

**INTERNATIONAL INSTITUTE
OF LOS ANGELES**

**SINGLE AUDIT REPORT ON AUDIT
OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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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INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of International Institute of Los Angeles as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of International Institute of Los Angeles and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of Accounting Pronouncement

As described in Note 2 to the financial statements, International Institute of Los Angeles has adopted ASU 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to that matter.

INDEPENDENT AUDITORS' REPORT (Continued)

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITORS' REPORT (Continued)

Report on Summarized Comparative Information

We previously audited International Institute of Los Angeles' 2022 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 15, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, 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 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 December 15, 2023, 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 solely 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 the effectiveness of International Institute of Los Angeles' 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, Hagen + Co.

Calabasas, California
December 15, 2023

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 4,070,142	\$ 3,414,789
Contracts receivable	3,358,959	2,510,953
Accounts receivable	2,226,710	312,774
Investments	3,123,816	2,751,471
Deposits and prepaid expenses	128,907	112,106
Right of use assets	151,613	-
Property and equipment, net	1,024,250	944,844
Total assets	\$ 14,084,397	\$ 10,046,937
LIABILITIES		
Accounts payable and accrued expenses	\$ 692,128	\$ 667,404
Accrued payroll and related liabilities	708,353	597,238
Contracts payable	833,866	290,970
Deferred revenue	2,842,736	292,797
Child development reserves	1,267,465	1,103,634
Right of use lease liability	151,613	-
Liability for government funded assets	6,117	11,945
Total liabilities	6,502,278	2,963,988
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without Donor Restrictions	7,348,194	6,686,855
With Donor Restrictions	233,925	396,094
Total net assets	7,582,119	7,082,949
Total liabilities and net assets	\$ 14,084,397	\$ 10,046,937

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, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE, SUPPORT AND RESTRICTIONS RELEASED				
Governmental service contracts	\$ 17,964,960	\$ -	\$ 17,964,960	\$ 15,780,187
CACFP center based food program	218,291	-	218,291	166,841
Contributions and grants	296,495	44,873	341,368	862,341
Parent fees	63	-	63	-
Fees for services	1,730,789	-	1,730,789	1,505,294
Other income	1,052,533	-	1,052,533	317,759
Forgiveness of Paycheck Protection Program Loan	-	-	-	856,565
Investment income	77,471	-	77,471	30,376
Realized and unrealized gain (loss) on investments, net	61,530	-	61,530	(518,957)
In-kind contributions and matching	107,349	-	107,349	202,872
Gain (loss) on sale of property and equipment	-	-	-	1,993,789
Rental income	75,500	-	75,500	73,899
Transfer from child development reserves	-	-	-	4,704
Restrictions released	43,286	(207,042)	(163,756)	(122,422)
Total revenue, support and restrictions released	21,628,267	(162,169)	21,466,098	21,153,248
EXPENSES				
Program services	20,491,156	-	20,491,156	18,062,169
Support services	475,772	-	475,772	640,181
Total expenses	20,966,928	-	20,966,928	18,702,350
CHANGE IN NET ASSETS	661,339	(162,169)	499,170	2,450,898
NET ASSETS - beginning of year	6,686,855	396,094	7,082,949	4,632,051
NET ASSETS - end of year	\$ 7,348,194	\$ 233,925	\$ 7,582,119	\$ 7,082,949

