

**INTERNATIONAL INSTITUTE
OF LOS ANGELES**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE

AN ACCOUNTANCY CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
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INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
GENERAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

Agency Name:	International Institute of Los Angeles
Program Numbers/Type	C2AP-7027 Alternative Payment Stage 2 C3AP-7026 Alternative Payment Stage 3 CAPP-7029 Alternative Payment CCTR-7094 General Child Care & Dev. Programs CSPP-7202 California State Preschool Program 19-01286-3 Child and Adult Care Food Program
Type of Agency:	A California Non-Profit Corporation
Agency Address:	3845 Selig Place Los Angeles, California 90031
Name of President / Chief Executive Officer:	Mr. E. Stephen Voss
Name of Vice-President for Administration:	Ms. Susan Eckert
Name of Vice-President of Finance:	Ms. Sandra Rosas
Telephone Number:	(323) 224-3800
Fax Number:	(323) 224-3810
Period Covered by Examination:	July 1, 2017 through June 30, 2018
Number of Days of Agency Operation:	250 days
Scheduled Hours of Operation Each Day:	Number of Hours Open - 11.5 hours 6:30 a.m. - 6:00 p.m.



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AN ACCOUNTANCY CORPORATION

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INDEPENDENT AUDITORS' REPORT

To the Audit Committee of
International Institute of Los Angeles (IILA)
(A California Non-Profit Corporation)
Los Angeles, California

Report on the Financial Statements

We have audited the accompanying financial statements of International Institute of Los Angeles (A California Non-Profit Corporation) which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows 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.

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Institute of Los Angeles as of June 30, 2018, 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.

Report on Summarized Comparative Information

We previously audited International Institute of Los Angeles' 2017 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 4, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The summary financial statements do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of International Institute of Los Angeles.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Combining Schedule of Financial Position, Combining Schedule of Activities, Combining Schedule of Renovation and Repair Expenditures, Combining Schedule of Equipment Expenditures, Combining Schedule of Administrative Costs, Combining Schedule of Expenditures by State Categories, and Audited Final Attendance and Fiscal Report Forms are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and in conformity with the Audit Guide for Audits of Child Development and Nutrition Programs issued by the *California Department of Education (CDE Audit Guide)*. The Combining Schedule of Financial Position, Combining Schedule of Activities, Combining Schedule of Renovation and Repair Expenditures, Combining Schedule of Equipment Expenditures, Combining Schedule of Administrative Costs, Combining Schedule of Expenditures by State Categories, and Audited Final Attendance and Fiscal Report Forms are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedule of Financial Position, Combining Schedule of Activities, Combining Schedule of Renovation and Repair Expenditures, Combining Schedule of Equipment Expenditures, Combining Schedule of Administrative Costs, Combining Schedule of Expenditures by State Categories, and Audited Final Attendance and Fiscal Report Forms are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITORS' REPORT (Continued)

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal and State Awards, as required Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2018, on our consideration of International Institute of Los Angeles' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering International Institute of Los Angeles' internal control over financial reporting and compliance.

Vorwin, Hahn + Co.

Calabasas, California
November 27, 2018

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$3,805,593	\$3,923,912
Contracts receivable	932,052	790,272
Accounts receivable	157,356	281,111
Deposits and prepaid expenses	57,333	77,889
Investments	1,357,262	1,285,396
Property and equipment, net	<u>1,027,728</u>	<u>1,107,800</u>
Total assets	<u>\$7,337,324</u>	<u>\$7,466,380</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 832,984	\$ 777,714
Accrued payroll and related liabilities	333,885	348,841
Contracts payable	160,475	65,148
California Department of Education reserve	613,940	567,232
Deferred revenue	2,335	194,104
Government funded assets	<u>15,615</u>	<u>-</u>
Total liabilities	1,959,234	1,953,039
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted	<u>5,378,090</u>	<u>5,513,341</u>
Total net assets	<u>5,378,090</u>	<u>5,513,341</u>
Total liabilities and net assets	<u>\$7,337,324</u>	<u>\$7,466,380</u>

See accompanying auditors' reports and notes to financial statements.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	<u>2018</u>	<u>2017</u>
REVENUE AND SUPPORT		
Governmental service contracts	\$ 13,432,547	\$ 13,269,723
Parent fees	137,654	228,783
Contributions and grants	52,269	59,938
Fees for services	1,174,806	1,370,292
Other income	38,628	39,777
Investment income	24,824	36,817
Realized and unrealized gain (loss) on investments, net	61,021	67,412
In-kind contributions and matching	150,248	281,705
Rental income	82,368	158,273
Contract settlements	(1,240)	(39,951)
Transfer from California Department of Education reserves	<u>23,767</u>	<u>133,140</u>
 Total revenue and support	 15,176,892	 15,605,909
EXPENSES		
Program services	14,914,096	14,952,462
Support services	<u>398,047</u>	<u>327,104</u>
 Total expenses	 <u>15,312,143</u>	 <u>15,279,566</u>
 CHANGE IN NET ASSETS	 (135,251)	 326,343
NET ASSETS - beginning of year	<u>5,513,341</u>	<u>5,186,998</u>
 NET ASSETS - end of year	 <u>\$ 5,378,090</u>	 <u>\$ 5,513,341</u>

See accompanying auditors' reports and notes to financial statements.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	Program <u>Services</u>	Support <u>Services</u>	2018 Total <u>Expenses</u>	2017 Total <u>Expenses</u>
Salaries and related expenses				
Salaries	\$ 3,888,815	\$ 579,589	\$ 4,468,404	\$ 4,484,651
Employee benefits	1,075,204	112,180	1,187,384	1,191,964
Payroll taxes	<u>271,604</u>	<u>39,232</u>	<u>310,836</u>	<u>329,577</u>
	5,235,623	731,001	5,966,624	6,006,192
Other expenses				
Advertising	444	3,875	4,319	9,410
Auto expense	2,060	-	2,060	7,830
Bank charges	1,530	18	1,548	1,392
CDD - School activities	20,552	12,482	33,034	36,775
Client related costs	1,901,552	5,000	1,906,552	2,521,098
Computer maintenance	95,599	29,643	125,242	132,617
Dues and subscriptions	34,042	2,475	36,517	35,314
Education and training	4,076	-	4,076	3,460
Equipment purchased	30,607	1,077	31,684	27,035
Equipment rental and maintenance	58,597	5,969	64,566	59,565
Food costs	669,563	-	669,563	733,367
In-kind expenses	150,248	-	150,248	281,705
Insurance	76,578	26,366	102,944	111,465
Investment fees	-	11,157	11,157	9,956
Legal and audit	20,062	11,176	31,238	31,029
Office expenses	48,866	24,679	73,545	102,903
Outside services	140,927	4,400	145,327	52,919
Postage and delivery	14,250	16	14,266	16,256
Printing	17,801	280	18,081	29,340
Provider payments	4,430,678	-	4,430,678	3,467,225
Rent	85,751	-	85,751	177,024
Repairs and maintenance	121,108	50,514	171,622	156,921
Subcontractors	501,058	-	501,058	581,954
Supplies	187,455	148,490	335,945	278,885
Taxes and licenses	7,738	7,354	15,092	15,932
Telephone	88,243	25,912	114,155	95,400
Travel	57,510	4,452	61,962	91,768
Utilities	72,420	35,182	107,602	108,138
General and administrative	<u>808,883</u>	<u>(808,883)</u>	<u>-</u>	<u>-</u>
	14,883,821	332,635	15,216,456	15,182,875
Depreciation	<u>30,275</u>	<u>65,412</u>	<u>95,687</u>	<u>96,691</u>
Total Expenses	<u>\$ 14,914,096</u>	<u>\$ 398,047</u>	<u>\$ 15,312,143</u>	<u>\$ 15,279,566</u>

See accompanying auditors' reports and notes to financial statements.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (135,251)	\$ 326,343
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities		
Depreciation	95,687	96,691
Realized and unrealized (gain) loss on investments, net	(61,021)	(67,412)
(Increase) decrease in:		
Contracts receivable	(141,780)	366,014
Accounts receivable	123,755	(155,468)
Deposits and prepaid expenses	20,556	(4,741)
Increase (decrease) in:		
Accounts payable and accrued expenses	55,270	31,183
Accrued payroll and related liabilities	(14,956)	13,693
Contracts payable	95,327	(71,011)
California Department of Education reserve	46,708	243,397
Deferred revenue	(191,769)	193,604
Government funded assets	15,615	(75)
	<u>43,392</u>	<u>645,875</u>
Total adjustments		
Net Cash Provided (Used) by Operating Activities	(91,859)	972,218
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	548,191	979,650
Interest payments reinvested from certificate of deposit	(2,408)	(2,401)
Purchase of investments and dividends reinvested	(556,628)	(990,123)
Purchases of fixed assets	<u>(15,615)</u>	<u>(13,519)</u>
Net Cash Provided (Used) by Investing Activities	<u>(26,460)</u>	<u>(26,393)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(118,319)	945,825
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,923,912</u>	<u>2,978,087</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,805,593</u>	<u>\$ 3,923,912</u>
 Supplementary Disclosures:		
In-kind contributions	<u>\$ 150,248</u>	<u>\$ 281,705</u>

See accompanying auditors' reports and notes to financial statements.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. DESCRIPTION OF INSTITUTE

International Institute of Los Angeles (the “Institute”) was founded in 1914 and incorporated in 1935, and provides a variety of programs to socially and economically disadvantaged people within the greater Los Angeles Metropolitan area. The Institute receives the majority of its funding through various federal, state, and local governmental programs.

The Institute is organized as a nonprofit, tax-exempt, charitable corporation under Section 501(c)(3) of the Internal Revenue Code and was formed pursuant to the general nonprofit corporation laws of the State of California.

Institute Programs

The Institute administers various programs as follows:

Child Development Division (“CDD”) - consists of two functional areas, as follows:

Child Care Food (Nutrition) Programs (“CACFP”) - consists of one program: Provides nutritional food for IILA nine centers which provide nutritional food for children of low-income families.

General Child Development Programs (“CDD”) - consists of six programs: General Child Care & Development Programs (CCTR), California State Preschool Program (CSPP), Alternative Payment (CAPP), C2AP-Stage 2, C3AP-Stage 3, and CalWORKS Child Care Stage 1.

