

**INTERNATIONAL INSTITUTE
OF LOS ANGELES**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE

AN ACCOUNTANCY CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS



**INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
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INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
GENERAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Agency Name: International Institute of Los Angeles

Program Numbers/Type C2AP-0026 Alternative Payment Stage 2
 C3AP-0025 Alternative Payment Stage 3
 CAPP-9029 Alternative Payment
 CAPP-0029 Alternative Payment
 CCTR-0097 General Child Care & Dev. Programs
 CSPP-0210 California State Preschool Program
 19-01286-3 Child and Adult Care Food Program

Type of Agency: A California Non-Profit Corporation

Agency Address: 3845 Selig Place
Los Angeles, California 90031

Name of President / Chief Executive Officer: Ms. Cambria Tortorelli

Name of Chief Operating Officer: Ms. Susan Eckert

Name of Director of Accounting: Ms. Susan Hum

Telephone Number: (323) 224-3800

Fax Number: (323) 224-3810

Period Covered by Examination: July 1, 2020 through June 30, 2021

Number of Days of Agency Operation: 250 - 251 days

Scheduled Hours of Operation Each Day: Various



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AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of International Institute of Los Angeles (A California Non-Profit Corporation) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Institute of Los Angeles as of June 30, 2021, 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.

Emphasis of Matter

As described in Note 9 to the financial statements, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic on March 11, 2020 and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

We previously audited International Institute of Los Angeles' 2020 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 31, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, 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.

INDEPENDENT AUDITORS' REPORT (Continued)

Other Matters

Report on Supplementary Information

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

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.

INDEPENDENT AUDITORS' REPORT (Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2022, 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, Heyn + Co.

Calabasas, California
March 11, 2022

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	2021	2020
ASSETS		
Cash and cash equivalents	\$4,766,479	\$5,485,122
Contracts receivable	1,534,466	663,292
Accounts receivable	92,297	70,216
Investments	1,841,115	1,522,945
Deposits and prepaid expenses	158,220	87,325
Property and equipment, net	789,273	923,406
Total assets	\$9,181,850	\$8,752,306
LIABILITIES		
Accounts payable and accrued expenses	\$ 533,011	\$ 602,077
Accrued payroll and related liabilities	580,419	364,366
Contracts payable	1,097,612	811,676
Deferred revenue	338,171	114,650
California Department of Education reserves	1,104,408	907,576
Paycheck Protection Program Loan	856,565	856,565
Liability for Government funded assets	17,365	9,369
Total liabilities	4,527,551	3,666,279
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without Donor Restrictions	4,654,299	5,086,027
Total net assets	4,654,299	5,086,027
Total liabilities and net assets	\$9,181,850	\$8,752,306

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, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	2021	2020
REVENUE AND SUPPORT		
Governmental service contracts	\$ 12,725,320	\$ 12,433,264
CACFP center based food program	78,303	195,078
Parent fees	108,433	116,124
Contributions and grants	88,722	38,019
Fees for services	640,974	1,454,920
Other income	358,092	10,802
Investment income	18,227	25,158
Realized and unrealized gain (loss) on investments, net	298,845	92,432
In-kind contributions and matching	36,990	11,790
Rental income	72,330	82,179
Transfer from California Department of Education reserves	-	2,600
Total revenue and support	14,426,236	14,462,366
EXPENSES		
Program services	14,099,600	14,204,111
Support services	758,364	374,820
Total expenses	14,857,964	14,578,931
CHANGE IN NET ASSETS	(431,728)	(116,565)
NET ASSETS - beginning of year	5,086,027	5,202,592
NET ASSETS - end of year	\$ 4,654,299	\$ 5,086,027

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, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	Program Services	Support Services	2021 Total Expenses	2020 Total Expenses
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Salaries and related expenses				
Salaries	\$ 3,898,261	\$ 612,581	\$ 4,510,842	\$ 4,475,325
Employee benefits	1,030,266	134,665	1,164,931	1,178,714
Payroll taxes	<u>217,434</u>	<u>32,769</u>	<u>250,203</u>	<u>317,140</u>
	5,145,961	780,015	5,925,976	5,971,179
Other expenses				
Advertising	874	-	874	-
Auto expense	-	-	-	1,308
Bank charges	1,079	3,444	4,523	1,716
CDD - School activities	-	2,600	2,600	1,383
Client related costs	1,736,099	812	1,736,911	668,410
Computer maintenance	112,589	42,975	155,564	158,301
Dues and subscriptions	29,348	2,141	31,489	28,677
Education and training	3,224	98	3,322	-
Equipment purchased	18,299	2,018	20,317	-
Equipment rental and maintenance	45,760	21,033	66,793	63,809
Food costs	498,763	-	498,763	855,908
In-kind expenses	36,990	-	36,990	11,790
Insurance	59,216	45,258	104,474	100,615
Legal and audit	23,632	187,750	211,382	137,130
Office expenses	53,938	28,017	81,955	70,700
Outside services	398	145,527	145,925	47,620
Postage and delivery	24,374	-	24,374	18,194
Printing	5,478	17	5,495	14,102
Provider payments	4,533,274	101,093	4,634,367	5,297,918
Rent	90,622	-	90,622	111,409
Repairs and maintenance	96,179	40,332	136,511	187,251
Stipends	360,299	-	360,299	-
Subcontractors	116,609	-	116,609	221,763
Supplies	145,439	23,631	169,070	225,959
Taxes and licenses	8,867	5,100	13,967	16,412
Telephone	56,124	26,507	82,631	86,992
Travel	25,105	1,372	26,477	71,032
Utilities	40,703	59,763	100,466	113,658
General and administrative	<u>801,438</u>	<u>(801,438)</u>	<u>-</u>	<u>-</u>
	14,070,681	718,065	14,788,746	14,483,236
Depreciation	<u>28,919</u>	<u>40,299</u>	<u>69,218</u>	<u>95,695</u>
Total Expenses	<u>\$ 14,099,600</u>	<u>\$ 758,364</u>	<u>\$ 14,857,964</u>	<u>\$ 14,578,931</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, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (431,728)	\$ (116,565)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities		
Depreciation	69,218	95,695
Realized and unrealized (gain) loss on investments, net	(298,845)	(92,432)
(Increase) decrease in:		
Contracts receivable	(871,174)	284,411
Accounts receivable	(22,081)	80,734
Deposits and prepaid expenses	(70,895)	(36,367)
Increase (decrease) in:		
Accounts payable and accrued expenses	(69,066)	(91,662)
Accrued payroll and related liabilities	216,053	(39,775)
Contracts payable	285,936	647,447
Deferred revenue	223,521	113,465
California Department of Education reserves	196,832	156,140
Liability for Government funded assets	<u>7,996</u>	<u>(3,123)</u>
Total adjustments	<u>(332,505)</u>	<u>1,114,533</u>
Net Cash Provided (Used) by Operating Activities	(764,233)	997,968
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	416,105	1,542,208
Purchase of investments and dividends reinvested	(435,430)	(1,598,357)
Purchases/sales of fixed assets, net	<u>64,915</u>	<u>(63,050)</u>
Net Cash Provided (Used) by Investing Activities	45,590	(119,199)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowing from Paycheck Protection Program loan	<u>-</u>	<u>856,565</u>
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>856,565</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(718,643)	1,735,334
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>5,485,122</u>	<u>3,749,788</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 4,766,479</u>	<u>\$ 5,485,122</u>
Supplementary Disclosures:		
In-kind contributions	<u>\$ 36,990</u>	<u>\$ 11,790</u>

See accompanying auditors' reports and notes to financial statements.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. DESCRIPTION OF ORGANIZATION

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

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

Institute Programs

The Institute administers various programs as follows:

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

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

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

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

U.S. Committee for Refugees and Immigrants (“R&P”) - The Department of State’s R&P program provides pre and post placement services for refugees to settle in the United States.

TEAM & Collaborate - TEAM and CHANGES provide services to Limited English Proficient (LEP) consumers with telecommunications and energy issues by focusing on three service components: 1) consumer education, 2) complaint resolution, and 3) program outreach.

Transitional Subsidized Employment Program - TSEP provides paid/subsidized employment and job training opportunities to TANF recipients. The goal of the program is to place TSEP participants into non-subsidized employment upon completion of their TSEP assignment.

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

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

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1. DESCRIPTION OF ORGANIZATION - Continued

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

County COVID-19 Community Equity Fund – Program provides community outreach and engagement project that will serve vulnerable populations and/or identified service gaps within specific geographic areas in the areas disproportionately affected by COVID-19. Through this grant, IILA facilitates culturally and linguistically appropriate connections to wrap-around services that effectively link individuals and families to resources that address their needs, including how to comply with the Public Health directives to isolate or quarantine.

Opportunities for Youth Project – Program provides services to youth and sponsors. IILA provides high quality post-placement services based on the family strengthening model. These services are provided in a manner that is sensitive to the culture, native language and special needs of youth. Services include case management, program navigation, youth mentoring and coaching.