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, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	Program Services	Support Services	2023 Total Expenses	2022 Total Expenses
Salaries and related expenses				
Salaries	\$ 6,800,807	\$ 765,643	\$ 7,566,450	\$ 6,415,041
Employee benefits	1,447,451	157,335	1,604,786	1,438,355
Payroll taxes	505,147	39,167	544,314	466,358
	<u>8,753,405</u>	<u>962,145</u>	<u>9,715,550</u>	<u>8,319,754</u>
Other expenses				
Advertising	34,108	21,230	55,338	25,368
Bank charges	574	(1,266)	(692)	3,406
CDD - School activities	-	-	-	-
Client related costs	2,182,552	-	2,182,552	3,054,073
Computer maintenance	105,899	60,987	166,886	171,270
Dues and subscriptions	152,951	290,983	443,934	79,303
Education and training	15,392	13,366	28,758	3,568
Equipment purchased	174,302	19,647	193,949	42,035
Equipment rental and maintenance	42,419	18,342	60,761	61,299
Food costs	916,072	-	916,072	818,873
In-kind expenses	107,349	-	107,349	202,872
Insurance	86,431	89,664	176,095	126,564
Legal and audit	25,383	143,856	169,239	261,314
Miscellaneous expenses	1,668	4,904	6,572	7,144
Office expenses	97,911	64,235	162,146	102,462
Outside services	80,418	3,035	83,453	6,890
Postage and delivery	40,522	(1,196)	39,326	24,052
Printing	12,019	870	12,889	13,433
Provider payments	4,559,183	745	4,559,928	3,763,095
Rent	129,054	2,886	131,940	151,728
Repairs and maintenance	238,341	57,667	296,008	183,003
Stipends	602,009	-	602,009	318,920
Subcontractors	240,605	-	240,605	302,517
Supplies	203,968	9,560	213,528	257,606
Taxes and licenses	11,904	4,405	16,309	20,174
Telephone	82,061	31,781	113,842	89,115
Travel	102,480	25,654	128,134	129,342
Utilities	56,056	34,026	90,082	114,660
General and administrative - indirect costs	1,429,856	(1,429,856)	-	-
	<u>20,484,892</u>	<u>427,670</u>	<u>20,912,562</u>	<u>18,653,840</u>
Depreciation	6,264	48,102	54,366	48,510
Total Expenses	<u>\$ 20,491,156</u>	<u>\$ 475,772</u>	<u>\$ 20,966,928</u>	<u>\$ 18,702,350</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, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 499,170	\$ 2,450,898
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	54,366	48,510
Gain (loss) on sale of property and equipment	-	(1,993,789)
Realized and unrealized (gain) loss on investments, net	(61,530)	518,957
Forgiveness of Paycheck Protection Program Loan	-	(856,565)
Restatement adjustment	-	(22,248)
(Increase) decrease in:		
Contracts receivable	(848,006)	(976,487)
Accounts receivable	(1,913,936)	(220,477)
Deposits and prepaid expenses	(16,801)	46,114
Right of use assets	(151,613)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	24,724	134,393
Accrued payroll and related liabilities	111,115	16,819
Contracts payable	542,896	(806,642)
Deferred revenue	2,549,939	(45,374)
Child development reserves	163,831	(774)
Right of use lease liability	151,613	-
Liability for government funded assets	(5,828)	(5,420)
Total adjustments	600,770	(4,162,983)
Net Cash Provided (Used) by Operating Activities	1,099,940	(1,712,085)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases/sales of investments and dividends reinvested, net	(310,815)	(1,429,313)
Purchases/sales of property and equipment, net	(133,772)	1,789,708
Net Cash Provided (Used) by Investing Activities	(444,587)	360,395
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	655,353	(1,351,690)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,414,789	4,766,479
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 4,070,142	\$ 3,414,789
Non-Cash Supplementary Disclosures:		
In-kind contributions and matching	\$ 107,349	\$ 202,872
Forgiveness of Paycheck Protection Program Loan	\$ -	\$ 856,565

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, 2023

1. DESCRIPTION OF ORGANIZATION

The International Institute of Los Angeles (the “Institute”) makes a real difference in the world. IILA was founded in 1914 and incorporated in 1935 to find solutions to the challenges facing newly arrived refugees and immigrants. The Institute provides a variety of programs to socially and 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.

Over the last 100+ years, the Institute has helped hundreds of thousands of new arrivals and low-income families in Los Angeles County and beyond to overcome the barriers they face in becoming successful, self-sufficient, and productive members in society. The Institute offers hope to children and families in our preschool and daycare programs, delivers hundreds of thousands of nutritious meals to low-income children, provides a variety of social services, including case management services to victims of human trafficking and unaccompanied minors, helps newly arrived immigrants and refugees find housing and employment, and provides legal aid to immigrants so that they can begin a new life as contributing members of their communities.

The Institute has changed the lives of so many people by helping our clients and communities gain the skills, abilities, and resources to become self-sufficient and thrive. In FY22-23, IILA provided services to more than 50,000 individuals.

Here is a summary of the Institute’s various programs in FY 22-23:

CHILD DEVELOPMENT DIVISION

● **Alternative Payment Program (Stage 1, C2AP, C3AP, CAPP):**

The AP Program matches parents and childcare providers and reimburses the cost of childcare for children through the age of 13 years old from low-income families, through either our CalWORKs Stage 1, Stage 2, Stage 3, or AP program. In FY 22-23, we reimbursed for services for 463 children enrolled with 199 childcare providers.

● **State Preschool (CSPP) and Full Day Child Care (CCTR)**

Prepares children for success by providing high quality childcare and education using the high scope curriculum. In FY 22-23, 388 children were enrolled in IILA’s nine (9) preschool and full day childcare centers located throughout the Los Angeles County area. We provide free or low-cost preschool education for children 2-5 years old.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. DESCRIPTION OF ORGANIZATION - Continued

- **Family Child Care Home Education Network (FCCHEN)**

The Family Child Care Home Education Network (FCCHEN) program is a partnership between the parent, family childcare home provider and International Institute of Los Angeles. In FY 22-23, the FCCHEN program offered affordable childcare to 240 eligible children, supports the quality of childcare, and establishes relationships between children, parents, family childcare home providers, and IILA program specialists. Family childcare home providers enrolled in the FCCHEN program receive ongoing training, guidance, and technical support from IILA program specialists to assure high-quality child development services.

- **Child and Adult Food Program (CACFP)**

The Child and Adult Care Food Program (CACFP) is a federal program that provides reimbursements for nutritious meals and snacks to eligible children and adults who are enrolled for care at participating childcare centers, day care homes, and adult day care centers. CACFP contributes to the wellness, healthy growth, and development of young children and adults in the United States.

CHILD NUTRITION DIVISION-Vended Meals Program

Our on-site commercial kitchen prepares and delivers approximately 1 million freshly cooked breakfasts, lunches, and snacks each year to children enrolled in various childcare programs throughout Los Angeles County. These meals ensure that children get the proper nutrition they need to thrive, learn and succeed in school as well as learn how to lead healthy lives through family style meal service and portion control.