Local Integration & Family Empowerment (“LIFE”) - consists of six programs as follows:

U.S. Committee for Refugees and Immigrants (“USCRI R&P”) - provides for the initial reception and placement of refugees in the United States.

TEAM Collaborate - This program helps low income families resolve utilities and telecommunication issues. Trained professional staff provide outreach, consumer education and complaint resolution for non-English speaking families.

Transitional Subsidized Employment Program – This program objective is to prepare participants for permanent unsubsidized employment.

Human Survivor Trafficking Program – Program provides comprehensive case management services to foreign victims and potential victims of severe form of trafficking.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. DESCRIPTION OF INSTITUTE- Continued

Family Strengthening Program (FSP) – Program provides a broad array of services designed to support healthy marriage and relationships. This includes comprehensive services designed to improve marriage and relationship skills, as well as activities to promote economic stability and mobility.

Matching Grant –This program is to help refugees attain economic self-sufficiency through the provision of comprehensive case management and services leading to employment within 120 to 180 days after the date of eligibility for the program.

Immigration Legal Services Division (“ILS”) - consist of one program as follows:

Immigration/Social Service (“ISS”) - provides legal and immigration services to immigrants.

Immediate Needs Transportation Program (“INTP”) - provides subsidized taxi service and bus tokens for those who have an immediate transportation need that other modes of transportation cannot meet.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Institute prepares its financial statements in accordance with generally accepted accounting principles (GAAP) promulgated in the United States of America. The significant accounting and reporting policies used by the Institute are described below to enhance the usefulness and understandability of the financial statements.

Financial Statement Presentation

The financial statements are presented based on ASC Topic 958, *Not-for-Profit Entities*. ASC Topic 958, Sections 210 and 225 requires classification of the Institute’s net assets, revenues as well as expenses based on the existence or absence of donor-imposed restrictions. The statement requires presentation of the amounts for each of the three classes of net assets – permanently restricted, temporarily restricted, and unrestricted – in the statement of financial position and the amounts of change in each of those classes of net assets in the statement of activities.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Assets

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- *Unrestricted net assets.* Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.
- *Temporarily restricted net assets.* Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Institute's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as temporarily restricted until the specified asset is placed in service by the Institute, unless the donor provides more specific directions about the period of its use. The Institute did not have any temporarily restricted net assets at June 30, 2018.
- *Permanently restricted net assets.* Permanently restricted net assets are resources whose use by the Institute is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. The Institute did not have any permanently restricted net assets at June 30, 2018.

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in unrestricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature. At year end, and throughout the year, the Institute's cash balances, deposited in one bank, exceeded federally insured limits. Management believes the Institute is not exposed to any significant credit risk on cash and cash equivalents.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contracts and Accounts Receivables

Receivables consist of contracts and accounts receivable and are stated at the amount management expects to collect from outstanding balances. Contracts receivable are primarily comprised of revenue apportionments due from federal, state and local agencies. Accordingly, no provision for doubtful accounts has been provided for such receivables. The Institute uses the allowance method of accounting for receivables determined to be potentially uncollectable. In management's opinion, all contracts and accounts receivable were collectible at year-end. No allowance for doubtful accounts for contracts and accounts receivable is considered necessary at June 30, 2018.

Deposits and Prepaid Expenses

Deposits, prepaid insurance and other costs are expensed ratably over their respective terms of agreement.

Investments

Investments in marketable securities with readily redeemable fair values and all investments in debt securities are carried at their fair market values in the statement of financial position. Unrealized gains and losses are included in the change in restricted net assets in the accompanying statement of activities.

Investment purchases and sales are accounted for on a trade-date basis. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Gains or losses (including investments bought, sold, and held during the year), and interest and dividend income are reflected in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily restricted by donor stipulations or by law.

Property and Equipment, Net

Land, buildings, property, and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land, buildings, and property are capitalized. Equipment is capitalized if it has a cost of \$1,500 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	20 - 40 years
Building improvements	10 - 30 years
Furniture and Equipment	5 - 10 years
Leasehold improvements	3 - 30 years, or remaining lease term, if shorter
Vehicles	5 - 7 years

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment, Net - Continued

Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Certain contracts with the State of California and the Department of Education specify that the title to equipment acquired with program funds remain with the contracting agency. As a result, the Institute expenses such purchases as incurred.

Government-funded assets are recorded as an asset and an offsetting liability. The related assets are depreciated over their estimated useful lives and a corresponding amount reduces the related liability each year and is recognized as contract revenue.

Contracts Payable

Contracts payable consist of amounts due to the California Department of Education (CDE) per their review of the year end attendance and fiscal reports and other contract amounts received in excess of balances earned.

Deferred Revenue

Deferred revenue represents revenues collected but not earned as of June 30, 2018. This is primarily composed of revenue for program funds accrued in advance. If a program is conducted over a fiscal year end, deferred revenue is recorded for all revenue related to programs predominately conducted in the next fiscal year.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributed Goods and Services

Contributions of goods received that are measurable are recorded as revenue at their estimated fair value when received. Contributions of services are recognized if the services received meet any of these criteria: (1) if they create or enhance nonfinancial assets and (2) if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Institute benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the organization's program operations and in its fund-raising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements.

Revenue Recognition

Revenues from government agencies, program service fees, and other third-party payors for services provided under such contracts are recognized when earned by the Institute. All gifts, bequests, and other public support are included in unrestricted net assets unless specifically restricted by the donor or the terms of the gift or grant instrument. Amounts received in excess of balances earned are recognized as liabilities in Contracts Payable.

Government Revenue

Government revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Government revenue from federal agencies is subject to independent audit under the Uniform Guidance and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Institute's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Institute.

Indirect Costs

Costs that benefit the operations of the entire organization are allocated according to an indirect cost allocation plan.

Administrative Expenses

Administrative expenses (except where noted) are charged to specific operating programs using estimated percentages. These percentages are based on time and effort studies performed by management. In general, other administrative expenses such as rent, maintenance, equipment, supplies, and travel, are charged as actual costs to the appropriate programs.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Expense Recognition and Allocation

The cost of providing the Institute's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Institute.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Institute generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. There were no fundraising costs for the year ended June 30, 2018.

Additionally, advertising costs are expensed as incurred; such amounts were insignificant at year end and totaled \$4,319.

Income Taxes

The Institute is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California income taxes under section 23701(d) of the California Revenue and Taxation Code. The IRS classified the organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

The Institute has adopted Financial Accounting Standards Board Accounting Standards Codification (ASC) Section 740-10, which clarifies the accounting for uncertainty in income taxes. ASC Section 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Section 740-10 requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. As of and for the year ended June 30, 2018, the Institute had no material unrecognized tax benefits, tax penalties or interest.

The Institute's Forms 990, *Return of Organization Exempt from Income Tax*, for each of the tax years ended June 30, 2017, 2016, and 2015, are subject to examination by the IRS, generally for 3 years after they were filed.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Institute's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Institute's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2017 comparative totals have been reclassified to conform with the 2018 reporting format.

Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Institute's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

INTERNATIONAL INSTITUTE OF LOS ANGELES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements

The Institute reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- *Level 1* - Quoted prices for identical assets or liabilities in active markets to which the Institute has access at the measurement date.
- *Level 2* - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets in markets that are not active;
 - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
 - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3* - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The carrying amounts of cash and cash equivalents and accounts receivable approximate fair value because of the terms and relatively short maturity of these financial instruments. The mutual funds and certificate of deposit are valued at quoted market prices, which represent the net asset value of shares held by the Institute at year end.

The carrying amounts of liabilities, approximate fair value because of the relatively short maturity of these financial instruments.

When available, the Institute measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

INTERNATIONAL INSTITUTE OF LOS ANGELES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)

3. CONTRACTS AND ACCOUNTS RECEIVABLES

Contracts receivable represent unconditional promises to give and are recorded at their net realizable value. All contracts are expected to be collected within one year. Management believes that all amounts will be received when due, therefore, no allowance for uncollectible contracts has been provided.

Contracts receivable at June 30, 2018, are summarized as follows:

<u>Contractor/Grantor</u>	<u>Program</u>	<u>Amount</u>
County of Los Angeles - DPPS	Stage 1	\$ 19,926
L.A. Metropolitan Transportation Authority	INTP	200,836
Self Help for the Elderly	TEAM Collaborative	11,893
South Bay Workforce Investment	Transitional Subsidized Employment	24,400
State of California - Dept. of Education	CDD - Nutrition	65,882
State of California - Dept. of Education	CDD - C3AP	21,777
State of California - Dept. of Education	CDD - CSPP	48,927
State of California - Dept. of Education	CDD - CAPP	5,179
State of California - Dept. of Education	CCTR	213,838
State of California - Dept. of Education	CDD - C2AP	71,335
State of California - Dept. of Social Services	ILSD/ISS	195,795
Coalition to Abolish Slavery & Trafficking	HTSP	960
U.S. Committee for Refugees and Immigrants	USCRI - HTSP	22,885
U.S. Committee for Refugees and Immigrants	USCRI - R&P	17,000
U.S. Committee for Refugees and Immigrants	USCRI - FSP	11,419
Total		<u>\$ 932,052</u>

Accounts receivable at June 30, 2018, are summarized as follows:

FSP	<u>\$ 75</u>
General Fund	3,309
Nutrition	147,972
Reception and Placement	<u>6,000</u>
Total	<u>\$ 157,356</u>

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)

4. INVESTMENTS

The Institute measures fair value in accordance with FASB ASC 820-10. FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels; Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs, other than the quoted prices in active markets, are observable either directly or indirectly, and Level 3 unobservable inputs in which there is little or no market data, which requires the Institute to develop its own assumptions. The Institute uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Institute measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. All assets reported at fair value at June 30, 2018, are Level 1 and Level 2 inputs.

In December 2001, the Institute received a contribution upon the liquidation of the Madelyn Wills Trust (“Trust”). The Institute was a beneficiary of the Trust and had previously received annual contributions. The Trustees decided to liquidate the Trust’s assets to those organizations that were receiving contributions from the Trust. The Institute recorded the contribution of \$655,413 for marketable equity securities, which represents fair market value on the date of transfer.

