and expenses as of June 30, 2023, were discovered by management of Immigration Institute of the Bay Area during the current year. Accordingly, amounts reported for payables, revenues, and expenses have been restated in the 2023 financial statements now presented, and an adjustment has been made to net assets as of June 30, 2023, to correct the error. Our opinion is not modified with respect to this matter.

*Bowman & Company, LLP*

Stockton, California  
February 27, 2025

**IMMIGRATION INSTITUTE OF THE BAY AREA**  
**(A Nonprofit Corporation)**

**STATEMENT OF FINANCIAL POSITION**

June 30, 2024

(With Comparative Totals for 2023)

	2024	Restated 2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,222,477	\$ 752,174
Cash and cash equivalents, board designated reserve	71,735	87,822
Restricted cash - sponsorship funds	252,510	251,066
Government grants receivable	788,724	994,362
Foundation grants receivable	1,076,150	343,790
Accounts receivable	11,202	175,298
Investments, board designated reserve	4,898,788	4,351,407
Prepaid expenses	175,406	182,485
Total current assets	8,496,992	7,138,404
<b>PROPERTY AND EQUIPMENT, net</b>	21,083	26,123
<b>OTHER ASSETS</b>		
Deposits	75,043	78,562
Right-of-use assets - operating, net	1,601,122	1,926,201
Right-of-use assets - finance, net	22,601	29,939
Total assets	\$ 10,216,841	\$ 9,199,229

**IMMIGRATION INSTITUTE OF THE BAY AREA**  
**(A Nonprofit Corporation)**

**STATEMENT OF FINANCIAL POSITION (Cont.)**

June 30, 2024

(With Comparative Totals for 2023)

	2024	Restated 2023
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 78,584	\$ 84,009
Partner agencies payable	--	149,287
Defense fund payable	84,792	94,316
Accrued payroll	60,891	93,535
Deferred revenue	43,813	18,802
Accrued vacation	297,062	233,724
Lease liabilities - operating, current portion	406,283	426,337
Lease liabilities - finance, current portion	6,295	7,079
Total current liabilities	977,720	1,107,089
<b>LONG-TERM LIABILITIES</b>		
Lease liabilities - operating, less current portion	1,260,540	1,537,821
Lease liabilities - finance, less current portion	16,946	23,240
Total liabilities	2,255,206	2,668,150
<b>NET ASSETS</b>		
Without donor restrictions	1,403,770	991,034
Without donor restrictions - board designated reserve	4,970,523	4,439,229
With donor restrictions	1,587,342	1,100,816
Total net assets	7,961,635	6,531,079
Total liabilities and net assets	\$ 10,216,841	\$ 9,199,229

**IMMIGRATION INSTITUTE OF THE BAY AREA**  
**(A Nonprofit Corporation)**

**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2024  
(With Comparative Totals for 2023)

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>2024</u> <u>Total</u>	<u>Restated</u> <u>2023</u> <u>Total</u>
<b>SUPPORT AND REVENUE</b>				
Foundation/corporate grants	\$ 1,249,235	\$ 1,221,002	\$ 2,470,237	\$ 1,563,117
Government grants	3,901,853	96,780	3,998,633	3,085,042
Contributions	452,584	13,790	466,374	541,248
In-kind contributions	119,431	--	119,431	123,261
Fees for services	592,029	--	592,029	456,921
Contract management fees	244,367	--	244,367	276,588
Fundraising event contributions	347,630	--	347,630	264,251
Interest & dividends	121,007	--	121,007	96,361
Realized/unrealized gain (loss) on investments	402,733	--	402,733	191,838
Investment management fees	(22,838)	--	(22,838)	(20,214)
Other income	3,405	2,454	5,859	13,114
Net assets released from restrictions	847,500	(847,500)	--	--
	<u>8,258,936</u>	<u>486,526</u>	<u>8,745,462</u>	<u>6,591,527</u>
<b>EXPENSES</b>				
Program services	5,586,797	--	5,586,797	4,989,476
Management and general	1,223,144	--	1,223,144	1,101,797
Fundraising	504,965	--	504,965	399,706
	<u>7,314,906</u>	<u>--</u>	<u>7,314,906</u>	<u>6,490,979</u>
<b>CHANGE IN NET ASSETS</b>	944,030	486,526	1,430,556	100,548
<b>NET ASSETS, BEGINNING OF YEAR - as previously stated</b>	5,430,263	1,100,816	6,531,079	6,289,492
Restatement of fiscal sponsorship funds	--	--	--	141,039
<b>NET ASSETS, BEGINNING OF YEAR - restated</b>	<u>5,430,263</u>	<u>1,100,816</u>	<u>6,531,079</u>	<u>6,430,531</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 6,374,293</u>	<u>\$ 1,587,342</u>	<u>\$ 7,961,635</u>	<u>\$ 6,531,079</u>