IMMIGRATION LEGAL SERVICES DIVISION (ILSD)

ILSD provides legal services to immigrants in need of assistance either in court or in filing affirmative forms of relief. In FY 22-23, we served over 950 clients.

For immigrants in removal/deportation proceedings, attorneys represent clients in court in presenting applications for asylum, cancellation of removal, or other remedies they may qualify for. We also provide representation to unaccompanied minors who are seeking asylum and/or qualify for Special Immigrant Juvenile Visas.

For immigrants not in removal proceedings, we assist with petitions for citizenship, green cards and green card renewals, family petitions, consular processing, U and T-Visas, DACA renewals, and Temporary Protected Status.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. DESCRIPTION OF ORGANIZATION - Continued

- **Afghan Legal Representation Project (ALRP):**

ALRP provides legal services for Afghan humanitarian parolees, SIV applicants, asylum seekers and asylees to assist with asylum applications, family petitions, assistance with SIV applications, TPS applications and other forms of immigration relief.

These services are available to all eligible Afghan nationals residing in LA, Orange, San Bernardino, Riverside, Ventura, and Kern Counties. In FY 22-23, we served more than 400 Afghan individuals.

LOCAL INTEGRATION & FAMILY EMPOWERMENT (LIFE) DIVISION

- **Reception & Placement Program (R&P)**

Through our LIFE division, IILA assists newly arrived refugees and Special Immigrant Visa (SIV) holders to resettle in their new country. The program provides up to 90 days of social support services to newly arrived refugees and SIV holders. Services include airport reception, case management, housing, cultural and community orientation, basic needs, access to employment and education. The program resettles approximately 250 individuals a year. The refugees arrive primarily from Afghanistan, Iran, Iraq, Syria, Burma, and Central America.

- **Matching Grant (MG)**

Through the MG Program, IILA provides refugees, asylees, and other vulnerable newcomers with the support they need to become stably employed and financially self-sufficient in a brand-new country. The program provides a monthly rental allowance that helps clients to pay their rent and basic expenses for up to six months. At the same time, clients receive personalized help and coaching from an Employment Case Manager as they take their first steps into the American workforce. IILA's MG Case Managers address a wide variety of needs, including job development and placement, enrollment in English classes, and assistance with transportation.

Through MG, many IILA clients can find stable employment and become financially self-sufficient within 6 months of their program enrollment. The program empowers clients to rebuild their lives and increase their earning potential immediately, without relying on public benefits. In FY 22-23, over 300 clients received assistance through the MG program.

- **Afghan Placement and Assistance Program (APA)**

The APA program was put in place by the State Department to address the humanitarian crisis brought about by the fall of Kabul in August 2021 and the evacuation of tens of thousands of Afghan nationals. APA is the resettlement program for the 80,000 Afghans who arrived in the US after August 2021. Like the R&P program, it provides case management services for newly arrived Afghans and assistance with finding housing, employment, health care, enrolling in public benefits and other services to ensure a successful transition to life in the US, as well as financial assistance.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. DESCRIPTION OF ORGANIZATION - Continued

- **Preferred Communities Program (PC)**

The Preferred Communities program provides long term case management services for newly arrived refugees who have special needs or who are vulnerable and who need intensive case management, culturally and linguistically appropriate linkages and coordination with other service providers to improve their access to services. IILA served 57 clients through this program in FY 22-23.

The Preferred Communities Program also provides targeted funding to assist humanitarian parolees from Afghanistan and Ukraine. Through PC, Afghan humanitarian parolees received housing, legal, transportation and extended case management services. Ukrainian Humanitarian parolees received case management, community orientation and referrals, and housing assistance. IILA served more than 700 Ukrainians in FY 22-23.

- **Afghan Health Promotion Program (AHP)**

This program provides eligible Afghan new arrivals with assistance in accessing health care, including enrollment in MediCal or Refugee Medical Assistance, scheduling medical appointments and screening, arranging transportation to scheduled medical appointments, assist in troubleshooting with MediCal bills, assist patients to enroll in a MediCal managed care plan and select a primary care physician. The program also provides workshops on topics such as pre-natal care and dental hygiene. The program served 343 clients in FY 22-23.

- **Afghan Integration & Resettlement Services Program (AIRS):**

The AIRS Program provides case management services to all Afghan Humanitarian Parolees, SIVs, SQ or SI Parolee, SI Conditional Permanent Residents, refugees or asylees who arrived in the USA on or after July 31, 2021, and currently reside in LA and Orange Counties. In FY 22-23, the program served 842 clients.

- **First 5 Refugee Family Support Program (RFS):**

The RFS Program provides case management services to refugees, SIVs, or humanitarian parolees from any country who are eligible for federal funding and arrive between September 1, 2022, and August 31st, 2023 or who arrived and settled in California after August 1st, 2021. Funds were used to support families with children 0-5 or families with a pregnant family member who are resident in Los Angeles County. In FY 22-23, the program served 86 families.