Investments consisted of the following at June 30, 2018:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Certificate of deposit	\$ 315,436	\$ -	\$ 315,436
Mutual Funds	<u>1,041,826</u>	<u>1,041,826</u>	<u>-</u>
Total Investments	<u>\$ 1,357,262</u>	<u>\$ 1,041,826</u>	<u>\$ 315,436</u>

At June 30, 2018, the Institute does not have any investments measured using level 3 inputs.

The composition of the investment return reported in the statement of activities as follows:

Interest and dividends	\$ 22,416
Interest income from cash and cash equivalents accounts	2,408
Realized gain(loss) on investments	39,761
Unrealized gain(loss) on investments	<u>21,260</u>
Total Investments Return	<u>\$ 85,845</u>

INTERNATIONAL INSTITUTE OF LOS ANGELES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)

5. PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following at June 30, 2018:

	Government Funded	Institute Owned	Total
Building	\$ -	\$ 1,271,849	\$ 1,271,849
Buildings Improvements	-	769,799	769,799
Furniture and Equipment	38,428	577,241	615,669
Land	-	300,000	300,000
Leasehold Improvements	-	74,191	74,191
Vehicles	-	5,900	5,900
	38,428	2,998,980	3,037,408
Less Accumulated Depreciation	(22,813)	(1,986,867)	(2,009,680)
Property and Equipment, Net	<u>\$ 15,615</u>	<u>\$ 1,012,113</u>	<u>\$ 1,027,728</u>

Total depreciation expense charged to operations was \$95,687 for the year ended June 30, 2018.

6. ACCRUED PAID TIME OFF (PTO)

Accrued paid time off, (PTO), benefits are accrued on a monthly basis. Full-time employees accrue vacation time based upon years of service to the Institute as follows:

<u>Years Employed</u>	<u>Annualized Accrual</u>
1 – 6 years	150 hours (20 days)
6 + years	187 hours (25 days)

Unused paid time off (PTO) will be paid at the time of termination. Total accrued paid time off at June 30, 2018, is \$166,558.

INTERNATIONAL INSTITUTE OF LOS ANGELES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)

7. CALIFORNIA DEPARTMENT OF EDUCATION RESERVE

Child development contractors with the California Department of Education (CDE) are allowed, with prior CDE approval, to maintain a reserve account from earned but unexpended child development contract funds for three types of programs: Center Based, Resource and Referral, and Alternative Payment. Transfers from a reserve account are considered restricted income for child development programs, but may be applied to any of the contracts that are eligible to contribute to that particular program type.

The funding agreements with the California Department of Education (“CDE”) require the Institute to record deferred revenue or “reserves” for granted amounts not earned during the current year, up to certain amounts. The Institute maintains a reserve account for Center Based contracts, and funds are deposited into an interest bearing account. The reserve account balance at June 30, 2018, was \$613,940, which is recorded as an asset in several cash accounts. Also, upon termination of all child development center-based contracts with CDE, the Institute would have to return the reserve funds to CDE, so the reserve account is recorded as a liability in the amount of \$613,940.

8. LINE OF CREDIT

Pursuant to a revolving line of credit agreement with a bank expiring September 1, 2020, the Institute may borrow up to \$500,000 bearing interest at the current index rate, as defined, generally 4.75% per annum. The loan agreement is collateralized by the 1st position UCC-1 filing. The line of credit agreement contains certain covenants which were in compliance during the year ended June 30, 2018. There was no balance due to the bank at June 30, 2018. No interest was charged to programs during the fiscal year ending June 30, 2018.

9. COMMITMENTS AND CONTINGENCIES

Contingent Contract Liability

Preliminary cost report approvals are made by contracting authorities, subject to adjustment, based upon a final independent contracted audit, or a final cost report settlement. As this process can extend over a number of years, along with any related appeals, it is uncertain as to whether any liability will result, and no provision for a liability has been made.

Legal Matters

In the ordinary course of business the Institute may be subject to certain lawsuits and other potential legal actions. The Institute’s management represents that as of June 30, 2018, the Institute is not involved in any legal action or litigation.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)

10. RETIREMENT PLANS

The Institute sponsors a 401(k) salary deferral plan whereby employees may contribute up to an amount as allowed under Internal Revenue Service regulations. The Institute will provide a dollar-for-dollar match up to 4% of an employee's eligible compensation. The Institute contributed \$121,774 for the year ended June 30, 2018.

The Institute also has a defined contribution plan whereby employees may participate in the plan after one year of continuous service and 1,000 hours of service. The Institute's contribution to the plan is discretionary and is determined annually by the Board of Directors. The Institute contributed \$59,508 for the year ended June 30, 2018.

11. OPERATING LEASE COMMITMENTS

The Institute leases certain facilities on a month-to-month basis. The Institute also leases equipment under non-cancelable operating leases expiring in various years through 2022 and is committed to minimum rental payments (exclusive of real estate taxes, maintenance, etc.) as follows:

<u>Year Ending June 30,:</u>	<u>Amount</u>
2019	\$ 118,892
2020	32,717
2021	28,296
2022	<u>2,358</u>
Total	<u>\$ 182,263</u>

Rent expense and equipment rental expense charged to operations were \$85,751, and \$64,566, respectively for the year ended June 30, 2018.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)

12. GENERAL AND ADMINISTRATIVE COSTS

The Institute's general and administrative costs are reimbursed by and allocated among the other divisions based on approved indirect cost rates. Fundraising costs are not significant. Accordingly, the Indirect Division is eliminated and consists of the following natural expense categories:

Gross Salaries	\$ 579,589
Employee Benefits	151,412
Telephone	25,912
Utilities	35,182
Insurance	<u>16,788</u>
Total	<u>\$ 808,883</u>

13. IN-KIND CONTRIBUTIONS

Natural classifications of in-kind contributions are as follows:

Food	\$ 32,756
Furniture and household goods	94,620
Housing	15,678
Transportation	<u>7,194</u>
Total	<u>\$ 150,248</u>

14. NUTRITION PROGRAMS

The Institute has a nutrition agreement with CDE for Child and Adult Care Food Programs, as reported in the Schedule of Expenditures of Federal and State Awards. However, no nutrition audit report schedules are included in the audit because (1) the audit disclosed no nutrition overpayments, underpayments, or program findings; (2) the contractor did not request reimbursement of audit costs; and (3) the audit is not a program-specific nutrition audit.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)

15. CONCENTRATION RISK

Amounts held in financial institutions occasionally are in excess of the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation limits. The Institute deposits its cash with high quality financial institutions, and management believes the organization is not exposed to significant credit risk on those amounts.

The majority of the Institute's contributions and grants are received from corporations, foundations, and individuals and from agencies located throughout the state of California. As such, the Institute's ability to generate resources via contributions and grants is dependent upon the economic health of that area and of the state of California. An economic downturn could cause a decrease in contributions and grants that coincides with an increase in demand for the Institute's services.

The Institute's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Institute's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

16. SUBSEQUENT EVENTS

The Institute has evaluated events subsequent to June 30, 2018, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through November 27, 2018, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

SUPPLEMENTARY INFORMATION

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
COMBINING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2018

	Child Development Programs	Nutrition Program	Immigrant and Refugee Services	INTP	Adminis- tration	Total Agency
ASSETS						
Cash and cash equivalents	\$ 1,614,819	\$ 207,209	\$ 276,964	\$ 134,923	\$ 1,571,678	\$ 3,805,593
Contracts receivable	380,982	65,882	284,352	200,836	-	932,052
Accounts receivable	-	147,972	6,075	-	3,309	157,356
Deposits and prepaid expenses	2,912	287	12,847	129	41,158	57,333
Investments	-	-	-	-	1,357,262	1,357,262
Property and equipment, net	-	15,217	-	-	1,012,511	1,027,728
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,998,713</u>	<u>\$ 436,567</u>	<u>\$ 580,238</u>	<u>\$ 335,888</u>	<u>\$ 3,985,918</u>	<u>\$ 7,337,324</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 627	\$ 7	\$ 500	\$ 22	\$ 831,828	\$ 832,984
Accrued payroll and related liabilities	172,510	22,755	71,092	16,490	51,038	333,885
Contracts payable	80,192	80,283	-	-	-	160,475
CDE reserve	613,940	-	-	-	-	613,940
Deferred revenue	-	-	-	-	2,335	2,335
Due to (from) other funds	1,131,106	(603,864)	677,025	354,937	(1,559,204)	-
Liability for government-funded assets	-	-	-	-	15,615	15,615
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	1,998,375	(500,819)	748,617	371,449	(658,388)	1,959,234
COMMITMENTS AND CONTINGENCIES						
NET ASSETS						
Unrestricted	<u>338</u>	<u>937,386</u>	<u>(168,379)</u>	<u>(35,561)</u>	<u>4,644,306</u>	<u>5,378,090</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total net assets	<u>338</u>	<u>937,386</u>	<u>(168,379)</u>	<u>(35,561)</u>	<u>4,644,306</u>	<u>5,378,090</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 1,998,713</u>	<u>\$ 436,567</u>	<u>\$ 580,238</u>	<u>\$ 335,888</u>	<u>\$ 3,985,918</u>	<u>\$ 7,337,324</u>