**IMMIGRATION INSTITUTE OF THE BAY AREA**  
**(A Nonprofit Corporation)**

**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended June 30, 2024  
(With Comparative Totals for 2023)

	Program Services							Support Services			2024 Totals	Restated 2023 Totals	
	San Francisco Immigration Program	Oakland Immigration Program	Redwood City Immigration Program	Brentwood Immigration Program	Napa Immigration Program	Sonoma Immigration Program	Fremont Immigration Program	Total Program Services	General and Administrative	Fundraising			Total Support Services
<b>Personnel costs</b>													
Staff salaries	\$ 369,469	\$ 613,574	\$ 842,703	\$ 395,781	\$ 784,181	\$ 378,540	\$ 322,426	\$ 3,706,674	\$ 928,896	\$ 340,912	\$ 1,269,808	\$ 4,976,482	\$ 4,463,390
Employee benefits	51,604	66,994	114,085	60,187	124,849	53,099	40,431	511,249	130,594	26,099	156,693	667,942	611,375
Payroll taxes	27,743	45,690	59,694	29,356	55,920	29,347	23,519	271,269	62,678	23,279	85,957	357,226	315,596
Total personnel costs	<u>448,816</u>	<u>726,258</u>	<u>1,016,482</u>	<u>485,324</u>	<u>964,950</u>	<u>460,986</u>	<u>386,376</u>	<u>4,489,192</u>	<u>1,122,168</u>	<u>390,290</u>	<u>1,512,458</u>	<u>6,001,650</u>	<u>5,390,361</u>
<b>Non-personnel costs</b>													
Professional fees	70,000	24,659	55,099	11,764	7,690	15,988	5,813	191,013	34,391	6,525	40,916	231,929	143,209
Depreciation	3,780	--	--	--	--	--	--	3,780	756	504	1,260	5,040	5,040
Marketing	--	--	--	--	--	--	--	--	--	14,680	14,680	14,680	2,385
Insurance	2,932	4,488	7,274	3,269	6,198	3,295	2,700	30,156	5,070	1,677	6,747	36,903	35,269
Postage & delivery	5,597	9,709	6,663	3,176	8,116	3,096	146	36,503	2,927	--	2,927	39,430	36,834
Office expense	2,632	5,667	8,361	8,687	15,078	7,623	5,182	53,230	28,270	461	28,731	81,961	57,712
Occupancy	86,641	108,354	167,364	33,726	50,569	26,366	48,439	521,459	20,799	11,867	32,666	554,125	516,918
Bank fees and interest	87	59	--	130	--	--	331	607	11,432	67	11,499	12,106	12,271
Accounting fees	--	--	--	--	--	--	--	--	31,224	--	31,224	31,224	26,419
Government form filing fees	410	2,335	5,164	85	85	80	--	8,159	--	--	--	8,159	5,395
Communications	6,690	11,831	7,319	5,389	6,875	1,481	4,525	44,110	16,484	1,746	18,230	62,340	56,953
Travel	82	2,603	2,960	3,063	2,649	1,404	112	12,873	14,401	1,881	16,282	29,155	14,400
Staff/board development	1,731	4,642	1,080	205	2,948	690	687	11,983	17,090	--	17,090	29,073	32,876
Printing & duplication	408	649	474	339	606	85	179	2,740	673	2,497	3,170	5,910	3,083
Information technology	2,793	4,654	6,562	3,305	5,896	3,086	2,705	29,001	21,203	1,922	23,125	52,126	58,513
Amortization	399	792	792	792	792	792	2,586	6,945	297	96	393	7,338	6,105
Dues and subscriptions	--	1,552	1,236	--	240	516	--	3,544	6,595	1	6,596	10,140	17,055
Other expenses	5,169	278	10,532	10,000	1,205	167	--	27,351	10,093	146	10,239	37,590	21,501
Fundraising expenses	--	--	--	--	--	--	--	--	--	64,027	64,027	64,027	48,680
Allocation of shared costs	11,381	16,955	28,183	12,190	23,159	11,683	10,600	114,151	(120,729)	6,578	(114,151)	--	--
Total non-personnel costs	<u>200,732</u>	<u>199,227</u>	<u>309,063</u>	<u>96,120</u>	<u>132,106</u>	<u>76,352</u>	<u>84,005</u>	<u>1,097,605</u>	<u>100,976</u>	<u>114,675</u>	<u>215,651</u>	<u>1,313,256</u>	<u>1,100,618</u>
<b>Total functional expenses</b>	<u>\$ 649,548</u>	<u>\$ 925,485</u>	<u>\$ 1,325,545</u>	<u>\$ 581,444</u>	<u>\$ 1,097,056</u>	<u>\$ 537,338</u>	<u>\$ 470,381</u>	<u>\$ 5,586,797</u>	<u>\$ 1,223,144</u>	<u>\$ 504,965</u>	<u>\$ 1,728,109</u>	<u>\$ 7,314,906</u>	<u>\$ 6,490,979</u>