- **Human Trafficking Survivors Program (HTSP)**

Through HTSP, we provide comprehensive case management services to foreign national human trafficking survivors and their families. Case managers work in collaboration with law enforcement and community partners to help rebuild survivor's lives and help them reintegrate into their communities. In FY 22-23, we served 43 survivors of human trafficking.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. DESCRIPTION OF ORGANIZATION - Continued

- **Opportunities for Youth (OFY)**

The Opportunities for Youth (OFY) Project provides post-placement services that promote security and opportunities for unaccompanied immigrant youth by fostering parental resilience among sponsors and the socioemotional competence of the youth. The objective is to provide youth and their sponsors with services that support their reunification with sponsors and aid their integration into their new communities. In FY 22-23, OFY served 59 clients.

- **Transitional Subsidized Employment Program (TSEP)**

The Transitional Subsidized Employment (TSE) program provides subsidized employment opportunities for CalWORKs participants. Typically, program participants are assigned to work in public agencies or private non-profit organizations. The TSE program helps overcome barriers to employment through fully supervised, paid work experience, and paid on-the-job training (OJT) with the goal of enabling the participant to secure unsubsidized employment after completion of their work assignment.

- **Team/Changes (TEAM/CHANGES)**

TEAM (Telecommunication Education and Assistance in Multiple-Languages) and **CHANGES** (Community Help and Awareness of Natural Gas and Electricity Services) programs provide education and complaint resolution to consumers who are not proficient in English; programs also assist individuals with applying for low-income programs and establish new service.

- **Low Income Fare Is Easy (LIFE)**

LIFE provides transportation subsidies, including free bus rides and taxi rides, to low-income people throughout Los Angeles County. Low-income families can use the subsidies through countywide network of transit operators. Through this program, IILA has also developed a network of over 150 human service agencies through which we provide approximately 1 million taxi and bus rides annually.

- **COVID-19 Community Equity Funding (CCEF)**

L.A County launched the County COVID-19 Community Equity Fund to help slow down the spread of COVID-19 in communities disproportionately impacted by the virus. As a partner, IILA provides a range of services, including outreach, education, case assistance for diverse needs. IILA also assists individuals who live in hard-hit neighborhoods to connect with health and social services. In FY 22-23, IILA served more than 2200 individuals.

- **Cedars Sinai Civic Engagement Funding**

This program provides funding for our Director of Community Engagement to develop collaboration and best practices with our two sister refugee resettlement agencies in LA County, including deepening our volunteer engagement. It also includes funding for staff positions at IRC and IRIS, our sister resettlement agencies in LA County.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)

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.

Net Assets

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

- *Net asset without donor restrictions.* Net assets without donor restrictions are resources available to support operations. The only limits on the use of the net assets without donor restrictions are the broad limits resulting for 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.
- *Net assets with donor restrictions.* Net assets with donor restrictions 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 net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Institute, unless the donor provides more specific directions about the period of its use. Total net assets with donor restrictions for the year ended June 30, 2023 were \$233,925.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions.

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
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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, 2023.

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 net assets without donor restrictions 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 net assets without donor restrictions assets unless their use is restricted by donor stipulations or by law.

Deposits and Prepaid Expenses

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

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

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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 and the California Departments of Education and Social Services 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.

Deferred Revenue

Deferred revenue represents revenues collected but not earned as of June 30, 2023. 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 net assets without donor restrictions 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 net assets with donor restrictions, 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 net assets with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with donor-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.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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 from volunteers. However the majority of the services do not meet the criteria for recognition on the 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 net assets without donor restrictions unless when 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.

INTERNATIONAL INSTITUTE OF LOS ANGELES
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NOTES TO FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

New Accounting Pronouncement – Leases

In February 2016, FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. The objective of this ASU is to increase transparency and comparability in financial reporting by requiring balance sheet recognition of leases and note disclosure of certain information about lease arrangements. During the year ended June 30, 2023, the Institute adopted Accounting Standards Update, ASU 2016-02, *Leases (Topic 842)*.

The Institute leases facilities and certain equipment for operational purposes under operating leases. The Institute determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on our consolidated balance sheet. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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, 2023.

Additionally, advertising costs are expensed as incurred; such amounts were insignificant at year end and totaled \$55,338.

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NOTES TO FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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, 2023, 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, 2022, 2021, and 2020, are subject to examination by the IRS, generally for 3 years after they were filed.

The Institute's Forms 199, *California Exempt Organization Return*, for each of the tax years ended June 30, 2022, 2021, 2020, and 2019 are subject to examination by the Franchise Tax Board, generally for 4 years after they were filed.

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 2022 comparative totals have been reclassified to conform with the 2023 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, 2022, from which the summarized information was derived.