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	Alternative Payment Stage 2 C2AP7027 (16)	Alternative Payment Stage 3 C3AP7026 (15)	Alternative Payment CAPP7029 (14)	General Child Care & Development CCTR7094 (11)	California State Preschool CSPPP702 (17)	QRIS (17)	Total CDE Programs	Other Nutrition Program 19-1286-3A (10)	DPSS CalWorks Stage 1 SICC12-006 (12)	Total Child Development & Child Care Food Program
Revenue, Support and Restrictions Released										
Governmental service contracts	\$ 1,282,167	\$ 791,441	\$ 547,555	\$ 3,025,816	\$ 2,317,546	\$ 131,555	\$ 8,096,080	\$ -	\$ 853,142	\$ 8,949,222
CACFP Center Based Food Program	-	-	-	44,761	234,976	-	279,737	-	-	279,737
Parent fees	2,174	13,522	2,963	68,478	50,517	-	137,654	-	-	137,654
Contributions and grants	-	-	-	-	-	-	-	-	-	-
Fees for services	-	-	-	-	-	-	-	1,107,876	-	1,107,876
Other income	-	-	-	4,649	15,903	-	20,552	464	-	21,016
Investment income	-	-	-	-	-	-	-	1	-	1
Realized and unrealized gain (loss) on investments	-	-	-	-	-	-	-	-	-	-
In-kind contributions and matching	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-
Contract settlements	-	-	-	-	-	-	-	(1,240)	-	(1,240)
Transfer from CDE reserves	-	-	5,294	-	18,473	-	23,767	-	-	23,767
Total revenue and support	1,284,341	804,963	555,812	3,143,704	2,637,415	131,555	8,557,790	1,107,101	853,142	10,518,033
Expenses										
Salaries and wages	73,630	45,459	24,918	883,965	1,445,011	-	2,472,983	265,125	88,111	2,826,219
Employee benefits	14,921	9,551	5,757	243,311	417,401	-	690,941	103,755	14,059	808,755
Payroll taxes	5,623	3,496	1,882	61,208	93,440	-	165,649	20,302	5,420	191,371
Advertising	-	-	-	-	-	-	-	-	174	174
Auto expense	-	-	-	-	-	-	-	-	49	49
Bank charges	-	-	-	5	5	-	10	3	-	13
CDD - School activities	-	-	-	4,649	15,903	-	20,552	-	-	20,552
Client related costs	-	-	-	-	-	-	-	-	-	-
Computer maintenance	3,482	3,245	2,633	11,120	12,684	-	33,164	8,542	4,258	45,964
Dues and subscriptions	1,798	1,400	682	601	1,712	-	6,193	1,939	1,345	9,477
Education and training	-	-	-	-	3,450	-	3,450	-	-	3,450
Equipment purchased	1,775	1,185	600	6,998	6,874	6,357	23,789	-	1,145	24,934
Equipment rental and maintenance	980	810	500	14,406	17,789	-	34,485	1,739	3,866	40,090
Food costs	-	-	-	31,664	166,239	-	197,903	471,660	-	669,563
In-kind expenses	-	-	-	-	-	-	-	-	-	-
Insurance	273	236	153	14,193	31,439	-	46,294	10,022	540	56,856
Investment fees	-	-	-	-	-	-	-	-	-	-
Legal and audit	2,374	2,061	1,882	2,841	2,568	-	11,726	1,477	1,188	14,391
Office expenses	752	502	271	8,693	14,402	200	24,820	3,183	4,565	32,568
Outside services	-	-	-	-	-	-	-	-	14,897	14,897
Postage and delivery	809	648	266	2,825	1,772	-	6,320	174	2,168	8,662
Printing	220	47	184	1,225	229	-	1,905	-	489	2,394
Provider payments	1,077,433	672,312	471,504	1,519,336	-	-	3,740,585	-	690,093	4,430,678
Rent	-	-	-	11,418	50,114	-	61,532	-	-	61,532
Repairs and maintenance	411	351	851	25,475	56,651	20,111	103,850	27,444	1,525	132,819
Subcontractors	-	-	-	-	-	-	-	-	-	-
Supplies	1,847	1,344	720	42,661	72,268	98,412	217,252	40,801	3,468	261,521
Taxes and licenses	-	-	-	1,588	5,102	-	6,690	1,019	-	7,709
Telephone	1,262	1,264	890	11,146	17,700	-	32,262	4,666	2,335	39,263
Travel	53	50	43	3,154	4,915	6,475	14,690	18,133	36	32,859
Utilities	1,159	1,001	652	9,097	16,356	-	28,265	12,182	2,293	42,740
General and administrative - indirect costs	94,962	59,502	41,103	229,461	180,926	-	605,954	41,624	10,002	657,580
	1,283,764	804,464	555,491	3,141,040	2,634,950	131,555	8,551,264	1,033,790	852,026	10,437,080
Depreciation	577	499	321	2,664	2,465	-	6,526	22,633	1,116	30,275
Total expenses	1,284,341	804,963	555,812	3,143,704	2,637,415	131,555	8,557,790	1,056,423	853,142	10,467,355
CHANGE IN UNRESTRICTED NET ASSETS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,678	\$ -	\$ 50,678

INTERNATIONAL INSTITUTE OF LOS ANGELES
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COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018
(CONTINUED)

	Total Child Development & Child Care Food Program	USCRI IRSA R & P (20)	ILDS/ISS (26)	INTP (34)	Team Colla- borative (35)	Human Survivor Trafficking Program (36)	Transitional Subsidized Employment Program (38)	Matching Grant (40)	FSP (41)	Total Programs	General and Adminis- trative (90)	Total Agency
Revenue, Support and Restrictions Released												
Governmental service contracts	\$ 8,949,222	\$ 535,500	\$ 777,457	\$ 2,230,121	\$ -	\$ 338,917	\$ 51,200	\$ 93,600	\$ 125,058	\$ 13,101,075	\$ 51,735	\$ 13,152,810
CACFP Center Based Food Program	279,737	-	-	-	-	-	-	-	-	279,737	-	279,737
Parent fees	137,654	-	-	-	-	-	-	-	-	137,654	-	137,654
Contributions and grants	-	200	100	-	27,640	-	-	-	-	27,940	24,329	52,269
Fees for services	1,107,876	-	66,930	-	-	-	-	-	-	1,174,806	-	1,174,806
Other income	21,016	-	-	-	-	-	-	-	-	21,016	17,612	38,628
Investment income	1	-	-	-	-	-	-	-	-	1	24,823	24,824
Realized and unrealized gain (loss) on investments	-	-	-	-	-	-	-	-	-	-	61,021	61,021
In-kind contributions and matching	-	146,038	-	-	-	-	-	4,210	-	150,248	-	150,248
Rental income	-	-	-	-	-	-	-	-	-	-	82,368	82,368
Contract settlements	(1,240)	-	-	-	-	-	-	-	-	(1,240)	-	(1,240)
Transfer from CDE reserves	23,767	-	-	-	-	-	-	-	-	23,767	-	23,767
Total revenue and support	10,518,033	681,738	844,487	2,230,121	27,640	338,917	51,200	97,810	125,058	14,915,004	261,888	15,176,892
Expenses												
Salaries and wages	2,826,219	152,703	499,336	187,610	20,601	83,275	24,697	26,442	67,932	3,888,815	579,589	4,468,404
Employee benefits	808,755	55,520	94,044	53,413	4,501	19,118	15,910	6,094	17,849	1,075,204	112,180	1,187,384
Payroll taxes	191,371	12,554	36,917	13,865	1,590	5,896	1,948	2,329	5,134	271,604	39,232	310,836
Advertising	174	-	270	-	-	-	-	-	-	444	3,875	4,319
Auto expense	49	-	-	-	-	-	-	-	2,011	2,060	-	2,060
Bank charges	13	-	5	-	-	1,512	-	-	-	1,530	18	1,548
CDD - School activities	20,552	-	-	-	-	-	-	-	-	20,552	12,482	33,034
Client related costs	-	289,967	-	1,412,750	-	157,222	-	31,588	10,025	1,901,552	5,000	1,906,552
Computer maintenance	45,964	7,431	17,805	14,493	885	3,457	912	1,207	3,445	95,599	29,643	125,242
Dues and subscriptions	9,477	10,305	14,015	89	22	37	30	30	37	34,042	2,475	36,517
Education and training	3,450	-	626	-	-	-	-	-	-	4,076	-	4,076
Equipment purchased	24,934	-	12,030	-	-	-	-	-	-	36,964	1,077	38,041
Equipment rental and maintenance	40,090	1,059	13,777	1,329	143	731	418	144	906	58,597	5,969	64,566
Food costs	669,563	-	-	-	-	-	-	-	-	669,563	-	669,563
In-kind expenses	-	146,038	-	-	-	-	-	4,210	-	150,248	-	150,248
Insurance	56,856	5,920	8,025	2,492	519	793	831	-	1,142	76,578	26,366	102,944
Investment fees	-	-	-	-	-	-	-	-	-	-	11,157	11,157
Legal and audit	14,391	742	492	739	1,478	742	739	-	739	20,062	11,176	31,238
Office expenses	32,568	3,119	7,851	2,054	227	1,354	397	450	1,046	49,066	24,679	73,745
Outside services	14,897	-	91,220	-	-	34,810	-	-	-	140,927	4,400	145,327
Postage and delivery	8,662	912	4,153	110	11	309	-	93	-	14,250	16	14,266
Printing	2,394	17	394	14,958	-	-	38	-	-	17,801	280	18,081
Provider payments	4,430,678	-	-	-	-	-	-	-	-	4,430,678	-	4,430,678
Rent	61,532	13,820	10,399	-	-	-	-	-	-	85,751	-	85,751
Repairs and maintenance	132,819	1,347	3,836	1,244	249	630	373	299	422	141,219	50,514	191,733
Subcontractors	-	-	-	501,058	-	-	-	-	-	501,058	-	501,058
Supplies	261,521	3,757	14,548	2,093	261	1,611	560	468	1,048	285,867	16,935	302,802
Taxes and licenses	7,709	-	29	-	-	-	-	-	-	7,738	7,354	15,092
Telephone	39,263	12,274	17,106	8,473	568	5,173	1,375	924	3,087	88,243	25,912	114,155
Travel	32,859	13,261	4,402	598	1,021	6,459	1,268	2,904	1,213	63,985	4,452	68,437
Utilities	42,740	8,628	5,626	5,205	1,345	2,607	1,986	1,870	2,413	72,420	35,182	107,602
General and administrative - indirect expenses	657,580	25,584	67,559	25,226	2,212	14,388	4,181	3,404	8,749	808,883	(808,883)	-
	10,437,080	764,958	924,465	2,247,799	35,633	340,124	55,663	82,456	127,198	15,015,376	201,080	15,216,456
Depreciation	30,275	-	-	-	-	-	-	-	-	30,275	65,412	95,687
Total expenses	10,467,355	764,958	924,465	2,247,799	35,633	340,124	55,663	82,456	127,198	15,045,651	266,492	15,312,143
CHANGE IN UNRESTRICTED NET ASSETS	\$ 50,678	\$ (83,220)	\$ (79,978)	\$ (17,678)	\$ (7,993)	\$ (1,207)	\$ (4,463)	\$ 15,354	\$ (2,140)	\$ (130,647)	\$ (4,604)	\$ (135,251)