**IMMIGRATION INSTITUTE OF THE BAY AREA**  
**(A Nonprofit Corporation)**

**STATEMENT OF CASH FLOWS**

Year Ended June 30, 2024

(With Comparative Totals for 2023)

	2024	Restated 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,430,556	\$ 100,548
Adjustments to reconcile change in net assets to net cash provided (used in) operating activities:		
Depreciation	5,040	5,040
Amortization of right-of-use assets - finance	7,338	6,105
Amortization of right-of-use assets - operating	445,328	415,475
Realized and unrealized (gains) losses on investments	(402,733)	(191,838)
Donation of stock	(51,121)	(51,121)
Changes in assets and liabilities:		
(Increase) decrease in:		
Restricted cash - agency funds	--	
Government grants receivable	205,638	(11,494)
Foundation grants receivable	(732,360)	162,960
Accounts receivable	164,096	(91,205)
Prepaid expenses	7,079	40,607
Deposits	3,519	(1,157)
(Decrease) increase in:		
Accounts payable	(5,425)	(75,393)
Partner agencies payable	(149,287)	(594,882)
Defense fund payable	(9,524)	8,000
Accrued payroll	(32,644)	25,410
Deferred revenue	25,011	(23,439)
Accrued vacation	63,338	23,218
Lease liabilities - operating	(417,584)	(377,518)
Deferred rent	--	(49,803)
Net cash provided by (used in) operating activities	556,265	(680,487)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(93,527)	(82,598)
Net cash used in investing activities	(93,527)	(82,598)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Right-of-use assets - finance principal payments	(7,078)	(5,725)
Net cash used in financing activities	(7,078)	(5,725)
Increase (decrease) in cash and cash equivalents	455,660	(768,810)
Cash and cash equivalents, beginning of year	1,091,062	1,859,872
Cash and cash equivalents, end of year	\$ 1,546,722	\$ 1,091,062

**IMMIGRATION INSTITUTE OF THE BAY AREA  
(A Nonprofit Corporation)**

**STATEMENT OF CASH FLOWS (Cont.)**

Year Ended June 30, 2024

(With Comparative Totals for 2023)

	2024	Restated 2023
<b>CASH AND CASH EQUIVALENTS SUMMARY</b>		
Cash and cash equivalents	\$ 1,222,477	\$ 752,174
Cash and cash equivalents, board designated reserve	71,735	87,822
Restricted cash - sponsorship funds	252,510	251,066
	\$ 1,546,722	\$ 1,091,062
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Operating lease assets obtained in exchange for lease obligations	\$ 163,639	\$ 1,115,062
Finance lease assets obtained in exchange for lease obligations	\$ - -	\$ 33,640
Write-off of operating lease assets for contract modification	\$ (43,390)	\$ - -

**IMMIGRATION INSTITUTE OF THE BAY AREA**  
**(A Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Nature of Activities and Summary of Significant Accounting Policies**

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 donations.

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

Basis of Accounting:

The financial statements of IIBA have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

New Accounting Pronouncement:

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. During 2019, the FASB issued additional ASUs amending certain aspects of ASU 2016-13. On July 1, 2023, IIBA adopted the guidance using the modified-retrospective approach. The adoption of the ASU did not have an impact on cumulative net assets and did not have a material impact to the financial statements.