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NOTES TO FINANCIAL STATEMENTS
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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 receivables approximate fair value because of the terms and relatively short maturity of these financial instruments. The certificate of deposit, alternative investments, equities and fixed income 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, 2023
(CONTINUED)

3. CONTRACTS AND ACCOUNTS RECEIVABLES

Contracts 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, 2023, are summarized as follows:

Contractor/Grantor	Program	Amount
	County COVID-19 Community Equity Fund	\$ 127,184
Community Partners – Dept. of Public Health	Stage 1CalWorks	11,329
County of Los Angeles – DPPS	INTP	178,776
L.A. Metropolitan Transportation Authority	TEAM & CHANGES	52,285
Self Help for the Elderly	CDD – CSPP	-
State of California – Dept. of Education	CDD – CAPP	178,694
State of California – Dept. of Social Services	CDD – C3AP	9,211
State of California – Dept. of Social Services	CDD – C2AP	24,362
State of California – Dept. of Social Services	CDD – CCTR	321,438
State of California – Dept. of Social Services	CDD Nutrition	61,152
State of California – Dept. of Social Services	ILSD/ISS	823,946
State of California – Dept. of Social Services	ILSD-Afghan Legal Services	6,905
VERA-Dept. of Health and Human Services,	ILSD- Legal Services for	34,387
ORR	Unaccompanied Children	
State of California – Dept. of Public Health Srvs	Opportunities for Youth Program	66,503
State of California – Dept. of Public Health Srvs	Afghan Health Promotion Program	81,038
State of California – Dept. of Public Health Srvs	Afghan Integration and Resettlement Service	144,099
State of California – Dept. of Public Health Srvs	Refugee and Afghan Humanitarian Parolee and Special Immigrant Visa	920
First 5 LA	Refugee Family Support Program	37,144
South Bay Workforce	Transitional Subsidized Employment	27,000
U.S. Committee for Refugees and Immigrants	Preferred Communities Program	344,370
U.S. Committee for Refugees and Immigrants	USCRI – HTSP	16,740
U.S. Committee for Refugees and Immigrants	USCRI – Matching Grant	589,821
U.S. Committee for Refugees and Immigrants	USCRI – R&P	221,655
Total		<u>\$ 3,358,959</u>

Accounts receivable, at June 30, 2023, are summarized as follows:

	Amount
Employee Retention Credit	\$ 1,964,664
Nutrition Vended Meals	262,046
Total	<u>\$ 2,226,710</u>

INTERNATIONAL INSTITUTE OF LOS ANGELES
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(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, 2023, 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, 2023:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Certificate of deposit	\$ 326,858	\$ -	\$ 326,858
Alternative investments	136,911	136,911	-
Equities	1,655,715	1,655,715	-
Fixed income	<u>1,004,332</u>	<u>1,004,332</u>	-
Total investments	<u>\$ 3,123,816</u>	<u>\$ 2,796,958</u>	<u>\$ 326,858</u>

At June 30, 2023, 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:

	<u>Amount</u>
Interest and dividends	\$ 74,390
Interest income from cash and cash equivalents accounts	3,081
Realized and unrealized gain(loss) on investments, net	<u>61,530</u>
Total investments return	<u>\$ 139,001</u>

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)

5. PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following at June 30, 2023:

	Government Funded	Institute Owned	Total
Building	\$ -	\$ 511,318	\$ 511,318
Buildings improvements	-	655,906	655,906
Furniture and equipment	49,547	677,319	726,866
Land	-	280,000	280,000
Leasehold improvements	-	140,236	140,236
Vehicles	-	36,306	36,306
	49,547	2,301,085	2,350,632
Less accumulated depreciation	<u>(43,430)</u>	<u>(1,282,952)</u>	<u>(1,326,382)</u>
Property and equipment, net	<u>\$ 6,117</u>	<u>\$ 1,018,133</u>	<u>\$ 1,024,250</u>

Total depreciation expense charged to operations was \$54,366 for the year ended June 30, 2023.

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, 2023, is \$397,451.

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(CONTINUED)

7. CHILD DEVELOPMENT RESERVES

Child development contractors are allowed, with prior CDE and/or CDSS 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 Institute maintains a reserve account for Center Based, Resource and Referral and Alternative Payment contracts, and funds are deposited into an interest-bearing account. The reserve account balance at June 30, 2023, was \$1,267,465, which is recorded as an asset in the cash account. Also, upon termination of all child development Center Based, Resource and Referral and Alternative Payment contracts, the Institute would have to return the reserve funds to CDE and/or CDSS, so the reserve account is recorded as a liability (deferred revenue) in the amount of \$1,267,465.

The reserve account balance of \$1,267,465 includes interest of \$7,159 that the bank paid on the account balances during the year ended June 30, 2023.

8. COMMITMENTS AND CONTINGENCIES

Contracts and Grants

Grant awards require the fulfillment of certain conditions as set forth in the instruments of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Institute generally deems this contingency remote since by accepting the grants and their terms it has accommodated the objectives of the organization to the provisions of the grants. The Institute's management is of the opinion that the organization has complied with the terms of all grants.

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. Certain matters arose from operations during the year ended June 30, 2023 related to specific governmental service contracts which may affect future financial statements the ultimate resolution of which is not currently susceptible to reasonable estimation.

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, 2023, the Institute is not involved in any legal action or litigation.

INTERNATIONAL INSTITUTE OF LOS ANGELES
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NOTES TO FINANCIAL STATEMENTS
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(CONTINUED)

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are part of the net assets of the Institute resulting from contributions and other inflows of assets whose use by the Institute is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Institute pursuant to those stipulations.

Net assets with donor restrictions were released by incurring expenses, satisfying the restricted purposes or by occurrence of other events specified by donors. Net assets with donor restrictions at June 30, 2023, consist of amounts restricted by donor-imposed stipulations.