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
COMBINING SCHEDULE OF RENOVATION AND REPAIR EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Alternative Payment Stage 2 C2AP-7027</u>	<u>Alternative Payment Stage 3 C3AP-7026</u>	<u>Alternative Payment CAPP-7029</u>	<u>General Child Care & Dev Program CCTR-7094</u>	<u>California State Preschool Program CSPP-7202</u>	<u>Total Cost</u>
Unit Cost Under \$10,000 Per Item:						
Item:						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total:	-	-	-	-	-	-
Unit Cost \$10,000 or More Per Item						
With Prior Written Approval:						
Item:						
None	-	-	-	-	-	-
Total:	-	-	-	-	-	-
Unit Cost \$10,000 or More Per Item						
Without Prior Approval:						
Item:						
None	-	-	-	-	-	-
Total:	-	-	-	-	-	-
Total Renovation and Repair Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

International Institute of Los Angeles' capitalization threshold is \$1,500 or more.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
COMBINING SCHEDULE EQUIPMENT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2018

	Alternative Payment Stage 2 <u>C2AP-7027</u>	Alternative Payment Stage 3 <u>C3AP-7026</u>	Alternative Payment <u>CAPP-7029</u>	General Child Care & Dev Program <u>CCTR-7094</u>	California State Preschool Program <u>CSPP-7202</u>	<u>Total Cost</u>
Unit Cost Under \$7,500 Per Item:						
Item:						
Computers	\$ 1,775	\$ 1,185	\$ 600	\$ 6,998	\$ 6,874	\$ 17,432
Total:	1,775	1,185	600	6,998	6,874	17,432
Unit Cost Over \$7,500 Per Item						
With Prior Written Approval:						
Item:						
None	-	-	-	-	-	-
Total:	-	-	-	-	-	-
Unit Cost Over \$7,500 Per Item						
Without Prior Approval:						
Item:						
None	-	-	-	-	-	-
Total:	-	-	-	-	-	-
Total Equipment Expenditures	<u>\$ 1,775</u>	<u>\$ 1,185</u>	<u>\$ 600</u>	<u>\$ 6,998</u>	<u>\$ 6,874</u>	<u>\$ 17,432</u>

International Institute of Los Angeles' capitalization threshold is \$1,500 or more.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
COMBINING SCHEDULE OF ADMINISTRATIVE COSTS
FOR THE YEAR ENDED JUNE 30, 2018

	Alternative Payment Stage 2 <u>C2AP-7027</u>	Alternative Payment Stage 3 <u>C3AP-7026</u>	Alternative Payment <u>CAPP-7029</u>	General Child Care & Dev Program <u>CCTR-7094</u>	California State Preschool Program <u>CSPP-7202</u>	Total Cost
Administrative Costs						
Administrative Salaries	\$ 19,779	\$ 14,495	\$ 6,872	\$ 30,102	\$ 31,370	\$ 102,618
<i>Employee Benefits:</i>						
Retirement 5%	989	725	344	1,505	1,568	5,131
Life Insurance	9	7	3	14	15	48
Health Insurance	1,726	1,281	606	2,685	2,821	9,119
SUI	64	48	23	100	105	340
Payroll Taxes	1,513	1,109	526	2,303	2,400	7,851
Legal, Election and Audit	<u>2,374</u>	<u>2,061</u>	<u>1,882</u>	<u>2,841</u>	<u>2,568</u>	<u>11,726</u>
	26,454	19,726	10,256	39,550	40,847	136,833
Indirect Costs:	<u>94,962</u>	<u>59,502</u>	<u>41,103</u>	<u>229,461</u>	<u>180,926</u>	<u>605,954</u>
Total Administrative Costs	<u>\$ 121,416</u>	<u>\$ 79,228</u>	<u>\$ 51,359</u>	<u>\$ 269,011</u>	<u>\$ 221,773</u>	<u>\$ 742,787</u>

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
COMBINING SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
FOR THE YEAR ENDED JUNE 30, 2018

	Alternative Payment Stage 2 C2AP7027 (16)	Alternative Payment Stage 3 C3AP7026 (15)	Alternative Payment CAPP7029 (14)	General Child Care & Development CCTR7094 (11)	California State Preschool CSP7202 (17)	QRIS (17)	Total Reimbursable Programs	Total Non- Reimbursable Programs
1000	CERTIFIED SALARIES							
1100	\$ -	\$ -	\$ -	\$ 351,902	\$ 712,294	\$ -	\$ 1,064,196	\$ -
1200	18,799	11,414	5,192	31,443	28,600	-	95,448	-
1300	-	-	-	-	-	-	-	-
1900	-	-	-	-	-	-	-	-
2000	CLASSIFIED SALARIES							
2100	-	-	-	210,084	437,624	-	647,708	-
2300	54,581	33,804	19,219	272,465	226,185	-	606,254	-
2400	250	241	507	18,071	40,308	-	59,377	-
2900	-	-	-	-	-	-	-	-
3000	EMPLOYEE BENEFITS							
3300	5,623	3,496	1,882	61,208	93,440	-	165,649	-
3400	10,225	6,558	3,412	143,457	239,898	-	403,550	-
3500	219	208	783	14,756	35,209	-	51,175	-
3600	744	464	314	44,508	81,086	-	127,116	-
3900	3,733	2,321	1,248	40,590	61,208	-	109,100	-
4000	BOOKS, SUPPLIES AND EQUIPMENT							
4200	-	-	-	-	-	-	-	-
4300	-	-	-	16,007	205	-	16,212	-
4500	1,847	1,344	720	20,923	72,063	98,412	195,309	-
4600	-	-	-	-	-	-	-	-
4710	-	-	-	-	-	-	-	-
4790	-	-	-	37,278	166,239	-	203,517	-
5000	SERVICES/OTHER OPERATING EXPENSES							
5100	1,077,433	672,312	471,504	1,519,336	-	-	3,740,585	-
5200	53	50	43	3,154	4,915	6,475	14,690	-
5300	1,798	1,400	682	601	1,712	-	6,193	-
5400	273	236	153	14,193	31,439	-	46,294	-
5500	3,861	3,311	2,843	49,885	92,708	20,111	172,719	-
5600	-	-	-	25,824	67,153	-	92,977	-
5700	2,374	2,061	1,882	2,841	2,568	-	11,726	-
5800	5,214	4,557	3,404	26,055	52,296	200	91,726	-
6000	CAPITAL OUTLAY							
6200	-	-	-	-	-	-	-	-
6400	1,775	1,185	600	6,998	6,874	6,357	23,789	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	577	499	321	2,664	2,465	-	6,526	-
INDIRECT COSTS	94,962	59,502	41,103	229,461	180,926	-	605,954	-
TOTAL	\$ 1,284,341	\$ 804,963	\$ 555,812	\$ 3,143,704	\$ 2,637,415	\$ 131,555	\$ 8,557,790	\$ -
Indirect Costs - Food Program	-	-	-	891	4,680	-	5,571	-
Total Indirect Costs	\$ 94,962	\$ 59,502	\$ 41,103	\$ 230,352	\$ 185,606	\$ -	\$ 611,525	\$ -

AUDITED FINAL ATTENDANCE AND FISCAL REPORT FORMS

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED FISCAL REPORT FOR
 CALWORKS, ALTERNATIVE PAYMENT OR
 FAMILY CHILD CARE HOME PROGRAMS
 A U D 9500-AP Page 1 of 4 (10/18)

Fiscal Year End	June 30, 2018
Contract Number	C2AP-7027
Vendor Code	19B460

Full Name of Contractor INTERNATIONAL INSTITUTE OF LOS ANGELES

Section 1 - Revenue	Column A Cumulative CDNFS 9500-AP	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Child Nutrition Programs			
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Uncashed Checks to Providers			
Restricted Income - Other:			
Restricted Income Subtotal			
Transfer from Reserve (Alternative Payment Only)			
Family Fees for Certified Children	2,174		2,174
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Other:			
Total Revenue	2,174		2,174

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED FISCAL REPORT FOR
 CALWORKS, ALTERNATIVE PAYMENT OR
 FAMILY CHILD CARE HOME PROGRAMS
 A U D 9500-AP Page 2 of 4 (10/18)

Fiscal Year End
 Contract Number
 Vendor Code

Full Name of Contractor

Section 2 - Reimbursable Expenses	Column A Cumulative CDNFS 9500-AP	Column B Audit Adjustments	Column C Cumulative Per Audit
Direct Payments to Providers	1,077,433		1,077,433
1000 Certificated Salaries	18,799		18,799
2000 Classified Salaries	54,831		54,831
3000 Employee Benefits	20,543	1	20,544
4000 Books and Supplies	1,847		1,847
5000 Services and Other Operating Expenses	13,575	-2	13,573
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)	1,775		1,775
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance	577		577
Indirect Costs (Include in Administrative Costs)	94,962		94,962
Non-Reimbursable (State Use Only)			
Total Reimbursable Expenses	1,284,342	-1	1,284,341
Total Administrative Costs (included in section 2 above)	121,416		121,416
Days of Operation	250		250

Approved Indirect Cost Rate:

Comments:

No Supplemental Revenue check this box and omit Page 3.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED FISCAL REPORT FOR
 CALWORKS, ALTERNATIVE PAYMENT OR
 FAMILY CHILD CARE HOME PROGRAMS
 A U D 9500-AP Page 4 of 4 (10/18)

Fiscal Year End	June 30, 2018
Contract Number	C2AP-7027
Vendor Code	19B460

Full Name of Contractor INTERNATIONAL INSTITUTE OF LOS ANGELES

Section 5 - Summary	Column A Cumulative CDNFS 9500-AP	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Program Income			
Interest Earned on Apportionment Payments			
Direct Payments to Providers	1,077,433		1,077,433
Total Administrative Costs	121,416		121,416
Days of Operation	250		250
Total Reimbursable Expenses	1,284,342	-1	1,284,341

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED FISCAL REPORT FOR
 CALWORKS, ALTERNATIVE PAYMENT OR
 FAMILY CHILD CARE HOME PROGRAMS
 A U D 9500-AP Page 1 of 4 (10/18)