Let's Feed LA – Program is an emergency COVID-19 relief program funded by the Federal Government (CARES stimulus funding) and the LA County Food Security Branch to deliver emergency food support to LA County families and individuals.

Immigration Legal Services Division (“ILS”) - The immigration legal services division provides legal services to immigrants in need of assistance either in court or in filing affirmative forms of relief. For immigrants in removal hearings, ILSD assists with applications for asylum, cancellation of removal, or other remedies.

ILS also represents unaccompanied minors who are seeking asylum and Special Immigrant Juvenile Visas. Other services the division provides include citizenship, obtaining residency, residency renewal, family petitions, work permits, consular processing, U-Visa and T-Visa, VAWA, DACA, and TPS.

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

Low Income Fare is Easy (LIFE) Program - In May 2017, the Los Angeles County Metropolitan Transportation Authority (LACMTA) Board of Directors approved the Low-Income Fare is Easy (LIFE) program to assist patrons with resources to utilize the transit system. LIFE offers fare subsidies that may be applied towards the purchase of LACMTA or any LIFE participating operator pass and regional ride options.

Subsidies Offered - LIFE offers discounts towards a purchase of a pass or 20-Regional Rides. In addition, LIFE Limited offers taxi coupons, Variable Value Vouchers (VVVs) or 4- Regional Ride Tickets

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(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. The Institute did not have any net assets with donor restrictions at June 30, 2021.

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
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021.

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

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment, Net - Continued

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

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

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

Deferred Revenue

Deferred revenue represents revenues collected but not earned as of June 30, 2021. 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.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Expense Recognition and Allocation

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

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

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Institute generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. There were no fundraising costs for the year ended June 30, 2021.

Additionally, advertising costs are expensed as incurred; such amounts were insignificant at year end and totaled \$874.

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, 2021, 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, 2020, 2019, and 2018, 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, 2020, 2019, 2018, and 2017 are subject to examination by the Franchise Tax Board, generally for 4 years after they were filed.

INTERNATIONAL INSTITUTE OF LOS ANGELES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates

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

Reclassifications

Certain amounts in the 2020 comparative totals have been reclassified to conform with the 2021 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, 2020, from which the summarized information was derived.

INTERNATIONAL INSTITUTE OF LOS ANGELES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements

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

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

The carrying amounts of cash and cash equivalents and accounts receivable approximate fair value because of the terms and relatively short maturity of these financial instruments. The certificate of deposit, 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, 2021
(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, 2021, are summarized as follows:

Contractor/Grantor	Program	Amount
County COVID-19 Community Equity Fund	LIFE	\$ 60,669
County of Los Angeles - DPPS	Stage 1CalWorks	10,277
State of California - Dept. of Education	CDD Nutrition	21,122
L.A. Metropolitan Transportation Authority	INTP	154,555
Self Help for the Elderly	TEAM Collaborative	8,308
South Bay Workforce Investment	Transitional Subsidized Employment	8,400
State of California - Dept. of Education	CDD - CAPP	104,326
State of California - Dept. of Education	CDD – C3AP	55,557
State of California - Dept. of Education	CDD - C2AP	5,950
State of California - Dept. of Education	CDD - CSPP	58,930
State of California - Dept. of Education	CDD - CCTR	193,138
State of California – Department of Social Srv	ILSD/ISS	757,375
U.S. Committee for Refugees and Immigrants	USCRI - HTSP	24,686
U.S. Committee for Refugees and Immigrants	USCRI – Matching Grant	55,155
U.S. Committee for Refugees and Immigrants	USCRI - R&P	16,018
Total		<u>\$ 1,534,466</u>

Accounts receivable, at June 30, 2021, are summarized as follows:

	Amount
CDD Program - CAPP	\$ 1,300
General Fund	1,483
LIFE Programs	4,238
Nutrition	85,276
Total	<u>\$ 92,297</u>

INTERNATIONAL INSTITUTE OF LOS ANGELES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(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, 2021, 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, 2021:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Certificate of deposit	\$ 322,550	\$ -	\$ 322,550
Equities	1,015,332	1,015,332	-
Fixed income	<u>503,233</u>	<u>503,233</u>	<u>-</u>
Total investments	<u>\$ 1,841,115</u>	<u>\$ 1,518,565</u>	<u>\$ 322,550</u>

At June 30, 2021, 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	\$ 15,645
Interest income from cash and cash equivalents accounts	2,582
Realized and unrealized gain(loss) on investments, net	<u>298,845</u>
Total investments return	<u>\$ 317,072</u>

INTERNATIONAL INSTITUTE OF LOS ANGELES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(CONTINUED)

5. PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following at June 30, 2021:

	Government Funded	Institute Owned	Total
Building	\$ -	\$ 1,171,849	\$ 1,171,849
Buildings improvements	-	789,175	789,175
Furniture and equipment	49,547	641,996	691,543
Land	-	300,000	300,000
Leasehold improvements	-	74,191	74,191
Vehicles	-	36,306	36,306
	49,547	3,013,517	3,063,064
Less accumulated depreciation	<u>(32,182)</u>	<u>(2,241,609)</u>	<u>(2,273,791)</u>
Property and equipment, net	<u>\$ 17,365</u>	<u>\$ 771,908</u>	<u>\$ 789,273</u>

Total depreciation expense charged to operations was \$69,218 for the year ended June 30, 2021.

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, 2021, is \$261,825.

INTERNATIONAL INSTITUTE OF LOS ANGELES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(CONTINUED)

7. CALIFORNIA DEPARTMENT OF EDUCATION RESERVES

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

The funding agreements with the California Department of Education (“CDE”) require the Institute to record deferred revenue or “reserves” for granted amounts not earned during the current year, up to certain amounts. The Institute maintains a reserve account for Center Based and Alternative Payment contracts, and funds are deposited into an interest bearing account. The reserve account balance at June 30, 2021, was \$1,104,408, which is recorded as an asset in several cash accounts. Also, upon termination of all child development center-based and Alternative Payment contracts with CDE, the Institute would have to return the reserve funds to CDE, so the reserve account is recorded as a liability in the amount of \$1,104,408.

8. PAYCHECK PROTECTION PROGRAM LOAN

During the year ended June 30, 2020 the Institute received a Paycheck Protection Program Loan for \$856,565 to address the impact of the COVID pandemic described in Note 9. The Paycheck Protection Program Loan contains a loan forgiveness provision, as defined, the criteria of which are expected to be met during the year ending June 30, 2021. Accordingly, the liability reflected in the financial statements of the Institute at June 30, 2021 may be recognized as revenue during the year ending June 30, 2022. Subsequent to year end, the Institute received forgiveness of its Paycheck Protection Program (PPP) loan in the amount of \$856,565.

No salary expenses from the PPP Loan were used for the CDE Child Development program during the year ended June 30, 2021.

INTERNATIONAL INSTITUTE OF LOS ANGELES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(CONTINUED)

9. 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, 2021 related to specific governmental service contracts which may affect future financial statements the ultimate resolution of which is not currently susceptible to reasonable estimation.

During the year ended June 30 2021, Management became aware of certain unauthorized disbursements of public funds that IILA held in accordance with contractual terms and conditions totaling approximately \$1,190,000 which may be recoverable under existing insurance coverages.

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, 2021, the Institute is not involved in any legal action or litigation.

COVID-19

On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time.

INTERNATIONAL INSTITUTE OF LOS ANGELES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(CONTINUED)

10. RETIREMENT PLANS

The Institute sponsors a 401(k) salary deferral plan whereby employees may contribute up to an amount as allowed under Internal Revenue Service regulations. The Institute will provide a dollar-for-dollar match up to 4% of an employee's eligible compensation. The Institute contributed \$134,690 for the year ended June 30, 2021.

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 \$52,684 for the year ended June 30, 2021.

11. OPERATING LEASE COMMITMENTS

The Institute leases certain facilities on a month-to-month basis. The Institute also leases equipment under non-cancelable operating leases expiring in various years through 2023 and is committed to minimum rental payments (exclusive of real estate taxes, maintenance, etc.) as follows:

<u>Year Ending June 30;</u>	<u>Amount</u>
2022	\$ 131,241
2023	47,388
2024	37,875
2025	20,400
2026	<u>4,968</u>
Total	<u>\$ 241,872</u>

Rent expense and equipment rental and maintenance expense charged to operations were \$90,622 and \$66,793, respectively for the year ended June 30, 2021.

INTERNATIONAL INSTITUTE OF LOS ANGELES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(CONTINUED)

12. GENERAL AND ADMINISTRATIVE COSTS

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

	Amount
Computer Maintenance	\$ 22,012
Employee Benefits	166,846
Gross Salaries	612,580
Total	\$ 801,438

13. IN-KIND CONTRIBUTIONS

Natural classifications of in-kind contributions are as follows:

	Amount
Food	\$ 7,333
Furniture and household goods	13,846
Housing	5,113
Transportation	2,898
Volunteer	7,800
Total	\$ 36,990

14. NUTRITION PROGRAM

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

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(CONTINUED)

15. LIQUIDITY AND FUNDS AVAILABLE

The total financial assets held by the Institute at June 30, 2021 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:

	June 30, 2021
Financial assets:	
Cash and cash equivalents	\$ 4,766,479
Contracts receivable	1,534,466
Accounts receivable	92,297
Investments	1,841,115
Total financial assets	8,234,357
Less Donor-imposed restrictions:	(-)
Financial assets available to meet cash needs for general expenditures within one year	\$ 8,234,357

The Institute's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$375,000). 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.