The activity for the year ended June 30, 2023, is as follows:

Program	Balance at 6/30/22	Income	Expenditures	Balance at 6/30/23
Act Now for Afghans	\$ 394,094	\$ 22,873	\$ (186,630)	\$ 230,337
Act Now for Ukraine	2,000	2,000	(500)	3,500
Refugee Fund	-	20,000	(19,912)	88
Total	<u>\$ 396,094</u>	<u>\$ 44,873</u>	<u>\$ (207,042)</u>	<u>\$ 233,925</u>

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 \$210,326 for the year ended June 30, 2023.

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 \$106,925 for the year ended June 30, 2023.

INTERNATIONAL INSTITUTE OF LOS ANGELES
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(CONTINUED)

11. RIGHT OF USE LEASE COMMITMENTS

The Institute leases certain facilities on a month-to-month and lease terms expiring through October 2024. The Institute also leases equipment under non-cancelable operating leases expiring in various years through 2027 and is committed to minimum rental payments (exclusive of real estate taxes, maintenance, etc.). The components of lease cost for the year ended June 30, 2023 were as follows:

Operating lease cost, space	\$ 131,940
Operating lease cost, equipment	\$ 60,761
Operating lease, right-of-use assets	\$ 151,613
Operating lease liability	\$ 151,613

Other information related to leases at June 30, 2023 was as follows:

Supplemental Cash Flow Information

Cash paid for amount included in the measurement of lease liabilities:

Operating cash flow from operating leases	\$ 192,701
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ROU assets obtained in exchange for lease obligations:

Operating leases	\$ 249,376
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Reductions to ROU assets resulting from reductions to lease obligations:

Operating leases	\$ (97,763)
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Remaining lease terms 31 - 60 months

Weighted average discount rate (risk-free rate) 2.79 % - 2.88%

<u>Year Ending June 30:</u>	<u>Facilities</u>	<u>Equipment</u>
2024	\$ 71,412	\$ 31,311
2025	8,010	27,684
2026	-	16,097
2027	-	14,441
2028	-	-
Total undiscounted lease payments	79,422	89,533
Less present value discount	<u>(10,772)</u>	<u>(6,570)</u>
Lease liability balance	<u>\$ 68,650</u>	<u>\$ 82,963</u>

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12. GENERAL AND ADMINISTRATIVE – INDIRECT COSTS

The Institute’s general and administrative - indirect 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:

	Amount
Computer maintenance	\$ 38,497
Employee benefits	157,336
Gross salaries	764,119
Payroll taxes	39,167
Contract services	280,727
Insurance	89,664
Office expenses	60,346
Total	\$ 1,429,856

13. IN-KIND CONTRIBUTIONS AND MATCHING

Natural classifications of in-kind contributions and matching amounts are as follows:

	Amount
Food	\$ 900
Furniture and household goods	500
Housing	2,430
Refugee services and supplies	43,140
Support services	22,825
Transportation	15,774
Volunteer	21,780
Total	\$ 107,349

In-Kind Contributions Valuation Techniques & Inputs - In-kind contributions and matching are valued at the estimated fair value on the basis of estimates of wholesale values that would be received for selling similar products in the U.S.

Donor Restrictions - Certain in-kind contributions and matching amounts contained donor restrictions to be used on specific programs received during the year ended June 30, 2023.

Monetization of In-Kind Contributions - The Institute does not sell donated in-kind contributions only distributes goods or uses the services for program use.

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(CONTINUED)

14. NUTRITION PROGRAM

The Institute has a nutrition agreement with California Department of Social Services 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.

15. LIQUIDITY AND FUNDS AVAILABLE

The total financial assets held by the Institute at June 30, 2023 and the amount of those financial assets that could be made available for general expenditure within one year of the date of the statement of financial position are summarized in the following table:

	<u>June 30, 2023</u>
Financial assets:	
Cash and cash equivalents	\$ 4,070,142
Contracts receivable	3,358,959
Accounts receivable	2,226,710
Investments	<u>3,123,816</u>
Total financial assets	12,779,627
Less: donor-imposed restrictions:	<u>(233,925)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 12,545,702</u>

The Institute’s goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$5,000,000). As part of its liquidity plan, the Institute receives monthly payments against government contracts as well as ongoing revenue streams from its meals sales and childcare from non-subsidy childcare services. Amounts available for expenditure over the period of the next twelve months are dependent on government funder’s payment cycles, which vary from 0 to 30 days, and the revenue streams mentioned above.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)

16. 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.

17. SUBSEQUENT EVENTS

The Institute has evaluated events subsequent to June 30, 2023, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 15, 2023, 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.

**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, 2023, 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 December 15, 2023.

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) as a basis for designing 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 International Institute of Los Angeles' 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 financial statements. 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 International Institute of Los Angeles' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering International Institute of Los Angeles' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vorwin, Hryn + Co.

Calabasas, California
December 15, 2023



VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE

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

Opinion on Each Major Federal Program

We have audited International Institute of Los Angeles' (A California Non-Profit Corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of International Institute of Los Angeles' s major federal programs for the year ended June 30, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of International Institute of Los Angeles and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of International Institute of Los Angeles' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to International Institute of Los Angeles' federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on International Institute of Los Angeles' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about International Institute of Los Angeles' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding International Institute of Los Angeles' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of International Institute of Los Angeles' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of International Institute of Los Angeles' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Vorwin, Hays + Co.