Fiscal Year End	June 30, 2018
Contract Number	C3AP-7026
Vendor Code	19B460

Full Name of Contractor INTERNATIONAL INSTITUTE OF LOS ANGELES

Section 1 - Revenue	Column A Cumulative CDNFS 9500-AP	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Child Nutrition Programs			
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Uncashed Checks to Providers			
Restricted Income - Other:			
Restricted Income Subtotal			
Transfer from Reserve (Alternative Payment Only)			
Family Fees for Certified Children	13,522		13,522
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Other:			
Total Revenue	13,522		13,522

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED FISCAL REPORT FOR
 CALWORKS, ALTERNATIVE PAYMENT OR
 FAMILY CHILD CARE HOME PROGRAMS
 A U D 9500-AP Page 2 of 4 (10/18)

Fiscal Year End
 Contract Number
 Vendor Code

Full Name of Contractor

Section 2 - Reimbursable Expenses	Column A Cumulative CDNFS 9500-AP	Column B Audit Adjustments	Column C Cumulative Per Audit
Direct Payments to Providers	672,312		672,312
1000 Certificated Salaries	11,414		11,414
2000 Classified Salaries	34,045		34,045
3000 Employee Benefits	13,047		13,047
4000 Books and Supplies	1,344		1,344
5000 Services and Other Operating Expenses	11,615		11,615
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)	1,185		1,185
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance	499		499
Indirect Costs (Include in Administrative Costs)	59,502		59,502
Non-Reimbursable (State Use Only)			
Total Reimbursable Expenses	804,963		804,963
Total Administrative Costs (included in section 2 above)	79,227	1	79,228
Days of Operation	250		250

Approved Indirect Cost Rate:

Comments:

No Supplemental Revenue check this box and omit Page 3.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED FISCAL REPORT FOR
 CALWORKS, ALTERNATIVE PAYMENT OR
 FAMILY CHILD CARE HOME PROGRAMS
 A U D 9500-AP Page 4 of 4 (10/18)

Fiscal Year End	June 30, 2018
Contract Number	C3AP-7026
Vendor Code	19B460

Full Name of Contractor INTERNATIONAL INSTITUTE OF LOS ANGELES

Section 5 - Summary	Column A Cumulative CDNFS 9500-AP	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Program Income			
Interest Earned on Apportionment Payments			
Direct Payments to Providers	672,312		672,312
Total Administrative Costs	79,227	1	79,228
Days of Operation	250		250
Total Reimbursable Expenses	804,963		804,963

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED FISCAL REPORT FOR
 CALWORKS, ALTERNATIVE PAYMENT OR
 FAMILY CHILD CARE HOME PROGRAMS
 A U D 9500-AP Page 1 of 4 (10/18)

Fiscal Year End	June 30, 2018
Contract Number	CAPP-7029
Vendor Code	19B460

Full Name of Contractor INTERNATIONAL INSTITUTE OF LOS ANGELES

Section 1 - Revenue	Column A Cumulative CDNFS 9500-AP	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Child Nutrition Programs			
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Uncashed Checks to Providers			
Restricted Income - Other:			
Restricted Income Subtotal			
Transfer from Reserve (Alternative Payment Only)	5,294		5,294
Family Fees for Certified Children	2,963		2,963
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Other:			
Total Revenue	8,257		8,257

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED FISCAL REPORT FOR
 CALWORKS, ALTERNATIVE PAYMENT OR
 FAMILY CHILD CARE HOME PROGRAMS
 A U D 9500-AP Page 2 of 4 (10/18)

Fiscal Year End
 Contract Number
 Vendor Code

Full Name of Contractor

Section 2 - Reimbursable Expenses	Column A Cumulative CDNFS 9500-AP	Column B Audit Adjustments	Column C Cumulative Per Audit
Direct Payments to Providers	471,504		471,504
1000 Certificated Salaries	5,192		5,192
2000 Classified Salaries	19,725	1	19,726
3000 Employee Benefits	7,639		7,639
4000 Books and Supplies	721	-1	720
5000 Services and Other Operating Expenses	9,007		9,007
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)	600		600
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance	321		321
Indirect Costs (Include in Administrative Costs)	41,103		41,103
Non-Reimbursable (State Use Only)			
Total Reimbursable Expenses	555,812	0	555,812
Total Administrative Costs (included in section 2 above)	51,359		51,359
Days of Operation	250		250

Approved Indirect Cost Rate:

Comments:

No Supplemental Revenue check this box and omit Page 3.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED FISCAL REPORT FOR
 CALWORKS, ALTERNATIVE PAYMENT OR
 FAMILY CHILD CARE HOME PROGRAMS
 A U D 9500-AP Page 4 of 4 (10/18)

Fiscal Year End	June 30, 2018
Contract Number	CAPP-7029
Vendor Code	19B460

Full Name of Contractor INTERNATIONAL INSTITUTE OF LOS ANGELES

Section 5 - Summary	Column A Cumulative CDNFS 9500-AP	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Program Income			
Interest Earned on Apportionment Payments			
Direct Payments to Providers	471,504		471,504
Total Administrative Costs	51,359		51,359
Days of Operation	250		250
Total Reimbursable Expenses	555,812	0	555,812

CALIFORNIA DEPARTMENT OF EDUCATION AUDITED ATTENDANCE
 AND FISCAL REPORT FOR CHILD DEVELOPMENT PROGRAMS
 A U D 9500 Page 1 of 10 (11/18)

Fiscal Year Ending June 30, 2018

Contract Number CCTR-7094

Vendor Code 19B460

Full Name of Contractor INTERNATIONAL INSTITUTE OF LOS ANGELES

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Infants (up to 18 months) Full-time-plus				2.006	0
Infants (up to 18 months) Full-time				1.700	0
Infants (up to 18 months) Three-quarters-time				1.275	0
Infants (up to 18 months) One-half-time				0.935	0
FCCH Infants (up to 18 months) Full-time-plus	269		269	1.652	444.388
FCCH Infants (up to 18 months) Full-time	4,420		4,420	1.400	6,188
FCCH Infants (up to 18 months) Three-quarters-time	827		827	1.050	868.35
FCCH Infants (up to 18 months) One-half-time				0.770	0
Toddlers (18 up to 36 months) Full-time-plus	1,550		1,550	1.652	2,560.6
Toddlers (18 up to 36 months) Full-time	23,612		23,612	1.400	33,056.8
Toddlers (18 up to 36 months) Three-quarters-time	5,145		5,145	1.050	5,402.25
Toddlers (18 up to 36 months) One-half-time	422		422	0.770	324.94
Three Years and Older Full-time-plus	346		346	1.180	408.28
Three Years and Older Full-time	10,080		10,080	1.000	10,080
Three Years and Older Three-quarters-time	4,668		4,668	0.750	3,501
Three Years and Older One-half-time	5,364		5,364	0.550	2,950.2

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CHILD DEVELOPMENT PROGRAMS
 A U D 9500 Page 2 of 10 (11/18)

Fiscal Year Ending June 30, 2018
 Contract Number CCTR-7094
 Vendor Code 19B460

Full Name of Contractor INTERNATIONAL INSTITUTE OF LOS ANGELES

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Exceptional Needs Full-time-plus				1.416	0
Exceptional Needs Full-time				1.200	0
Exceptional Needs Three-quarters-time				0.900	0
Exceptional Needs One-half-time				0.660	0
Limited and Non-English Proficient Full-time-plus	25		25	1.298	32.45
Limited and Non-English Proficient Full-time	10,209		10,209	1.100	11,229.9
Limited and Non-English Proficient Three-quarters-time	1,979		1,979	0.825	1,632.675
Limited and Non-English Proficient One-half-time	199		199	0.605	120.395
At Risk of Abuse or Neglect Full-time-plus				1.298	0
At Risk of Abuse or Neglect Full-time				1.100	0
At Risk of Abuse or Neglect Three-quarters-time				0.825	0
At Risk of Abuse or Neglect One-half-time				0.605	0

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT
 FOR CHILD DEVELOPMENT PROGRAMS
 A U D 9500 Page 3 of 10 (11/18)

Fiscal Year Ending June 30, 2018

Contract Number CCTR-7094

Vendor Code 19B460

Full Name of Contractor INTERNATIONAL INSTITUTE OF LOS ANGELES

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Severely Disabled Full-time-plus				1.770	0
Severely Disabled Full-time				1.500	0
Severely Disabled Three-quarters-time				1.125	0
Severely Disabled One-half-time				0.825	0

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
TOTAL DAYS OF ENROLLMENT	69,115		69,115	N/A	78,800.228
DAYS OF OPERATION	250		250	N/A	N/A
DAYS OF ATTENDANCE	68,487		68,487	N/A	N/A

NO NON-CERTIFIED CHILDREN Check this box (omit pages 4-6) and continue to Revenue Section on page 7.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CHILD DEVELOPMENT PROGRAMS
 A U D 9500 Page 7 of 10 (11/18)

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 3 - Revenue	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Child Nutrition Programs	57,408	-12,647	44,761
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other: Fundraising	4,649		4,649
Restricted Income - Subtotal	62,057	-12,647	49,410
Transfer From Reserve			
Family Fees for Certified Children	68,478		68,478
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income: Fees for Non-Certified Children			
Unrestricted Income: Head Start			
Unrestricted Income - Other			
Total Revenue	130,535	-12,647	117,888

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CHILD DEVELOPMENT PROGRAMS
 A U D 9500 Page 8 of 10 (11/18)

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 4 - Reimbursable Expenses	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit
Direct Payments to Providers (FCCH only)	1,519,336		1,519,336
1000 Certificated Salaries	383,345		383,345
2000 Classified Salaries	500,620		500,620
3000 Employee Benefits	304,519		304,519
4000 Books and Supplies	42,661	31,547	74,208
5000 Services and Other Operating Expenses	166,747	-44,194	122,553
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)	6,998		6,998
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance	2,664		2,664
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (Include in Administrative Cost)	229,461		229,461
Non-Reimbursable (State Use Only)			
Total Reimbursable Expenses	3,156,351	-12,647	3,143,704
Total Administrative Cost (included in Section 4)	268,058	953	269,011

Approved Indirect Cost Rate:

Comments:

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CHILD DEVELOPMENT PROGRAMS
 A U D 9500 Page 10 of 10 (11/18)