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

INTERNATIONAL INSTITUTE OF LOS ANGELES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(CONTINUED)

17. SUBSEQUENT EVENTS

The Institute has evaluated events subsequent to June 30, 2021, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through March 11, 2022, 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.

Sale of Boyle Building

On August 31, 2021, IILA closed on the sale of its Boyle Building located at 435 South Boyle Avenue Los Angeles, CA 90033 for \$2,150,000.

On November 11, 2020, IILA signed a contract with the buyer for the Boyle Building, with payables as follows:

Non-refundable deposit of	\$ 100,000
Amount of new loan	\$2,050,000

Concurrently, a standard industrial/commercial single-tenant lease was signed for three-month period, with a one-month extension granted in February 2021 to allow the buyer to remodel the premises. All renovations shall be completed by licensed, bonded contractors, using high-quality materials. The closing date has been extended to May 2021.

Prior to closing, a lien was discovered with the City of Los Angeles for \$91,000 from 1988. IILA engaged legal counsel and the lien was reduced to \$46,500 and payment was submitted by IILA to the City of Los Angeles on June 22, 2021.

After the lien was settled, the buyer decided to change the financing company; as a result the closing date was postponed to August 31, 2021. The net proceeds from sale after closing cost, taxes, fees and the deposit of \$100,000 was \$1,960,419, and that amount was deposited into IILA's Endowment Account.

Paycheck Protection Program (PPP) Forgiveness

Subsequent to year end, the Institute received forgiveness of its Paycheck Protection Program (PPP) loan in the amount of \$856,565.

SUPPLEMENTARY INFORMATION

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
COMBINING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2021

	<u>Child Development Programs</u>	<u>Nutrition Program</u>	<u>Immigrant and Refugee Services</u>	<u>INTP</u>	<u>Adminis- tration</u>	<u>Total Agency</u>
ASSETS						
Cash and cash equivalents	\$ 2,729,415	\$ 355,068	\$ 115,776	\$ 171,349	\$ 1,394,871	\$ 4,766,479
Contracts receivable	428,178	25,341	926,392	154,555	-	1,534,466
Accounts receivable	1,300	85,276	4,238	-	1,483	92,297
Investments	-	-	-	-	1,841,115	1,841,115
Deposits and prepaid expenses	59,871	500	2,967	-	94,882	158,220
Property and equipment, net	<u>26,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>762,539</u>	<u>789,273</u>
Total assets	<u>\$ 3,245,498</u>	<u>\$ 466,185</u>	<u>\$ 1,049,373</u>	<u>\$ 325,904</u>	<u>\$ 4,094,890</u>	<u>\$ 9,181,850</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 533,011	\$ 533,011
Accrued payroll and related liabilities	7,750	1,289	1,562	107	569,711	580,419
Contracts payable	909,589	188,023	-	-	-	1,097,612
Deferred revenue	-	-	338,171	-	-	338,171
California Department of Education reserves	1,104,408	-	-	-	-	1,104,408
Paycheck Protection Program Loan	-	-	-	-	856,565	856,565
Due to (from) other funds	1,075,233	(6,601,316)	4,065,850	-	1,460,233	-
Liability for government-funded assets	<u>17,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,365</u>
Total liabilities	3,114,345	(6,412,004)	4,405,583	107	3,419,520	4,527,551
COMMITMENTS AND CONTINGENCIES						
NET ASSETS						
Without Donor Restrictions	<u>131,153</u>	<u>6,878,189</u>	<u>(3,356,210)</u>	<u>325,797</u>	<u>675,370</u>	<u>4,654,299</u>
Total net assets	<u>131,153</u>	<u>6,878,189</u>	<u>(3,356,210)</u>	<u>325,797</u>	<u>675,370</u>	<u>4,654,299</u>
Total liabilities and net assets	<u>\$ 3,245,498</u>	<u>\$ 466,185</u>	<u>\$ 1,049,373</u>	<u>\$ 325,904</u>	<u>\$ 4,094,890</u>	<u>\$ 9,181,850</u>

INTERNATIONAL INSTITUTE OF LOS ANGELES
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COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Alternative Payment Stage 2 C2AP-0026 (16)	Alternative Payment Stage 3 C3AP-0025 (15)	Alternative Payment CAPP-9029 (14)	Alternative Payment CAPP-0029 (14)	General Child Care & Development CCTR-0097 (11)	California State Preschool CSPP-0210 (17)	QRIS (17)	CDE COVID-19 Stipends	Total CDE Programs	Other Nutrition Program (10)	DPSS CalWorks Stage 1 S1CC18-006 (12)	Total Child Development & Child Care Food Program
Revenue and Support												
Governmental service contracts	\$ 689,405	\$ 872,213	\$ 184,468	\$ 557,943	\$ 3,150,643	\$ 2,499,534	\$ 51,740	\$ -	\$ 8,005,946	\$ -	\$ 657,116	\$ 8,663,062
CACFP Center Based Food Program	-	-	-	-	12,528	65,775	-	-	78,303	-	-	78,303
Parent fees	4,926	17,169	-	9,301	57,372	19,665	-	-	108,433	-	-	108,433
Contributions and grants	-	-	-	-	-	-	-	-	-	-	-	-
Fees for services	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	300,335	300,335	620,604	57,564	620,604
Investment income	-	-	-	-	-	-	-	-	-	-	-	-
Realized and unrealized gain (loss) on investments, net	-	-	-	-	-	-	-	-	-	-	-	-
In-kind contributions and matching	-	-	-	-	-	-	-	-	-	-	-	-
Gain (loss) on disposition of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue and support	694,331	889,382	184,468	567,244	3,220,543	2,584,974	51,740	300,335	8,493,017	620,604	714,680	9,828,301
Expenses												
Salaries	66,411	68,485	8,776	41,226	592,392	1,542,438	-	-	2,319,728	277,127	80,679	2,677,534
Employee benefits	8,825	10,390	1,618	5,974	169,622	460,878	-	-	657,307	128,819	12,646	798,772
Payroll taxes	4,140	4,674	604	2,877	36,210	62,292	-	-	110,797	16,971	4,924	132,692
Advertising	-	-	-	-	-	-	-	-	-	-	-	-
Bank charges	-	-	-	-	-	-	-	-	-	95	-	95
CDD - School activities	-	-	-	-	-	-	-	-	-	-	-	-
Client related costs	-	-	-	-	-	-	-	-	-	-	-	-
Computer maintenance	6,090	5,418	1,074	3,298	12,635	24,103	-	-	52,618	10,840	6,063	69,521
Dues and subscriptions	1,922	1,509	527	439	422	1,903	-	-	6,722	-	1,252	7,974
Education and training	-	-	-	-	-	3,224	-	-	3,224	-	-	3,224
Equipment purchased	-	-	-	-	-	-	9,005	-	9,005	-	-	9,005
Equipment rental and maintenance	194	152	30	46	3,270	11,709	-	-	15,401	870	6,840	23,111
Food costs	-	-	-	-	6,154	32,306	-	-	38,460	460,303	-	498,763
In-kind expenses	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	485	367	58	175	8,089	24,379	-	-	33,553	12,949	476	46,978
Legal and audit	1,984	1,837	-	1,796	2,754	2,266	-	-	10,637	1,414	842	12,893
Office expenses	893	608	43	1,298	6,676	15,236	-	-	24,754	3,319	708	28,781
Outside services	-	-	-	-	-	-	-	-	-	-	-	-
Postage and delivery	1,209	1,710	209	1,088	5,423	1,877	-	-	11,516	137	2,706	14,359
Printing	31	27	-	17	399	128	-	-	602	64	30	696
Provider payments	547,712	725,960	159,316	464,070	2,105,618	-	-	-	4,002,676	-	530,598	4,533,274
Rent	-	-	-	-	4,796	57,440	-	-	62,236	-	-	62,236
Repairs and maintenance	497	371	86	161	8,733	65,059	-	-	74,907	16,338	902	92,147
Stipends	-	-	-	-	-	-	-	300,335	300,335	-	57,564	357,899
Subcontractors	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	125	102	10	53	9,424	57,302	42,735	-	109,751	27,501	120	137,372
Taxes and licenses	-	-	-	-	670	6,491	-	-	7,161	1,677	-	8,838
Telephone	524	410	11	266	3,988	15,123	-	-	20,322	3,551	643	24,516
Travel	80	79	-	47	500	1,680	-	-	2,386	12,174	9	14,569
Utilities	1,173	889	101	467	3,906	15,582	-	-	22,118	6,902	1,224	30,244
General and administrative - indirect costs	51,384	65,839	11,933	43,728	238,055	189,405	-	-	600,344	40,197	6,454	646,995
Depreciation	693,679	888,827	184,396	567,026	3,219,736	2,590,821	51,740	300,335	8,496,560	1,021,248	714,680	10,232,488
Total expenses	652	555	72	218	2,378	2,390	-	-	6,265	22,654	-	28,919
Total expenses	694,331	889,382	184,468	567,244	3,222,114	2,593,211	51,740	300,335	8,502,825	1,043,902	714,680	10,261,407
CHANGE IN NET ASSETS	\$ -	\$ -	\$ -	\$ -	\$ (1,571)	\$ (8,237)	\$ -	\$ -	\$ (9,808)	\$ (423,298)	\$ -	\$ (433,106)