Basis of Presentation:

IIBA reports information regarding their financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Net assets without donor restrictions:*

Net assets without donor restrictions are those net assets presently available for use by IIBA. Such net assets are available for any purpose consistent with IIBA's mission.

**IMMIGRATION INSTITUTE OF THE BAY AREA  
(A Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Nature of Activities and Summary of Significant Accounting Policies (Cont.)**

Basis of Presentation (Cont.):

*Net assets with donor restrictions:*

Net assets subject to specific, donor-imposed restrictions that must be met by actions of IIBA and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as releases from restriction. Donor restricted contributions received in the same year in which the restrictions are met are recorded as an increase to net assets without donor restrictions.

Cash, Cash Equivalents, and Restricted Cash:

For the purposes of the statements of cash flow, IIBA considers all restricted cash and highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. IIBA maintains cash balances in excess of the Federal Deposit Insurance Corporation insured amount.

Sponsorship cash consists of fiscal sponsorship funds. IIBA provides fiscal management of contributions designated for other nonprofit organizations.

Grants and Accounts 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 statement of financial position 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 statement of financial position date.

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. IIBA provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, reasonable forecasts of future economic conditions, and other circumstances, which may affect the ability of accounts receivable balances to be fully collected. Receivables are considered impaired if full payments are not received in accordance with the contractual terms. All amounts are deemed fully collectible within one year of the statement of financial position date.

**IMMIGRATION INSTITUTE OF THE BAY AREA**  
**(A Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Nature of Activities and Summary of Significant Accounting Policies (Cont.)**

**Investments:**

Investments are composed of mutual funds investing in bonds and equity securities and are carried at fair value. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

**Property and Equipment:**

Property and equipment is shown at either the cost at the date of purchase or the estimated market values at the date of gift. The costs of maintenance and repairs are expensed as incurred while significant renewals and betterment that extend the useful lives of the property and equipment are capitalized if the cost exceeds \$3,000. Property and equipment consists of leasehold improvements. Depreciation is determined using the straight-line method over the estimated useful life of 7 years.

IIBA reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the property may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying value amount exceeds their fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. There were no impairment loss recognized for the year ended June 30, 2024.

**Right-of-Use Assets and Lease Liabilities:**

IIBA recognizes a right-of-use asset at cost, which comprises the initial amount of the lease liability plus any initial payments and initial direct costs. The right-of-use asset is amortized using the straight-line method over the earlier of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is evaluated periodically for impairment losses.

IIBA recognizes a lease liability measured at the present value of the scheduled lease payments at the commencement date and reduced using a risk-free discount rate comparable with that of the lease term.

IIBA has elected not to recognize right-of-use assets and lease liabilities for short-term leases with a lease term of 12 months or less and leases of low-value assets. These lease payments are recognized as an expense over the lease term.

**IMMIGRATION INSTITUTE OF THE BAY AREA**  
**(A Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Nature of Activities and Summary of Significant Accounting Policies (Cont.)**

Compensated Absences:

Eligible employees may accrue vacation and sick leave based on length of service. Vacation leave for eligible employees may be carried over from one year to the next. However, the total accrual can never exceed 180 hours. Upon separation of service, any unused vacation accrued will be paid to the employee at their current rate of pay. Sick leave can also be carried over from one year to the next. However, the total accrual can never exceed 480 hours. No payment is made for sick leave upon termination.

Fair Value of Financial Instruments:

The carrying amount of financial instruments including cash, grants and accounts receivable, accounts payable, accrued payroll and employee benefits, and accrued vacation approximate their value due to the short-term maturities of these instruments.

Revenue Recognition:

All support is considered available for unrestricted use unless specifically restricted by donor in accordance with ASC Topic 958-605. Support and unconditional contributions are recognized immediately and classified as either net assets with donor restrictions or net assets without donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as satisfaction of restrictions on net assets with donor restrictions. Conditional contributions received are accounted for as a liability or are unrecognized initially, that is, until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with restrictions or net assets without restrictions.

Revenues from contracts with customers are presented under the fees for services and contract management fees captions of the statement of activities. 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.

**IMMIGRATION INSTITUTE OF THE BAY AREA**  
**(A Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Nature of Activities and Summary of Significant Accounting Policies (Cont.)**

Revenue Recognition (Cont.):

All other revenue is recognized when earned based on an exchange of goods and/or services in accordance with ASC Topic 606. Amounts not earned during the reporting period are recognized as deferred revenue.