Calabasas, California
December 15, 2023

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023
(FEIN: 95-1641446)

Federal Grantor, Pass-Through Grantor, Program Title	Award Date	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 Social Services							
General Child Care and Development	7/1/22 - 6/30/23	93.596	CCTR - 2101	\$ 837,312	\$ 425,232	\$ -	\$ -
Alternative Payment	7/1/22 - 6/30/23	93.596	CAPP - 2027	338,728	116,529	-	-
Alternative Payment - Stage 3	7/1/22 - 6/30/23	93.596	C3AP - 2025	<u>310,738</u>	<u>271,028</u>	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund		93.596		1,486,778	812,789	-	-
Passed Through the California Department of Social Services							
CDSS - Stipends	7/1/22 - 6/30/23	93.575/93.596	None	602,009	602,009	-	-
Alternative Payment	7/1/22 - 6/30/23	93.575/93.596	CAPP-2027	<u>368,383</u>	-	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund / Child Care and Development Block Grant - Child Development Cluster Fund		93.575/93.596		970,392	602,009		
Passed Through the California Department of Education							
State Preschool							
Child Care and Development Block Grant	7/1/22 - 6/30/23	93.575	CSPP - 2200	653,954	653,954	-	-
Passed Through the California Department of Social Services							
Family Childcare	7/1/22 - 6/30/23	93.575	CCTR - 2101	1,889,925	1,707,215	-	-
Alternative Payment	7/1/22 - 6/30/23	93.575	CAPP - 2027	405,411	339,058	-	-
Alternative Payment - Stage 2	7/1/22 - 6/30/23	93.575	C2AP - 2026	222,892	222,892	-	-
Alternative Payment - Stage 3	7/1/22 - 6/30/23	93.575	C3AP - 2025	<u>155,096</u>	<u>151,441</u>	-	-
Child Care and Development Block Grant		93.575		3,327,278	3,074,560	-	-
Total Child Care and Development Fund Cluster:				\$ 5,784,448	\$ 4,489,358	\$ -	\$ -

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023
(FEIN: 95-1641446)
(CONTINUED)

Federal Grantor, Pass-Through Grantor, Program Title	Award Date	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							
Passed Through the California Department of Social Services							
Stage 1 Child Care Services							
Temporary Assistance for Needy Families	7/1/22 - 6/30/23	93.558	CMD 06-042	765,025	765,025	-	-
Passed Through the U.S. Committee for Refugees and Immigrants							
Refugees Matching Grant							
	10/1/2021-9/30/2022	93.567	2202VARVMG	1,472,445	1,472,445	45,109	-
Refugees Matching Grant							
	10/1/2022-9/30/2023	93.567	2202VARVMG	400,029	400,029	62,240	-
Refugees and Entrant Assistance_Voluntary Agency Programs		93.567		1,872,474	1,872,474	107,349	-
Passed Through the Immigration and Refugee Services of America							
Preferred Communities Program - PC1/PC ICM							
	9/30/21- 9/29/22	93.576	90RP0119	137,800	72,848	-	-
Preferred Communities Program - Supplemental Funding II - Housing							
	9/30/21- 9/29/22	93.576	90RP0119-01-03	166,914	12,777	-	-
Preferred Communities Program - Supplemental Funding II - Legal							
	9/30/21- 9/29/22	93.576	90RP0119-01-03	262,680	254,534	-	-
Preferred Communities Program - PC1/Intensive Case Management (ICM)							
	9/30/22-9/29/23	93.576	90RP0119	312,800	101,202	-	-
Preferred Communities Program - Afghan Supplemental							
	9/30/22-9/29/23	93.576	90RP0119	800,000	346,153	-	-
Preferred Communities Program - Afghan Legal Supplemental							
	10/1/22-9/29/23	93.576	90RP0119-02-00	262,680	262,680	-	-
Preferred Communities Program - Ukrainian Supplemental							
	10/01/22-9/29/23	93.576	90RP0119-02-00	500,000	494,418	-	-
Refugees and Entrant Assistance_Discretionary Grants		93.576		2,442,874	1,544,612	-	-
Passed Through the California Department of Social Services							
Afghan Legal Services							
	10/1/22-10/31/24	93.566	ALSP22-0002	461,193	6,905	-	-
Passed Through the California Department of Public Health							
Refugee and Afghan Humanitarian Parolee and Special Immigrant Visa Mental Health							
	5/1/23-9/30/23	93.566	05094-AR65313	242,344	920	-	-
Refugee and Entrant Assistance_State Administered Programs		93.566		703,537	7,825	-	-
Passed Through the Immigration and Refugee Services of America							
Services to Victims of a Severe Form of Trafficking							
	9/30/18 - 12/31/22	93.598	90ZV0135-00, 90ZV0136-00, 90ZV0137-00	40,078	40,078	-	-
Services to Victims of a Severe Form of Trafficking							
	9/30/22 - 9/29/27	93.598	90ZV0139-01-00	28,759	28,759	-	-
Aspire: Child Trafficking Victim Assistance Program							
	9/30/22 - 9/29/27	93.598	90ZV0145-01-00	17,328	17,328	-	-
Services to Victims of a Severe Form of Trafficking		93.598		86,165	86,165	-	-
Total U.S. Department of Health and Human Services				\$ 11,654,523	\$ 8,765,459	\$ 107,349	\$ -