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(CONTINUED)

	Total Child Development & Child Care Food Program	U.S. Committee for Refugees and Immigrants (20)	LIFE - CCEF (21)	LIFE - OFY (22)	Immigration Legal Service Division/ Immigration Social Service (26)	Immediate Needs Transportation Program (34)	Team Collaborative (35)	Human Survivor Trafficking Program (36)	Transitional Subsidized Employment Program (38)	Refugees Matching Grant (40)	Family Strengthening Program (41)	Feed LA (43)	Total Programs	General and Administrative (90)	Total Agency
Revenue and Support															
Governmental service contracts	\$ 8,663,062	\$ 281,876	\$ 96,004	\$ 55,284	\$ 970,388	\$ 591,308	\$ -	\$ 179,205	\$ 30,000	\$ 269,170	\$ 58,130	\$ 1,429,800	\$ 12,624,227	\$ 101,093	\$ 12,725,320
CACFP Center Based Food Program	78,303	-	-	-	-	-	-	-	-	-	-	-	78,303	-	78,303
Parent fees	108,433	-	-	-	-	-	-	-	-	-	-	-	108,433	-	108,433
Contributions and grants	-	8,290	-	-	-	-	18,916	1,440	-	16,710	-	-	45,356	43,366	88,722
Fees for services	620,604	-	-	-	20,370	-	-	-	-	-	-	-	640,974	-	640,974
Other income	357,899	-	-	-	-	-	-	-	-	-	-	-	357,899	193	358,092
Investment income	-	-	-	-	-	-	-	-	-	-	-	-	-	18,227	18,227
Realized and unrealized gain (loss) on investments, net	-	-	-	-	-	-	-	-	-	-	-	-	-	298,845	298,845
In-kind contributions and matching	-	36,990	-	-	-	-	-	-	-	-	-	-	36,990	-	36,990
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-	72,330	72,330
Total revenue and support	9,828,301	327,156	96,004	55,284	990,758	591,308	18,916	180,645	30,000	285,880	58,130	1,429,800	13,892,182	534,054	14,426,236
Expenses															
Salaries	2,677,534	115,889	70,716	35,103	612,089	233,561	-	37,131	4,480	81,118	30,640	-	3,898,261	612,581	4,510,842
Employee benefits	798,772	27,838	8,165	2,343	124,255	36,888	-	10,464	1,089	12,357	8,095	-	1,030,266	134,665	1,164,931
Payroll taxes	132,692	7,048	4,794	2,391	41,817	16,697	-	3,029	383	6,055	2,528	-	217,434	32,769	250,203
Advertising	-	-	-	591	283	-	-	-	-	-	-	-	-	874	874
Bank charges	95	-	-	-	-	-	-	984	-	-	-	-	1,079	3,444	4,523
CDD - School activities	-	-	-	-	-	-	-	-	-	-	-	-	-	2,600	2,600
Client related costs	-	102,815	-	-	-	-	-	108,827	-	164,052	2,605	1,357,800	1,736,099	812	1,736,911
Computer maintenance	69,521	7,371	1,674	1,439	11,973	16,964	-	1,035	386	1,141	1,085	-	112,589	42,975	155,564
Dues and subscriptions	7,974	10,182	56	73	10,887	158	-	4	-	13	1	-	29,348	2,141	31,489
Education and training	3,224	-	-	-	-	-	-	-	-	-	-	-	3,224	98	3,322
Equipment purchased	9,005	-	-	4,974	-	2,753	-	-	-	1,567	-	-	18,299	2,018	20,317
Equipment rental and maintenance	23,111	3,000	547	482	12,845	3,830	-	776	463	264	442	-	45,760	21,033	66,793
Food costs	498,763	-	-	-	-	-	-	-	-	-	-	-	498,763	-	498,763
In-kind expenses	-	36,990	-	-	-	-	-	-	-	-	-	-	36,990	-	36,990
Insurance	46,978	860	-	-	10,573	273	-	224	60	168	80	-	59,216	45,258	104,474
Legal and audit	12,893	1,488	-	700	4,368	1,488	-	744	757	744	450	-	23,632	187,750	211,382
Office expenses	28,781	2,307	320	2,633	7,866	7,679	-	1,529	239	1,914	670	-	53,938	28,017	81,955
Outside services	-	-	-	-	-	-	-	-	-	398	-	-	398	145,527	145,925
Postage and delivery	14,359	268	-	-	8,340	1,122	-	42	9	234	-	-	24,374	-	24,374
Printing	696	-	-	9	-	4,773	-	-	-	-	-	-	5,478	17	5,495
Provider payments	4,533,274	-	-	-	-	-	-	-	-	-	-	-	4,533,274	101,093	4,634,367
Rent	62,236	3,888	-	-	8,400	15,055	-	403	114	237	289	-	90,622	-	90,622
Repairs and maintenance	92,147	173	-	-	2,980	707	-	54	13	74	31	-	96,179	40,332	136,511
Stipends	357,899	1,500	900	-	-	-	-	-	-	-	-	-	360,299	-	360,299
Subcontractors	-	-	-	-	-	116,609	-	-	-	-	-	-	116,609	-	116,609
Supplies	137,372	335	-	-	2,976	3,860	-	96	1	352	447	-	145,439	23,631	169,070
Taxes and licenses	8,838	-	-	-	29	-	-	-	-	-	-	-	8,867	5,100	13,967
Telephone	24,516	4,417	1,247	586	16,636	5,628	-	1,050	122	1,490	432	-	56,124	26,507	82,631
Travel	14,569	3,070	45	298	1,236	818	-	649	-	4,081	339	-	25,105	1,372	26,477
Utilities	30,244	226	-	-	7,262	2,143	-	33	1	757	37	-	40,703	59,763	100,466
General and administrative - indirect expenses	646,995	15,434	7,540	3,662	74,976	31,648	1,520	5,338	622	8,864	4,839	-	801,438	(801,438)	-
Total expenses	10,232,488	345,099	96,004	55,284	959,791	502,654	1,520	172,412	8,739	285,880	53,010	1,357,800	14,070,681	718,065	14,788,746
Depreciation	28,919	-	-	-	-	-	-	-	-	-	-	-	28,919	40,299	69,218
Total expenses	10,261,407	345,099	96,004	55,284	959,791	502,654	1,520	172,412	8,739	285,880	53,010	1,357,800	14,099,600	758,364	14,857,964
CHANGE IN NET ASSETS	\$ (433,106)	\$ (17,943)	\$ -	\$ -	\$ 30,967	\$ 88,654	\$ 17,396	\$ 8,233	\$ 21,261	\$ -	\$ 5,120	\$ 72,000	\$ (207,418)	\$ (224,310)	\$ (431,728)

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
SCHEDULE OF CLAIMED EQUIPMENT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Alternative Payment Stage 2 C2AP-0026</u>	<u>Alternative Payment Stage 3 C3AP-0025</u>	<u>Alternative Payment CAPP-9029</u>	<u>Alternative Payment CAPP-0029</u>	<u>General Child Care & Dev Program CCTR-0097</u>	<u>California State Preschool Program CSPP-0210</u>	<u>Total Cost</u>
Capitalized equipment expensed on the AUD with prior written CDE approval							
Item:							
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total:	-	-	-	-	-	-	-
 Capitalized equipment expensed on the AUD without prior written CDE approval:							
Item:							
None	-	-	-	-	-	-	-
Total:	-	-	-	-	-	-	-
 Total Equipment Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
SCHEDULE OF CLAIMED EXPENDITURES FOR RENOVATIONS AND REPAIRS
FOR THE YEAR ENDED JUNE 30, 2021

	Alternative Payment Stage 2 <u>C2AP-0026</u>	Alternative Payment Stage 3 <u>C3AP-0025</u>	Alternative Payment CAPP-9029 <u>CAPP-9029</u>	Alternative Payment CAPP-0029 <u>CAPP-0029</u>	General Child Care & Dev Program CCTR-0097 <u>CCTR-0097</u>	California State Preschool Program CSPP-0210 <u>CSPP-0210</u>	<u>Total Cost</u>
Unit Cost Under \$10,000 Per Item:							
Item:							
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total:	-	-	-	-	-	-	-
Unit Cost \$10,000 or More Per Item							
With Prior Written Approval:							
Item:							
None	-	-	-	-	-	-	-
Total:	-	-	-	-	-	-	-
Unit Cost \$10,000 or More Per Item							
Without Prior Approval:							
Item:							
None	-	-	-	-	-	-	-
Total:	-	-	-	-	-	-	-
Total Expenditures for Renovations and Repairs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
SCHEDULE OF CLAIMED ADMINISTRATIVE COSTS
FOR THE YEAR ENDED JUNE 30, 2021