Donated Materials and Services:

Contributions of donated noncash assets are measured on a nonrecurring basis and are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation are recorded at fair value in the period received.

Advertising Expense:

Advertising costs are expenses as incurred. For the year ended June 30, 2024, advertising expense was \$14,680.

Income Taxes:

IIBA is exempt from federal income taxes under IRC Sec. 501(c)(3) and state income tax under Section 23701(d) of the California Revenue and Taxation Code. IIBA is classified by the Internal Revenue Service (IRS) as an other-than-private foundation. Accordingly, no provision for federal or state income taxes is made in the accompanying financial statements. IIBA's federal and state information returns are subject to examination by the federal or state agencies, generally for three to four years after they are filed.

Allocation of Expenses:

IIBA allocates its expenses on a functional basis among its various program and support services. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated among the programs and support services benefited. The expenses that are allocated include primarily office expenses, as well as salaries and employee benefits, which are allocated on the basis of estimates of time and effort.

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

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**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Nature of Activities and Summary of Significant Accounting Policies (Cont.)**

Comparative Financial 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the IIBA's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Subsequent Events:

Management has evaluated subsequent events through February 27, 2025, the date on which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosures in these consolidated financial statements.

**Note 2. Availability and Liquidity**

IIBA's goal is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. IIBA does not anticipate the general expenditures to exceed the cash on hand. In addition, IIBA may borrow up to 25% of investments, board designated reserves, to meet cash flow requirements.

The following represents IIBA's financial assets at June 30, 2024:

Cash and cash equivalents	\$ 1,222,477
Cash and cash equivalents, board designated reserve	71,735
Restricted cash - sponsorship funds	252,510
Grants receivable	1,864,874
Accounts receivable	11,202
Investments, board designated reserve	<u>4,898,788</u>
Total financial assets	<u>8,321,586</u>

Less those unavailable for general expenditures within one year due to:

Net assets with donor restrictions	(557,509)
Board designated cash and investments	<u>(4,970,523)</u>
Total restrictions	<u>(5,528,032)</u>

Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,793,554</u>
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\* 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 \$1,029,833. Such amounts are deemed to be available for IIBA's ongoing and major activities.



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**NOTES TO FINANCIAL STATEMENTS**

**Note 3. Investments and Fair Value Measurements**

The Board of Directors designates funds to be set aside in a long-term investments portfolio. The intent is to conservatively manage the portfolio over a number of years, reinvesting its income and gains, pending the Board's identification of appropriate uses for these funds.

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The hierarchy is broken down into three levels based on the observability of inputs as follows:

*Level 1* – quoted prices in active markets for identical investments.

*Level 2* – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).

*Level 3* – significant unobservable inputs (including assumptions in determining fair value investments).

The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The following tables summarizes IIBA's investments by the fair value hierarchy levels at June 30, 2024:

	(Level 1) Fair Market Value	Total
Equities	\$ 2,823,863	\$ 2,823,863
Bond funds		
Blended US corporate and government bond funds	1,097,115	1,097,115
Mortgage-backed securities fund	483,104	483,104
US corporate bond funds	444,411	444,411
US treasury bond funds	50,295	50,295
	<u>\$ 4,898,788</u>	<u>\$ 4,898,788</u>

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**NOTES TO FINANCIAL STATEMENTS**

**Note 4. Property and Equipment**

Property and equipment consisted of the following for the year ended June 30, 2024:

Leasehold improvements	\$ 35,363
Less: accumulated depreciation	<u>(14,280)</u>
Property and equipment, net	<u><u>\$ 21,083</u></u>

**Note 5. In-Kind Contributions**

Donated special event supplies and program space are provided to IIBA to help defray the costs of those goods and services that would otherwise have been purchased. Donated services require specialized skills and include English as a Second Language (ESL) teachers, paralegals, and attorneys. IIBA did not monetize any contributed nonfinancial assets and unless otherwise noted, contributed nonfinancial assets did not have donor restrictions.

In-kind contributions revenue is recorded at fair market value as both revenue and expense, in accordance with accounting principles generally accepted in the United States of America, and are valued as follows:

Services: Based on fair value of services provided.

Materials: Based on FMV of items donated.