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 7 - Summary	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative Per Audit
Total Certified Adjusted Days of Enrollment	69,115		69,115
Days of Operation	250		250
Days of Attendance	68,487		68,487
Total Non-Certified Days of Enrollment			
Restricted Program Income	62,057	-12,647	49,410
Transfer from Reserve			
Family Fees for Certified Children	68,478		68,478
Interest Earned on Apportionment Payments			
Direct Payments to Providers	1,519,336		1,519,336
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	3,156,351	-12,647	3,143,704
Total Administrative Cost	268,058	953	269,011

Total Certified Adjusted
Days of Enrollment

Total Non-Certified
Adjusted
Days of Enrollment

Independent Auditor's Assurances on Agency's Compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Learning and Care Division (formerly Early Education and Support Division):

Eligibility, enrollment and attendance records are being maintained as required (check YES or NO):

- Yes
- No

Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

- Yes
- No

Include any comments in the 'Comments' box on page 8. If necessary, attach additional sheets to explain adjustments.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
 A U D 8501 Page 1 of 9 (09/18)

Fiscal Year Ending June 30, 2018
 Contract Number CSPP-7202
 Vendor Code 19B460

Full Name of Contractor INTERNATIONAL INSTITUTE OF LOS ANGELES

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Three and Four Year Olds Full-time-plus	991		991	1.1800	1,169.38
Three and Four Year Olds Full-time	17,365		17,365	1.0000	17,365
Three and Four Year Olds Three-quarters-time	3,896		3,896	0.7500	2,922
Three and Four Year Olds One-half-time	11,309		11,309	0.6193	7,003.6637
Exceptional Needs Full-time-plus				1.4160	0
Exceptional Needs Full-time				1.2000	0
Exceptional Needs Three-quarters-time				0.9000	0
Exceptional Needs One-half-time				0.6193	0
Limited and Non-English Proficient Full-time-plus	1,595		1,595	1.2980	2,070.31
Limited and Non-English Proficient Full-time	15,196		15,196	1.1000	16,715.6
Limited and Non-English Proficient Three-quarters-time	2,982		2,982	0.8250	2,460.15
Limited and Non-English Proficient One-half-time	8,829		8,829	0.6193	5,467.7997

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
 A U D 8501 Page 2 of 9 (09/18)

Fiscal Year Ending June 30, 2018
 Contract Number CSPP-7202
 Vendor Code 19B460

Full Name of Contractor INTERNATIONAL INSTITUTE OF LOS ANGELES

Section 1 - Days of Enrollment Certified Children	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0
Severely Disabled Full-time-plus				1.7700	0
Severely Disabled Full-time				1.5000	0
Severely Disabled Three-quarters-time				1.1250	0
Severely Disabled One-half-time				0.6193	0
TOTAL DAYS OF ENROLLMENT	62,163		62,163	N/A	55,173.9034
DAYS OF OPERATION	249		249	N/A	N/A
DAYS OF ATTENDANCE	61,392		61,392	N/A	N/A

NO NON-CERTIFIED CHILDREN Check this box (omit pages 3-5) and continue to Revenue Section on page 6.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
 A U D 8501 Page 3 of 9 (09/18)

Fiscal Year Ending June 30, 2018
 Contract Number CSPP-7202
 Vendor Code 19B460

Full Name of Contractor INTERNATIONAL INSTITUTE OF LOS ANGELES

Section 2 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Toddlers (18 up to 36 months) Full-time-plus				1.6520	0
Toddlers (18 up to 36 months) Full-time				1.4000	0
Toddlers (18 up to 36 months) Three-quarters-time				1.0500	0
Toddlers (18 up to 36 months) One-half-time				0.7700	0
Three and Four Year Olds Full-time-plus				1.1800	0
Three and Four Year Olds Full-time				1.0000	0
Three and Four Year Olds Three-quarters-time				0.7500	0
Three and Four Year Olds One-half-time	70		70	0.6193	43.351
Exceptional Needs Full-time-plus				1.4160	0
Exceptional Needs Full-time				1.2000	0
Exceptional Needs Three-quarters-time				0.9000	0
Exceptional Needs One-half-time				0.6193	0

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
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Fiscal Year Ending	June 30, 2018
Contract Number	CSPP-7202
Vendor Code	19B460

Full Name of Contractor INTERNATIONAL INSTITUTE OF LOS ANGELES

Section 2 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Limited and Non-English Proficient Full-time-plus				1.2980	0
Limited and Non-English Proficient Full-time				1.1000	0
Limited and Non-English Proficient Three-quarters-time				0.8250	0
Limited and Non-English Proficient One-half-time				0.6193	0
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
 A U D 8501 Page 5 of 9 (09/18)

Fiscal Year Ending June 30, 2018

Contract Number CSPP-7202

Vendor Code 19B460

Full Name of Contractor INTERNATIONAL INSTITUTE OF LOS ANGELES

Section 2 - Days of Enrollment Non-Certified Children	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit	Column D Adjustment Factor	Column E Adjusted Days Per Audit
Severely Disabled Full-time-plus				1.7700	0
Severely Disabled Full-time				1.5000	0
Severely Disabled Three-quarters-time				1.1250	0
Severely Disabled One-half-time				0.6193	0
TOTAL NON-CERTIFIED DAYS OF ENROLLMENT	70		70	N/A	43.351

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
 A U D 8501 Page 6 of 9 (09/18)

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 3 - Revenue	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Restricted Income - Child Nutrition Programs	301,372	-66,396	234,976
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other: Fundraising	15,903		15,903
Restricted Income - Subtotal	317,275	-66,396	250,879
Transfer from Reserve - General	18,473		18,473
Transfer from Reserve - Professional Development			
Transfer from Reserve Total	18,473		18,473
Family Fees for Certified Children	48,818		48,818
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income: Fees for Non-Certified Children	1,699		1,699
Unrestricted Income: Head Start			
Unrestricted Income - Other:			
Total Revenue	386,265	-66,396	319,869

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
 A U D 8501 Page 7 of 9 (09/18)

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 4 - Reimbursable Expenses	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	740,895	-1	740,894
2000 Classified Salaries	704,118	-1	704,117
3000 Employee Benefits	510,842	-1	510,841
4000 Books and Supplies	72,268	166,239	238,507
5000 Services and Other Operating Expenses	485,424	-232,633	252,791
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)	6,874		6,874
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance	2,465		2,465
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (Include in Administrative Cost)	180,926		180,926
Non-Reimbursable (State Use Only)			
Total Reimbursable Expenses	2,703,812	-66,397	2,637,415
Total Administrative Cost (included in section 4 above)	216,768	5,005	221,773

Approved Indirect Cost Rate:

Comments:

The CACFP revenue reported on the Combining Schedule of Activities for the June 30, 2018 fiscal year of \$278,496.26 differs by \$81,523.65 from the actual income received of \$360,019.91. Revenue exceeded expenditures by \$81,523.65 and this excess revenue is potentially owed back to the CACFP program and is included in Contracts Payable in the Statement of Financial Position.

No Supplemental Revenue check this box and omit Page 8.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED ATTENDANCE AND FISCAL REPORT FOR
 CALIFORNIA STATE PRESCHOOL PROGRAMS
 A U D 8501 Page 8 of 9 (09/18)

Fiscal Year Ending June 30, 2018

Contract Number CSPP-7202

Vendor Code 19B460

Full Name of Contractor INTERNATIONAL INSTITUTE OF LOS ANGELES

Section 5 - Supplemental Revenue	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Enhancement Funding	131,555		131,555
Other:			
Other:			
Total Supplemental Revenue	131,555		131,555

Section 6 - Supplemental Expenses	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
1000 Certificated Salaries			
2000 Classified Salaries			
3000 Employee Benefits			
4000 Books and Supplies	98,412		98,412
5000 Services and Other Operating Expenses	26,786		26,786
6000 Equipment/Capital Outlay	6,357		6,357
Depreciation or Use Allowance			
Indirect Costs			
Non-reimbursable Expenses 6100-6500 Non-reimbursable Capital Outlay			
Total Supplemental Expenses	131,555		131,555

CALIFORNIA DEPARTMENT OF EDUCATION AUDITED ATTENDANCE AND FISCAL REPORT FOR CALIFORNIA STATE PRESCHOOL PROGRAMS

A U D 8501 Page 9 of 9 (09/18)

Fiscal Year Ending
 Contract Number
 Vendor Code

Full Name of Contractor

Section 7 - Summary	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative Per Audit
Total Certified Days of Enrollment	62,163		62,163
Days of Operation	249		249
Days of Attendance	61,392		61,392
Total Non-Certified Days of Enrollment	70		70
Restricted Program Income	317,275	-66,396	250,879
Transfer from Reserve	18,473		18,473
Family Fees for Certified Children	48,818		48,818
Interest Earned on Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	2,703,812	-66,397	2,637,415
Total Administrative Cost	216,768	5,005	221,773

Total Certified Adjusted Days of Enrollment

Total Non-Certified Adjusted Days of Enrollment

Independent Auditor's Assurances on Agency's Compliance with the Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Early Learning and Care Division (formerly Early Education and Support Division):

Eligibility, enrollment and attendance records are being maintained as required (check YES or NO): Yes

No

Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO): Yes

No

Include any comments in the Comments box on page 7. If necessary, attach additional sheets to explain adjustments.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED RESERVE ACCOUNT ACTIVITY REPORT
 A U D 9530-A Page 1 of 1 (11/18)

Fiscal Year End June 30, 2018
 Reserve Account Type Alternative Payment
 Vendor Code 19B460

Full Name of Contractor INTERNATIONAL INSTITUTE OF LOS ANGELES

Prior Year - Reserve Account Activity			Per 2016-17 AUD 9530-A
1. Beginning Balance (2016-17 Ending Balance)			7,101
2. Plus Transfers to Reserve Account:			Per CDNFS 9530
Contract No.C2AP-6027			1,576
Contract No.			
Contract No.			
Contract No.			
Contract No.			
Contract No.			
Total Transferred from PY Contracts to Reserve			1,576
3. Less Excess Reserve to be Billed			
4. Ending Balance on PY Post-Audit CDNFS 9530			8,677
Current Year - Reserve Account Activity	Column A Per CDNFS 9530-A	Column B Audit Adjustments	Column C Per Audit
5. Plus Interest Earned This Year On Reserve Funds	36		36
6. Less Transfers to Contracts from Reserve Account:			
CSPP General - Contract No.			
CSPP General - Contract No.			
CSPP Professional Development Contract No.			
CSPP Professional Development Contract No.			
Subtotal CSPP Transfers			
Other Contract No.CAPP-7029	5,294		5,294
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Subtotal Other Contract Transfers	5,294		5,294
Total Transferred to Contracts from Reserve Account	5,294		5,294
7. Ending Balance on June 30, 2018	3,419		3,419

COMMENTS - If necessary, attach additional sheets to explain adjustments.