	Alternative Payment Stage 2 C2AP-0026	Alternative Payment Stage 3 C3AP-0025	Alternative Payment CAPP-9029	Alternative Payment CAPP-0029	General Child Care & Dev Program CCTR-0097	California State Preschool Program CSPP-0210	Total Cost
Administrative Costs							
Administrative Salaries	\$ 27,756	\$ 19,592	\$ 2,449	\$ 7,347	\$ 48,981	\$ 39,185	\$ 145,310
<i>Employee Benefits:</i>							
Retirement 5%	1,388	980	122	368	2,449	1,959	7,266
Life Insurance	6	4	3	-	10	8	31
Health Insurance	2,418	1,706	214	640	4,266	3,412	12,656
SUI	190	134	16	52	336	268	996
Payroll Taxes	2,123	1,499	187	562	3,747	2,997	11,115
Legal, Election and Audit	1,984	1,837	-	1,796	2,754	2,266	10,637
	<u>35,865</u>	<u>25,752</u>	<u>2,991</u>	<u>10,765</u>	<u>62,543</u>	<u>50,095</u>	<u>188,011</u>
Indirect Costs:	<u>51,384</u>	<u>65,839</u>	<u>11,933</u>	<u>43,728</u>	<u>238,055</u>	<u>189,405</u>	<u>600,344</u>
Total Administrative Costs	<u>\$ 87,249</u>	<u>\$ 91,591</u>	<u>\$ 14,924</u>	<u>\$ 54,493</u>	<u>\$ 300,598</u>	<u>\$ 239,500</u>	<u>\$ 788,355</u>
Administrative and Indirect Costs - Food Program	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>588</u>	<u>3,090</u>	<u>3,678</u>
Total Indirect Costs including Food Program	<u>\$ 51,384</u>	<u>\$ 65,839</u>	<u>\$ 11,933</u>	<u>\$ 43,728</u>	<u>\$ 238,643</u>	<u>\$ 192,495</u>	<u>\$ 604,022</u>
Total Administrative Costs including Food Program	<u>\$ 87,249</u>	<u>\$ 91,591</u>	<u>\$ 14,924</u>	<u>\$ 54,493</u>	<u>\$ 301,186</u>	<u>\$ 242,590</u>	<u>\$ 792,033</u>

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
COMBINING SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
FOR THE YEAR ENDED JUNE 30, 2021

	Alternative Payment Stage 2 C2AP-0026 (16)	Alternative Payment Stage 3 C3AP-0025 (15)	Alternative Payment CAPP-9029 (14)	Alternative Payment CAPP-0029 (14)	General Child Care & Development CCTR-0097 (11)	California State Preschool CSPP-0210 (17)	CDE COVID-19 Stipends	Total Reimbursable Programs	Total Non- Reimbursable Programs
DIRECT PAYMENTS TO PROVIDERS	\$ 547,712	\$ 725,960	\$ 159,316	\$ 464,070	\$ 2,105,618	\$ -	\$ -	\$ 4,002,676	\$ -
1000 CERTIFICATED SALARIES	19,317	32,729	2,800	22,334	196,705	727,284	-	1,001,169	-
2000 CLASSIFIED SALARIES	47,094	35,756	5,976	18,892	395,687	815,154	-	1,318,559	-
3000 EMPLOYEE BENEFITS	12,965	15,064	2,222	8,851	205,832	523,170	-	768,104	-
4000 BOOKS, SUPPLIES AND EQUIPMENT	125	102	10	53	15,578	89,608	-	105,476	-
5000 SERVICES/OTHER OPERATING EXPENSES	15,082	13,377	2,139	9,098	62,261	246,200	330,335	678,492	-
6100/6200 OTHER APPROVED CAPITAL OUTLAY	-	-	-	-	-	-	-	-	-
6400 NEW EQUIPMENT (PROGRAM RELATED)	-	-	-	-	-	-	-	-	-
6500 EQUIPMENT REPLACEMENT (PROGRAM RELATED)	-	-	-	-	-	-	-	-	-
START-UP/CLOSE DOWN EXPENSES	-	-	-	-	-	-	-	-	-
DEPRECIATION	652	555	72	218	2,378	2,390	-	6,265	-
INDIRECT COSTS	51,384	65,839	11,933	43,728	238,055	189,405	-	600,344	-
TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT	<u>\$ 694,331</u>	<u>\$ 889,382</u>	<u>\$ 184,468</u>	<u>\$ 567,244</u>	<u>\$ 3,222,114</u>	<u>\$ 2,593,211</u>	<u>\$ 330,335</u>	<u>\$ 8,481,085</u>	<u>\$ -</u>
SUPPLEMENTAL EXPENSES	-	-	-	-	-	51,740	-	51,740	-
TOTAL EXPENDITURES	<u>\$ 694,331</u>	<u>\$ 889,382</u>	<u>\$ 184,468</u>	<u>\$ 567,244</u>	<u>\$ 3,222,114</u>	<u>\$ 2,644,951</u>	<u>\$ 330,335</u>	<u>\$ 8,532,825</u>	<u>\$ -</u>

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
NOTES TO THE CHILD CARE AND DEVELOPMENT PROGRAM
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

In accordance with the applicable requirements from the Funding Terms & Conditions:

1. Interest expense is only allowable as a reimbursable cost in certain circumstances when it has been preapproved by the administering state department or relates to the lease purchase, acquisition, or repair or renovation of early learning and care facilities owned or leased by the contractor. International Institute of Los Angeles had no interest expense claimed as a reimbursable expense for the year ended June 30, 2021. No interest expense relating to the line of credit was claimed to a child development contract for the year ended June 30, 2021.
2. All expenses claimed for reimbursement under a related party rent transaction must be supported by a fair market rental estimate from an independent appraiser, licensed by the California Office of Real Estate Appraisers. There was no related party rent expense claimed as a reimbursable expense for the year ended June 30, 2021.
3. Bad debt expense is unallowable unless it relates to uncollected family fees where documentation of adequate collection attempts exists. No bad debt expense was claimed to a child development contract for the year ended June 30, 2021.

AUDITED FINAL ATTENDANCE AND FISCAL REPORT FORM

California Department of Social Services Audited Fiscal Report for CalWORKs, Alternative Payment or Family Child Care Home Programs

Fiscal Year End June 30, 2021

Contract Number C2AP-0026

Vendor Code B460

A U D 9500AP v2 Page 1 of 4

Full Name of Contractor International Institute of Los Angeles

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (EC Section 8279)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children (July - August)				
Family Fees Collected for Certified Children (September - June)		4,817	109	4,926
Waived Family Fees for Certified Children (September - June)				
Family Fees (September - June) - Subtotal		4,817	109	4,926
Interest Earned on Child Development Apportionment Payments				
Unrestricted Income - Other:				
Total Revenue		4,817	109	4,926

Full Name of Contractor **International Institute of Los Angeles**

Section 2 - Reimbursable Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers		546,603	1,109	547,712
1000 Certificated Salaries		23,347	-4,030	19,317
2000 Classified Salaries		52,613	-5,519	47,094
3000 Employee Benefits		15,767	-2,802	12,965
4000 Books and Supplies		127	-2	125
5000 Services and Other Operating Expenses		15,601	-519	15,082
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance		652		652
Indirect Costs (include in Total Administrative Cost)		50,847	537	51,384
Non-Reimbursable (State use only)				
Total Reimbursable Expenses		705,557	-11,226	694,331
Total Administrative Cost (included in Section 2 above)		86,712	537	87,249
Days of Operation		251		251

Approved Indirect Cost Rate: **8.0%**

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Full Name of Contractor **International Institute of Los Angeles**

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees for Certified Children (September - June)		4,817	109	4,926
Interest Earned on Child Development Apportionment Payments				
Direct Payments to Providers		546,603	1,109	547,712
Total Administrative Cost		86,712	537	87,249
Days of Operation		251		251
Total Reimbursable Expenses		705,557	-11,226	694,331

Comments:

California Department of Social Services Audited Fiscal Report for CalWORKs, Alternative Payment or Family Child Care Home Programs

Fiscal Year End June 30, 2021

Contract Number C3AP-0025

Vendor Code B460

A U D 9500AP v2 Page 1 of 4

Full Name of Contractor International Institute of Los Angeles

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (EC Section 8279)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children (July - August)				
Family Fees Collected for Certified Children (September - June)		15,725	1,444	17,169
Waived Family Fees for Certified Children (September - June)				
Family Fees (September - June) - Subtotal		15,725	1,444	17,169
Interest Earned on Child Development Apportionment Payments				
Unrestricted Income - Other:				
Total Revenue		15,725	1,444	17,169