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023
(FEIN: 95-1641446)
(CONTINUED)

Federal Grantor, Pass-Through Grantor, Program Title	Award Date	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 State							
Passed Through the U.S. Committee for Refugees and Immigrants Afghan Placement and Assistance Program	9/30/21-9/29/22	19.510	SPRMC021CA3294	\$ 2,064,904	\$ 50,841	\$ -	\$ -
Passed Through the Immigration and Refugee Services of America Preferred Communities Program - Supplemental Funding	9/30/21-9/29/22	19.510	90RP0119-01-01	750,000	226,645	-	-
Passed Through U.S. Committee for Refugees and Immigrants USCRI Programs - EXTENSION	10/1/2020-12/31/2021	19.510	SPRMC021CA3006	172,602	172,602	-	-
USCRI Programs	1/24/2022-9/30/22	19.510	SPRMC021CA0021	451,527	451,527	-	-
U.S. Refugee Admissions Program		19.510		3,439,033	901,615	-	-
Total U.S. Department of State				\$ 3,439,033	\$ 901,615	\$ -	\$ -
U.S. Department of Agriculture							
Passed Through the California Department of Social Services Child Nutrition Services Child Care Food Programs (Homes & Centers)	7/1/22 - 6/30/23	10.558	19-B460-00-01286-3	\$ 218,291	\$ 218,291	\$ -	\$ -
Child and Adult Care Food Program				\$ 218,291	\$ 218,291	\$ -	\$ -
Total U.S. Department of Agriculture				\$ 218,291	\$ 218,291	\$ -	\$ -
TOTAL FEDERAL EXPENDITURES				\$ 15,311,847	\$ 9,885,365	\$ 107,349	\$ -

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023
(FEIN: 95-1641446)
(CONTINUED)

Federal Grantor, Pass-Through Grantor, Program Title	Award Date	Federal CFDA Number	Pass-Through Entity Identifying Number	Program or Award Amount	Federal Expenditures	Non-Federal/ Match Expenditures	Payments to Subrecipients
STATE FUNDING							
California Department of Education and Social Services							
General Child Care and Development Programs	7/1/22 - 6/30/23		CCTR - 2101	\$ 3,671,955	\$ 1,311,392	\$ -	\$ -
State Preschool	7/1/22 - 6/30/23		CSPP - 2200	4,318,224	2,579,270	-	-
Alternative Payment	7/1/22 - 6/30/23		CAPP - 1028	720,135	720,135	-	-
Alternative Payment	7/1/22 - 6/30/23		CAPP - 2027	686,339	179,321	-	-
Alternative Payment - Stage 2	7/1/22 - 6/30/23		C2AP - 2026	312,979	239,643	-	-
Alternative Payment - Stage 3	7/1/22 - 6/30/23		C3AP - 2025	<u>347,361</u>	<u>262,363</u>	-	-
				10,056,993	5,292,124	-	-
State of California Department of Social Services							
Unaccompanied Undocumented Minors (UUMs)			SG-UUM-17-3071	13,000	13,000	-	-
Unaccompanied Undocumented Minors (UUMs)			SG-UUM-20-0015	70,000	70,000	-	-
Immigration Service Funding			SG-UUM-22-0015	359,000	359,000	-	-
Immigration Service Funding			SG-ISF FY22/23	404,500	404,500	-	-
Immigration Service Funding Removal Defense			SG-RD 10/01/22-03/31/23	206,821	206,821	-	-
Immigration Service Funding Removal Defense			SG-RD-20-0017	178,600	32,625	-	-
				1,231,921	1,085,946	-	-
TOTAL STATE EXPENDITURES				\$ 11,288,914	\$ 6,378,070	\$ -	-
TOTAL FEDERAL AND STATE EXPENDITURES				\$ 26,600,761	\$ 16,263,435	\$ 107,349	\$ -

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, 2023

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, 2023. 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 International Institute of Los Angeles, 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 elected to use the 10% de minimis indirect cost rate for the year ended June 30, 2023 for all programs except for the Child Development & Child Care Food and Nutrition Program which use the indirect cost rate of 8%.

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, 2023 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, 2023**

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 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 programs

Unmodified.

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

_____ Yes X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

93.596

Child Care and Development Fund Cluster:
Child Care Mandatory and Matching Funds of the Child Care

93.575

Child Care and Development Block Grant

10.558

Child and Adult Care Food Program

93.558

Temporary Assistance for Needy Families

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)
SCHEDULE OF CURRENT AND PRIOR YEARS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

CURRENT YEAR

2023 Findings:

There were no 2023 findings noted.

2023 Questioned Costs:

There were no 2023 questioned costs noted.

PRIOR YEARS

2022 Findings:

There were no 2022 findings noted.

2022 Questioned Costs:

There were no 2022 questioned costs noted.

2021 Findings:

There were no 2021 findings noted.

2021 Questioned Costs:

There were no 2021 questioned costs noted.