In-kind expenditures are included in occupancy, other expenses, and fundraising expenses in the statement of functional expenses. Total in-kind contribution revenues and expenditures for the year ended June 30, 2024, were as follows:

Attorneys	\$ 103,527
Credentialed teachers	2,636
Special event supplies	<u>13,268</u>
Total	<u><u>\$ 119,431</u></u>

**IMMIGRATION INSTITUTE OF THE BAY AREA**  
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**NOTES TO FINANCIAL STATEMENTS**

**Note 6. Right-of-Use Assets and Lease Liabilities**

IIBA has operating leases for offices and finance leases for copiers under non-cancellable leases. Two office leases include an option to renew that can extend the lease term 5 years. At June 30, 2024, the components of these leases were as follows:

	Operating	Finance
Right-of-use assets	\$ 2,366,752	\$ 33,640
Amortization of right-of-use assets	(765,630)	(11,039)
Right-of-use assets, net	\$ 1,601,122	\$ 22,601

The following summarized the weighted average remaining lease term and discount rate as of June 30, 2024:

	Operating	Finance
Weighted average remaining lease term (years)	4.37	3.55
Weighted average discount rate	2.41%	4.21%

The approximate remaining annual minimum lease payments under the non-cancelable operating leases and undiscounted finance leases are as follows for the years ending June 30:

	Operating	Finance
2025	440,688	7,128
2026	374,471	7,128
2027	361,321	7,128
2028	326,554	3,564
2029	226,455	-
Thereafter	30,152	-
	1,759,641	24,948
Less present value discount	(92,818)	(1,707)
	\$ 1,666,823	\$ 23,241

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**NOTES TO FINANCIAL STATEMENTS**

**Note 6. Right-of-Use Assets and Lease Liabilities (Cont.)**

The following summarizes the line items in the statement of functional expenses which include the components of lease expense for the year ended June 30, 2024:

Operating lease expense included in occupancy expense	\$ <u>486,855</u>
Finance lease costs:	
Amortization of lease assets included in amortization expense	\$ 7,338
Interest on lease liabilities included in bank fees and interest expense	<u>1,101</u>
	<u>\$ 8,439</u>

As of June 30, 2024, IIBA has an additional office lease commencing July 1, 2024 for 5 years for approximately \$245,868.

**Note 7. Net Assets with Donor Restrictions**

Net assets with donor restrictions were as follows for the year ended June 30, 2024:

General support for future periods	\$ 1,029,833
Fiscal sponsorships	252,060
Sonoma County programs	146,740
Napa County programs	132,792
Oakland County programs	18,417
Redwood City programs	<u>7,500</u>
	<u>\$ 1,587,342</u>

Net assets released from net assets with donor restrictions are as follows:

General support for future periods	\$ (695,833)
Deportation Prevention	(62,500)
Sonoma County programs	(45,000)
Oakland County programs	(16,667)
Other	(15,000)
Redwood City programs	(7,500)
Napa County programs	<u>(5,000)</u>
	<u>\$ (847,500)</u>

**IMMIGRATION INSTITUTE OF THE BAY AREA  
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**NOTES TO FINANCIAL STATEMENTS**

**Note 8. Retirement Plan**

IIBA sponsors a 403(b) retirement plan for all eligible employees who elect to participate. IIBA matches up to 5% of participating employee's compensation. Total retirement plan expense for the year ended June 30, 2024 was \$143,611.

**Note 9. Concentrations and Contingencies**

IIBA's grants and contract activities are subject to inspection and audit by the appropriate funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exits for disallowances of previously funded program costs. The ultimate liability, if any, which may result from these regulatory audits cannot be reasonably estimated and, accordingly, IIBA has no provision for the possible disallowance of program costs. It is management's opinion that 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.

For the year ended June 30, 2024, approximately 32% of IIBA's total revenue came from the California Department of Social Services (CDSS). Changes in funding from CDSS could affect IIBA's ability to fund and operate its programs.

**Note 10. Restatement of Financial Statements**

During 2024, IIBA determined they had variance power over fiscal sponsorship funds received that were previously accounted for as pass-through funds. As IIBA has variance power, the activity should be recorded in the statement of activities. Accordingly, IIBA restated its financial statements for the year ended June 30, 2023.

The effect of the restatement of the statement of financial position and statement of activity as of and for the year ended June 30, 2023, are as follows:

	As previously stated	Restated
Fiscal sponsorship payable	\$ 479,419	\$ 243,603
Net assets with donor restrictions	865,000	1,100,816
Contributions	\$ 440,175	\$ 541,248
Other income	12,039	13,114
Management and general expenses	1,094,426	1,101,797