Full Name of Contractor **International Institute of Los Angeles**

Section 2 - Reimbursable Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers		725,960		725,960
1000 Certificated Salaries		28,833	3,896	32,729
2000 Classified Salaries		36,116	-360	35,756
3000 Employee Benefits		14,304	760	15,064
4000 Books and Supplies		102		102
5000 Services and Other Operating Expenses		13,977	-600	13,377
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance		555		555
Indirect Costs (include in Total Administrative Cost)		65,543	296	65,839
Non-Reimbursable (State use only)				
Total Reimbursable Expenses		885,390	3,992	889,382
Total Administrative Cost (included in Section 2 above)		91,295	296	91,591
Days of Operation		251		251

Approved Indirect Cost Rate: **8.0%**

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Full Name of Contractor **International Institute of Los Angeles**

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees for Certified Children (September - June)		15,725	1,444	17,169
Interest Earned on Child Development Apportionment Payments				
Direct Payments to Providers		725,960		725,960
Total Administrative Cost		91,295	296	91,591
Days of Operation		251		251
Total Reimbursable Expenses		885,390	3,992	889,382

Comments:

California Department of Social Services Audited Fiscal Report for CalWORKs, Alternative Payment or Family Child Care Home Programs

Fiscal Year End June 30, 2021

Contract Number CAPP-9029

Vendor Code B460

A U D 9500AP v2 Page 1 of 4

Full Name of Contractor International Institute of Los Angeles

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (EC Section 8279)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children (July - August)				
Family Fees Collected for Certified Children (September - June)	1,511	1,972	-1,972	1,511
Waived Family Fees for Certified Children (September - June)				
Family Fees (September - June) - Subtotal	1,511	1,972	-1,972	1,511
Interest Earned on Child Development Apportionment Payments				
Unrestricted Income - Other:				
Total Revenue	1,511	1,972	-1,972	1,511

Full Name of Contractor **International Institute of Los Angeles**

Section 2 - Reimbursable Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers	533,998	693,314	-533,998	693,314
1000 Certificated Salaries	9,368	12,170	-9,370	12,168
2000 Classified Salaries	24,549	30,522	-24,546	30,525
3000 Employee Benefits	8,801	11,022	-8,800	11,023
4000 Books and Supplies	293	304	-294	303
5000 Services and Other Operating Expenses	8,701	10,839	-8,700	10,840
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance	266	338	-266	338
Indirect Costs (include in Total Administrative Cost)	46,857	61,928	-49,995	58,790
Non-Reimbursable (State use only)				
Total Reimbursable Expenses	632,833	820,437	-635,969	817,301
Total Administrative Cost (included in Section 2 above)	59,615	77,677	-62,753	74,539
Days of Operation	251	251	-251	251

Approved Indirect Cost Rate: **8.0%**

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Full Name of Contractor **International Institute of Los Angeles**

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees for Certified Children (September - June)	1,511	1,972	-1,972	1,511
Interest Earned on Child Development Apportionment Payments				
Direct Payments to Providers	533,998	693,314	-533,998	693,314
Total Administrative Cost	59,615	77,677	-62,753	74,539
Days of Operation	251	251	-251	251
Total Reimbursable Expenses	632,833	820,437	-635,969	817,301

Comments:

California Department of Social Services Audited Fiscal Report for CalWORKs, Alternative Payment or Family Child Care Home Programs

Fiscal Year End June 30, 2021

Contract Number CAPP-0029

Vendor Code B460

A U D 9500AP v2 Page 1 of 4

Full Name of Contractor International Institute of Los Angeles

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (EC Section 8279)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children (July - August)				
Family Fees Collected for Certified Children (September - June)		8,840	461	9,301
Waived Family Fees for Certified Children (September - June)				
Family Fees (September - June) - Subtotal		8,840	461	9,301
Interest Earned on Child Development Apportionment Payments				
Unrestricted Income - Other:				
Total Revenue		8,840	461	9,301

Full Name of Contractor **International Institute of Los Angeles**

Section 2 - Reimbursable Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers		464,070		464,070
1000 Certificated Salaries		16,904	5,430	22,334
2000 Classified Salaries		18,530	362	18,892
3000 Employee Benefits		7,511	1,340	8,851
4000 Books and Supplies		55	-2	53
5000 Services and Other Operating Expenses		9,477	-379	9,098
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance		217	1	218
Indirect Costs (include in Total Administrative Cost)		43,188	540	43,728
Non-Reimbursable (State use only)				
Total Reimbursable Expenses		559,952	7,292	567,244
Total Administrative Cost (included in Section 2 above)		53,952	541	54,493
Days of Operation		251		251

Approved Indirect Cost Rate: **8.0%**

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Full Name of Contractor **International Institute of Los Angeles**

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDNFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees for Certified Children (September - June)		8,840	461	9,301
Interest Earned on Child Development Apportionment Payments				
Direct Payments to Providers		464,070		464,070
Total Administrative Cost		53,952	541	54,493
Days of Operation		251		251
Total Reimbursable Expenses		559,952	7,292	567,244

Comments:

California Department of Social Services Audited Attendance and Fiscal Report for Child Development Programs

Fiscal Year Ending **June 30, 2021**

Contract Number **CCTR-0097**

Vendor Code **B460**

A U D 9500 v2 Page 1 of 8

Full Name of Contractor **International Institute of Los Angeles**

Section 1 - Days of Enrollment Certified Children

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Infants (up to 18 months) Full-time-plus	140		140	2.8792	403.088
Infants (up to 18 months) Full-time	2,795		2,795	2.4400	6,819.8
Infants (up to 18 months) Three-quarters-time	538		538	1.8300	984.54
Infants (up to 18 months) One-half-time	25		25	1.3420	33.55
Toddlers (18 up to 36 months) Full-time-plus	1,271		1,271	2.1240	2,699.604
Toddlers (18 up to 36 months) Full-time	12,291		12,291	1.8000	22,123.8
Toddlers (18 up to 36 months) Three-quarters-time	3,204		3,204	1.3500	4,325.4
Toddlers (18 up to 36 months) One-half-time	315		315	0.9900	311.85
Three Years and Older Full-time-plus	2,360		2,360	1.1800	2,784.8
Three Years and Older Full-time	11,396		11,396	1.0000	11,396
Three Years and Older Three-quarters-time	2,059		2,059	0.7500	1,544.25
Three Years and Older One-half-time	84		84	0.5500	46.2
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.8470	0

Full Name of Contractor International Institute of Los Angeles

Section 1 - Days of Enrollment Certified Children (continued)

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Limited and Non-English Proficient Full-time-plus	1,017		1,017	1.2980	1,320.066
Limited and Non-English Proficient Full-time	10,580		10,580	1.1000	11,638
Limited and Non-English Proficient Three-quarters-time	3,267		3,267	0.8250	2,695.275
Limited and Non-English Proficient One-half-time	29		29	0.6050	17.545
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6050	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.0615	0
TOTAL CERTIFIED DAYS OF ENROLLMENT	51,371		51,371	N/A	69,143.768
DAYS OF OPERATION	250		250	N/A	N/A
DAYS OF ATTENDANCE	48,845		48,845	N/A	N/A

NO NON-CERTIFIED CHILDREN Check this box (omit pages 3-4) and continue to Revenue Section on page 5.

Full Name of Contractor International Institute of Los Angeles

Section 3 - Revenue

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	14,098	-1,570	12,528
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income - Subtotal	14,098	-1,570	12,528
Transfer From Reserve			
Waived Family Fees for Certified Children (July and August)	4,289		4,289
Family Fees Collected for Certified Children (September - June)	57,372		57,372
Waived Family Fees for Certified Children (September - June)	1,410		1,410
Family Fees (September - June) - Subtotal	58,782		58,782
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children			
Unrestricted Income - Head Start			
Unrestricted Income - Other:			
Total Revenue	71,470	-1,570	69,900

Comments:

Full Name of Contractor **International Institute of Los Angeles**

Section 4 - Reimbursable Expenses

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)	2,105,618		2,105,618
1000 Certificated Salaries	197,358	-653	196,705
2000 Classified Salaries	395,688	-1	395,687
3000 Employee Benefits	206,037	-205	205,832
4000 Books and Supplies	15,576	2	15,578
5000 Services and Other Operating Expenses	62,427	-166	62,261
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance	2,378		2,378
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)	238,124	-69	238,055
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	3,223,206	-1,092	3,222,114
Total Administrative Cost (included in Section 4 above)	300,079	519	300,598
Total Staff Training Cost (included in Section 4 above)			

Approved Indirect Cost Rate: **8.0%**

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 7.