CALIFORNIA DEPARTMENT OF EDUCATION
 AUDITED RESERVE ACCOUNT ACTIVITY REPORT
 A U D 9530-A Page 1 of 1 (11/18)

Fiscal Year End June 30, 2018
 Reserve Account Type Center-Based
 Vendor Code 19B460

Full Name of Contractor INTERNATIONAL INSTITUTE OF LOS ANGELES

Prior Year - Reserve Account Activity			Per 2016-17 AUD 9530-A
1. Beginning Balance (2016-17 Ending Balance)			560,131
2. Plus Transfers to Reserve Account:			Per CDNFS 9530
Contract No.CCTR-6092			55,704
Contract No.CSPP-6185			10,401
Contract No.			
Contract No.			
Contract No.			
Contract No.			
Total Transferred from PY Contracts to Reserve			66,105
3. Less Excess Reserve to be Billed			
4. Ending Balance on PY Post-Audit CDNFS 9530			626,236
Current Year - Reserve Account Activity	Column A Per CDNFS 9530-A	Column B Audit Adjustments	Column C Per Audit
5. Plus Interest Earned This Year On Reserve Funds	2,758		2,758
6. Less Transfers to Contracts from Reserve Account:			
CSPP General - Contract No.7202	18,473		18,473
CSPP General - Contract No.			
CSPP Professional Development Contract No.			
CSPP Professional Development Contract No.			
Subtotal CSPP Transfers	18,473		18,473
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Subtotal Other Contract Transfers			
Total Transferred to Contracts from Reserve Account	18,473		18,473
7. Ending Balance on June 30, 2018	610,521		610,521

COMMENTS - If necessary, attach additional sheets to explain adjustments.

**INFORMATION REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
AND THE UNIFORM GUIDANCE**



VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE



AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

**INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Audit Committee of
International Institute of Los Angeles (IILA)
(A California Non-Profit Corporation)
Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of International Institute of Los Angeles (A California Non-Profit Corporation), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 27, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered International Institute of Los Angeles' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of International Institute of Los Angeles' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether International Institute of Los Angeles financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vorster, Hahn + Co.

Calabasas, California
November 27, 2018



VASIN, HEYN & COMPANY

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AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Audit Committee of
International Institute of Los Angeles (IILA)
(A California Non-Profit Corporation)
Los Angeles, California

Report on Compliance for Each Major Federal Program

We have audited International Institute of Los Angeles (A California Non-Profit Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of International Institute of Los Angeles major federal programs for the year ended June 30, 2018. International Institute of Los Angeles major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of International Institute of Los Angeles' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about International Institute of Los Angeles' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of International Institute of Los Angeles' compliance.

Opinion on Each Major Federal Program

In our opinion, International Institute of Los Angeles complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of International Institute of Los Angeles is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered International Institute of Los Angeles' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance required by the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of International Institute of Los Angeles' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Voein, Hryn + Co.

Calabasas, California
November 27, 2018

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018
(FEIN: 95-1641446)

Federal Grantor, Pass-Through Grantor, Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Program or Award Amount	Federal Expenditures	Non-Federal/ Match Expenditures	Payments to Subrecipients
U.S. Department of Health and Human Services						
Child Care and Development Fund Cluster:						
Passed Through the California Department of Education						
Family Childcare	93.596	CCTR - 7094	\$ 832,223	\$ 832,223	\$ -	\$ -
State Preschool	93.596	CSPP - 7202	226,758	189,762	-	-
Alternative Payment	93.596	CAPP - 7029	170,013	170,013	-	-
Alternative Payment	93.596	CAPP - 7029	168,715	168,715	-	-
Alternative Payment - Stage 3	93.596	C3AP - 7026	13,623	13,623	-	-
Alternative Payment - Stage 3	93.596	C3AP - 7026	4,191	4,191	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		1,415,523	1,378,527	-	-
Passed Through the California Department of Education						
Family Childcare	93.575	CCTR - 7094	382,540	382,540	-	-
State Preschool	93.575	CSPP - 7202	104,148	87,156	-	-
Alternative Payment - Stage 2	93.575	C2AP - 7027	303,041	303,041	-	-
Alternative Payment - Stage 3	93.575	C3AP - 7026	415,871	415,871	-	-
Alternative Payment - Stage 3	93.575	C3AP - 7026	55,590	55,590	-	-
Child Care and Development Block Grant	93.575		1,261,190	1,244,198	-	-
Total Child Care and Development Fund Cluster:			\$ 2,676,713	\$ 2,622,725	\$ -	\$ -
U.S. Department of Health and Human Services						
Passed Through the California Department of Social Services						
Stage 1 Child Care Services						
Temporary Assistance for Needy Families	93.558	CMD 06-042	853,143	853,142	-	-
Passed Through the Immigration and Refugee Services of America						
Family Strengthening Program (FSP)						
Refugee and Entrant Assistance_Discretionary Grants	93.576	None Assigned	127,198	125,058	-	-
Passed Through the Immigration and Refugee Services of America						
Services to Victims of a Severe Form of Trafficking	93.598	90ZV0101-01	338,917	338,917	1,206	-
Total U.S. Department of Health and Human Services			\$ 3,995,971	\$ 3,939,842	\$ 1,206	\$ -
U.S. Department of State						
Passed Through U.S. Committee for Refugees and Immigrants						
USCRI Programs (formerly IRSA)	19.510	SPRMC017CA1013	\$ 176,375	\$ 176,375	\$ 47,770	\$ -
USCRI Programs (formerly IRSA)	19.510	SPRMC018CA0014	359,125	359,125	35,448	-
U.S. Refugee Admissions Program	19.510		535,500	535,500	83,218	-
Total U.S. Department of State			\$ 535,500	\$ 535,500	\$ 83,218	\$ -

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018
(FEIN: 95-1641446)
(CONTINUED)

Federal Grantor, Pass-Through Grantor, Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Program or Award Amount	Federal Expenditures	Non-Federal/ Match Expenditures	Payments to Subrecipients
U.S. Department of Agriculture						
Passed Through the California Department of Education, Office of Child Nutrition Services Child Care Food Programs (Homes & Centers)						
Child and Adult Care Food Program	10.558	19-B460-00-01286-3	\$ <u>360,020</u>	\$ <u>279,737</u>	\$ -	\$ -
Total U.S. Department of Agriculture			\$ <u>360,020</u>	\$ <u>279,737</u>	\$ -	\$ -
TOTAL FEDERAL EXPENDITURES			\$ <u>4,891,491</u>	\$ <u>4,755,079</u>	\$ <u>84,424</u>	\$ -
STATE FUNDING						
California Department of Education						
General Child Care and Development Programs						
Family Childcare		CCTR - 7094	\$ 2,035,046	\$ 1,811,053	\$ 136,148	\$ -
State Preschool		CSPP - 7202	1,808,926	1,513,798	84,893	-
State Preschool		CSPP - 7202	631,727	526,830	-	-
Alternative Payment		CAPP - 7029	208,827	208,827	8,257	-
Alternative Payment - Stage 2		C2AP - 7027	958,228	979,126	2,174	-
Alternative Payment - Stage 3		C3AP - 7026	318,324	302,166	13,522	-
			<u>5,961,078</u>	<u>5,341,800</u>	<u>244,994</u>	-
State of California Department of Social Services						
Unaccompanied Undocumented Minors (UUMs)		14-STD-00497	\$ 100,000	\$ 6,000	\$ -	\$ -
Unaccompanied Undocumented Minors (UUMs)		17--3126	327,400	384,955	147,009	-
Unaccompanied Undocumented Minors (UUMs)		17-3071	275,000	220,000	-	-
Unaccompanied Undocumented Minors (UUMs)		LAFLA SUBCONTRACTOR	15,000	15,000	-	-
Unaccompanied Undocumented Minors (UUMs)		16-STD003046	295,250	136,502	-	-
Unaccompanied Undocumented Minors (UUMs)		15-STD-00256-A-1	35,000	15,000	-	-
			<u>1,047,650</u>	<u>777,457</u>	<u>147,009</u>	-
TOTAL STATE EXPENDITURES			\$ <u>7,008,728</u>	\$ <u>6,119,257</u>	\$ <u>392,003</u>	\$ -
TOTAL FEDERAL AND STATE EXPENDITURES			\$ <u>11,900,219</u>	\$ <u>10,874,336</u>	\$ <u>476,427</u>	\$ -

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal and State Awards (the "Schedule") includes the federal grant activity of the International Institute of Los Angeles under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of the Institute, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Institute.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

3. DE MINIMIS INDIRECT COST RATE

International Institute of Los Angeles did not elect to use the 10% de minimis indirect cost rate for the year ended June 30, 2018.

4. LOAN AND LOAN GUARANTEE

International Institute of Los Angeles did not have any balances of loan and loan guarantee programs outstanding at June 30, 2018 for loans described in 2 CFR section 200.50(b).

**INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?

_____ Yes X No

• Significant deficiency(ies) identified?

_____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

• Material weakness(es) identified?

_____ Yes X No

• Significant deficiency(ies) identified?

_____ Yes X None Reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal programs:

CFDA Number(s)

93.558

93.598

Name of Federal Program or Cluster

Temporary Assistance for Needy Families

Services to Victims of a Severe Form of Trafficking

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
CURRENT AND PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

CURRENT YEAR

2018 Findings:

There were no 2018 findings noted.

2018 Questioned Costs:

There were no 2018 questioned costs noted.

PRIOR YEARS

2017 Findings:

There were no 2017 findings noted.

2017 Questioned Costs:

There were no 2017 questioned costs noted.

2016 Findings:

There were no 2016 findings noted.

2016 Questioned Costs:

There were no 2016 questioned costs noted.