Full Name of Contractor International Institute of Los Angeles

Section 7 - Summary

	Column A Cumulative CDNFS 9500	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment	51,371		51,371
Days of Operation	250		250
Days of Attendance	48,845		48,845
Restricted Program Income	14,098	-1,570	12,528
Transfer from Reserve			
Family Fees for Certified Children (September - June)	58,782		58,782
Interest Earned on Child Development Apportionment Payments			
Direct Payments to Providers	2,105,618		2,105,618
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	3,223,206	-1,092	3,222,114
Total Administrative Cost	300,079	519	300,598
Total Staff Training Cost			

Total Certified Adjusted Days of Enrollment 69,143.768 Total Non-Certified Adjusted Days of Enrollment 0

Independent auditor's assurances on agency's compliance with contract funding terms and conditions and program requirements of the California Department of Education, Early Learning and Care Division:

Eligibility, enrollment and attendance records are being maintained as required (select YES or NO from the drop-down box): YES

Reimbursable expenses claimed on page 6 are eligible for reimbursement, reasonable, necessary, and adequately supported (select YES or NO from the drop-down box): YES

Include any comments in the comments box on page 5. If necessary, attach additional sheets to explain adjustments.

California Department of Education Audited Attendance and Fiscal Report for California State Preschool Programs

A U D 8501 Page 1 of 8

Fiscal Year Ending June 30, 2021

Contract Number CSPP-0210

Vendor Code B460

Full Name of Contractor International Institute of Los Angeles

Section 1 - Days of Enrollment Certified Children

Enrollment Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Three Years and Older Full-time-plus	1,622		1,622	1.1800	1,913.96
Three Years and Older Full-time	15,569		15,569	1.0000	15,569
Three Years and Older Three-quarters-time	4,528		4,528	0.7500	3,396
Three Years and Older One-half-time	2,536		2,536	0.6193	1,570.5448
Exceptional Needs Full-time-plus				1.8172	0
Exceptional Needs Full-time				1.5400	0
Exceptional Needs Three-quarters-time				1.1550	0
Exceptional Needs One-half-time				0.9537	0
Limited and Non-English Proficient Full-time-plus	960		960	1.2980	1,246.08
Limited and Non-English Proficient Full-time	11,221		11,221	1.1000	12,343.1
Limited and Non-English Proficient Three-quarters-time	2,777		2,777	0.8250	2,291.025
Limited and Non-English Proficient One-half-time	1,406		1,406	0.6193	870.7358

Full Name of Contractor **International Institute of Los Angeles**

Section 1 - Days of Enrollment Certified Children (continued)

Enrollment Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus				1.2980	0
At Risk of Abuse or Neglect Full-time				1.1000	0
At Risk of Abuse or Neglect Three-quarters-time				0.8250	0
At Risk of Abuse or Neglect One-half-time				0.6193	0
Severely Disabled Full-time-plus				2.2774	0
Severely Disabled Full-time				1.9300	0
Severely Disabled Three-quarters-time				1.4475	0
Severely Disabled One-half-time				1.1952	0
TOTAL DAYS OF ENROLLMENT	40,619		40,619	N/A	39,200.4456
DAYS OF OPERATION	250		250	N/A	N/A
DAYS OF ATTENDANCE	14,663		14,663	N/A	N/A

NO NON-CERTIFIED CHILDREN Check this box (omit pages 3 and 4) and continue to Revenue Section on page 5.

Full Name of Contractor **International Institute of Los Angeles**

Section 3 - Revenue

Revenue Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs	74,011	-8,236	65,775
Restricted Income - County Maintenance of Effort (EC Section 8279)			
Restricted Income - Other:			
Restricted Income - Subtotal	74,011	-8,236	65,775
Transfer from Reserve - General			
Transfer from Reserve - Professional Development			
Transfer from Reserve Total			
Waived Family Fees for Certified Children (July - August)	7,872		7,872
Family Fees Collected for Certified Children (September - June)	19,665		19,665
Waived Family Fees for Certified Children (September - June)	13,252		13,252
Family Fees for Certified Children (September - June) - Subtotal	32,917		32,917
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Fees for Non-Certified Children			
Unrestricted Income - Head Start			
Unrestricted Income - Other:			
Total Revenue	93,676	-8,236	85,440

Comments:

Full Name of Contractor **International Institute of Los Angeles**

Section 4 - Reimbursable Expenses

Expense Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers (FCCH only)			
1000 Certificated Salaries	735,429	-8,145	727,284
2000 Classified Salaries	815,153	1	815,154
3000 Employee Benefits	524,992	-1,822	523,170
4000 Books and Supplies	89,609	-1	89,608
5000 Services and Other Operating Expenses	247,866	-1,666	246,200
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance	2,390		2,390
Start-up Expenses (service level exemption)			
Budget Impasse Credit			
Indirect Costs (include in Total Administrative Cost)	190,202	-797	189,405
Non-Reimbursable (State use only)			
Total Reimbursable Expenses	2,605,641	-12,430	2,593,211
Total Administrative Cost (included in Section 4 above)	237,207	2,293	239,500
Total Staff Training Cost (included in Section 4 above)			

Approved Indirect Cost Rate:

NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 7.

Full Name of Contractor **International Institute of Los Angeles**

Section 5 - Supplemental Revenue

Supplemental Revenue Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding			
Other: QRIS	51,740		51,740
Other:			
Total Supplemental Revenue	51,740		51,740

Section 6 - Supplemental Expenses

Supplemental Expense Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			
2000 Classified Salaries			
3000 Employee Benefits			
4000 Books and Supplies	42,735		42,735
5000 Services and Other Operating Expenses			
6000 Equipment / Capital Outlay	9,005		9,005
Depreciation or Use Allowance			
Indirect Costs			
Non-Reimbursable Supplemental Expenses			
Total Supplemental Expenses	51,740		51,740

Full Name of Contractor **International Institute of Los Angeles**

Section 7 - Summary

Summary Category	Column A Cumulative CDNFS 8501	Column B Audit Adjustments	Column C Cumulative per Audit
Total Certified Days of Enrollment	40,619		40,619
Days of Operation	250		250
Days of Attendance	14,663		14,663
Restricted Program Income	74,011	-8,236	65,775
Transfer from Reserve			
Family Fees for Certified Children (September - June)	32,917		32,917
Interest Earned on Apportionment Payments			
Direct Payments to Providers			
Start-up Expenses (service level exemption)			
Total Reimbursable Expenses	2,605,641	-12,430	2,593,211
Total Administrative Cost	237,207	2,293	239,500
Total Staff Training Cost			

Total Certified Adjusted Days of Enrollment **39,200.4456**

Total Non-Certified Adjusted Days of Enrollment **0**

Independent auditor's assurances on agency's compliance with the contract funding terms and conditions and program requirements of the California Department of Education, Early Learning and Care Division:

Eligibility, enrollment and attendance records are being maintained as required (select YES or NO from the drop-down box): **Yes**

Reimbursable expenses claimed on page 6 are eligible for reimbursement, reasonable, necessary, and adequately supported (select YES or NO from the drop-down box): **Yes**

Include any comments in the comments box on page 5. If necessary, attach additional sheets to explain adjustments.

California Department of Education Audited Reserve Account Activity Report

Fiscal Year End

June 30, 2021

Reserve Account Type

Alternative Payment

A U D 9530A Page 1 of 1

Vendor Code

B460

Full Name of Contractor **International Institute of Los Angeles**

Section 1 - Prior Year Reserve Account Activity

1. Beginning Balance (2019-20 AUD 9530A Ending Balance)	4,678
2. Plus Transfers to Reserve Account:	Per 2019-20 Post-Audit CDNFS 9530
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Total Transferred from 2019-20 Contracts to Reserve	
3. Less Excess Reserve to be Billed	
4. Ending Balance per 2019-20 Post-Audit CDNFS 9530	4,678

Section 2 - Current Year (2020-21) Reserve Account Activity

	Column A CDNFS 9530A	Column B Audit Adjustments	Column C per Audit
5. Plus Interest Earned This Year on Reserve	14		14
6. Less Transfers to Contracts from Reserve:			
CSPP General-Contract No.			
CSPP General-Contract No.			
CSPP Professional Development-Contract No.			
CSPP Professional Development-Contract No.			
Subtotal CSPP Transfers			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Subtotal Other Contract Transfers			
Total Transferred to Contracts from Reserve Account			
7. Ending Balance on June 30, 2021	4,692		4,692

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

California Department of Education Audited Reserve Account Activity Report

Fiscal Year End

June 30, 2021

Reserve Account Type

Center-Based

Vendor Code

B460

A U D 9530A Page 1 of 1

Full Name of Contractor **International Institute of Los Angeles**

Section 1 - Prior Year Reserve Account Activity

1. Beginning Balance (2019-20 AUD 9530A Ending Balance)	902,898
2. Plus Transfers to Reserve Account:	Per 2019-20 Post-Audit CDNFS 9530
Contract No.CCTR9094	193,826
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Total Transferred from 2019-20 Contracts to Reserve	193,826
3. Less Excess Reserve to be Billed	
4. Ending Balance per 2019-20 Post-Audit CDNFS 9530	1,096,724

Section 2 - Current Year (2020-21) Reserve Account Activity

	Column A CDNFS 9530A	Column B Audit Adjustments	Column C per Audit
5. Plus Interest Earned This Year on Reserve	2,992		2,992
6. Less Transfers to Contracts from Reserve:			
CSPP General-Contract No.			
CSPP General-Contract No.			
CSPP Professional Development-Contract No.			
CSPP Professional Development-Contract No.			
Subtotal CSPP Transfers			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Other Contract No.			
Subtotal Other Contract Transfers			
Total Transferred to Contracts from Reserve Account			
7. Ending Balance on June 30, 2021	1,099,716		1,099,716

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

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



VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE



AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of International Institute of Los Angeles (A California Non-Profit Corporation), which comprise the statement of financial position as of June 30, 2021, 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 March 11, 2022.

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 the Organization's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether International Institute of Los Angeles financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vorlein, Hagen + Co.

Calabasas, California
March 11, 2022



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

We have audited International Institute of Los Angeles (A California Non-Profit Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of International Institute of Los Angeles major federal programs for the year ended June 30, 2021. International Institute of Los Angeles major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, International Institute of Los Angeles complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Vorlein, Hagen + Co.

Calabasas, California
March 11, 2022

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021
(FEIN: 95-1641446)

Federal Grantor, Pass-Through Grantor, Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Program or Award Amount	Federal Expenditures	Non-Federal/ Match Expenditures	Payments to Subrecipients
FEDERAL AWARDS						
U.S. Department of Health and Human Services						
Child Care and Development Fund Cluster:						
Passed Through the California Department of Education						
Family Childcare	93.596	CCTR - 0097	\$ 842,581	\$ 691,344	\$ -	\$ -
Alternative Payment	93.596	CAPP - 9029	79,672	41,846	-	-
Alternative Payment	93.596	CAPP - 0029	339,293	199,561	-	-
Alternative Payment - Stage 3	93.596	C3AP - 0025	45,258	45,258	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		1,306,804	978,009	-	-
Passed Through the California Department of Education						
Family Childcare	93.575	CCTR - 0097	384,906	260,300	-	-
Alternative Payment	93.575	CAPP - 9029	21,401	21,401	-	-
Alternative Payment	93.575	CAPP - 0029	343,294	199,785	-	-
Alternative Payment - Stage 2	93.575	C2AP -0026	227,651	208,689	-	-
Alternative Payment - Stage 3	93.575	C3AP-0025	475,633	475,633	-	-
Child Care and Development Block Grant	93.575		1,452,885	1,165,808	-	-
Total Child Care and Development Fund Cluster:			\$ 2,759,689	\$ 2,143,817	\$ -	\$ -
Passed Through the California Department of Social Services						
Stage 1 Child Care Services						
Temporary Assistance for Needy Families	93.558	CMD 06-042	657,116	657,116	-	-
Passed Through U.S. Committee for Refugees and Immigrants						
Preferred Communities Program						
Refugee and Entrant Assistance Discretionary Grants	93.576	90RP0108-04	11,019	11,019	-	-
Passed Through the Immigration and Refugee Services of America						
Family Strengthening Program (FSP)-Award 90FM0092-02-00						
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	None Assigned	126,500	53,010	-	-
Passed Through the Immigration and Refugee Services of America						
Refugees Matching Grant						
Refugees Matching Grant	93.567	1902VARVMG	114,950	59,163	-	-
Refugees Matching Grant	93.567	2102VARVMG	154,845	210,007	16,710	-
Refugee and Entrant Assistance Voluntary Agency Programs	93.567		269,795	269,170	16,710	-
Passed Through the Immigration and Refugee Services of America						
Services to Victims of a Severe Form of Trafficking						
Services to Victims of a Severe Form of Trafficking	93.598	90ZV0123	179,205	172,412	-	-
Total U.S. Department of Health and Human Services			\$ 1,243,635	\$ 1,162,727	\$ 16,710	\$ -

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021
(FEIN: 95-1641446)
(CONTINUED)

Federal Grantor, Pass-Through Grantor, Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Program or Award Amount	Federal Expenditures	Non-Federal/ Match Expenditures	Payments to Subrecipients
U.S. Department of State						
Passed Through U.S. Committee for Refugees and Immigrants						
USCRI Programs - EXTENSION	19.510	SPRMC019CA0018	78,180	78,180	7,914	-
USCRI Programs	19.510	SPRMC021CA3006	192,677	192,677	37,366	-
U.S. Refugee Admissions Program	19.510		270,857	270,857	45,280	-
Total U.S. Department of State			\$ 270,857	\$ 270,857	\$ 45,280	\$ -
U.S. Department of Agriculture						
Passed Through the California Department of Education, Office of Child Nutrition Services Child Care Food Programs (Homes & Centers)						
Child and Adult Care Food Program	10.558	19-B460-00-01286-3	\$ 78,303	\$ 78,303	\$ -	\$ -
Total U.S. Department of Agriculture			\$ 78,303	\$ 78,303	\$ -	\$ -
TOTAL FEDERAL EXPENDITURES			\$ 4,352,484	\$ 3,655,704	\$ 61,990	\$ -
STATE FUNDING						
California Department of Education						
General Child Care and Development Programs						
Family Childcare		CCTR - 0097	\$ 3,289,657	\$ 2,198,999	\$ -	\$ -
State Preschool		CSPP - 0210	2,821,711	2,499,534	-	-
Alternative Payment		CAPP - 9029	121,221	121,221	-	-
Alternative Payment		CAPP - 0029	317,167	158,597	-	-
Alternative Payment - Stage 2		C2AP -0026	1,173,035	480,716	-	-
Alternative Payment - Stage 3		C3AP - 0025	351,322	351,322	-	-
			8,074,113	5,810,389	-	-
State of California Department of Social Services						
Unaccompanied Undocumented Minors (UUMs)		16-STF-01032	\$ 27,500	\$ 27,500	\$ -	\$ -
Unaccompanied Undocumented Minors (UUMs)		SG-UUM-19-0011	360,000	72,000	-	-
Unaccompanied Undocumented Minors (UUMs)		SG-UUM-20-0015	336,000	268,800	-	-
Unaccompanied Undocumented Minors (UUMs)		SG-ISF 19-0047	336,250	117,688	-	-
Unaccompanied Undocumented Minors (UUMs)		SG-ISF-20-0045	408,000	265,200	-	-
Immigration Service Funding Removal Defense		SG-RD19-0017	386,000	154,400	-	-
Immigration Service Funding Removal Defense		SG-RD-20-0017	446,500	54,203	-	-
			2,300,250	959,791	-	-
TOTAL STATE EXPENDITURES			\$ 10,374,363	\$ 6,770,180	\$ -	\$ -
TOTAL FEDERAL AND STATE EXPENDITURES			\$ 14,726,847	\$ 10,425,884	\$ 61,990	\$ -

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, 2021

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, 2021. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of the Institute, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Institute.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. DE MINIMIS INDIRECT COST RATE

International Institute of Los Angeles did not elect to use the 10% de minimis indirect cost rate for the year ended June 30, 2021.

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, 2021 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, 2021**

Section I - Summary of Auditors' Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?

_____ Yes X No

• Significant deficiency(ies) identified?

_____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

• Material weakness(es) identified?

_____ Yes X No

• Significant deficiency(ies) identified?

_____ Yes X None Reported

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

Unmodified

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

_____ Yes X No

Identification of major federal programs:

CFDA Number(s)

93.596

Name of Federal Program or Cluster

Child Care and Development Fund Cluster:

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

Child Care and Development Block Grant

93.575

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 YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

CURRENT YEAR

2021 Findings:

There were no 2021 findings noted.

2021 Questioned Costs:

There were no 2021 questioned costs noted.

PRIOR YEARS

2020 Findings:

There were no 2020 findings noted.

2020 Questioned Costs:

There were no 2020 questioned costs noted.

FINDING 2019-001

CRITERIA:

The California Department of Education Audit Guide states that the agency must ensure that only eligible individuals receive appropriate assistance under the programs and that provider payments are made only for eligible children in its programs.

CONDITION:

Of nineteen provider payments selected for the California Department of Education Child Development Program testing, the agency was unable to provide sign-in sheets supporting the payments made to the providers.

CAUSE:

Files were apparently misplaced after being boxed and stored due to construction taking place at the agency's office.

EFFECT:

The effect is charges under the CCDF Cluster, CFDA's 93.596/93.575, specifically to the Child Care and Development CCTR Program contract which were not properly supported by documentation showing actual child attendance and provider certification.

RECOMMENDATION:

We recommend additional care should be taken in storage and filing of important records documenting attendance and provider certifications.

INTERNATIONAL INSTITUTE OF LOS ANGELES
(A California Non-Profit Corporation)
SCHEDULE OF CURRENT AND PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

PRIOR YEARS – Continued

2019 Questioned Costs:

The following amounts are questioned costs:
CCTR-8093 in the amount of \$9,464

2020 AUDITORS' COMMENT:

Our 2020 tests did not reveal a reoccurrence of this condition.

2018 Findings:

There were no 2018 findings noted.

2018 Questioned Costs:

There were no 2018 questioned costs noted.