

**CAPITAL AREA IMMIGRANTS'
RIGHTS COALITION**

AUDITED FINANCIAL STATEMENTS

December 31, 2014

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION
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Independent Auditor's Report 1-2

Statement of Financial Position 3

Statement of Activities 4

Statement of Functional Expenses 5

Statement of Cash Flows 6

Notes to Financial Statements 7-10



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To the Board of Directors
Capital Area Immigrants' Rights Coalition
Washington, DC

Independent Auditor's Report

We have audited the accompanying financial statements of the Capital Area Immigrants' Rights Coalition (CAIR Coalition), which comprise the statement of financial position as of December 31, 2014, 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.

Auditor's 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CAIR Coalition as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited CAIR Coalition's 2013 financial statements, and our report dated September 11, 2014 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Councilor, Buchanan + Mitchell, P.C.

Certified Public Accountants

Washington, DC
August 4, 2015

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION
STATEMENT OF FINANCIAL POSITION
December 31, 2014
(With Summarized Financial Information for December 31, 2013)

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 132,843	\$ 213,754
Contributions receivable	50,000	80,000
Accounts receivable	167,376	53,518
Prepaid expenses	31,063	17,637
TOTAL CURRENT ASSETS	381,282	364,909
PROPERTY AND EQUIPMENT		
Office equipment	37,069	24,151
Furniture and fixtures	2,140	2,140
	39,209	26,291
Less accumulated depreciation	(23,762)	(20,904)
NET PROPERTY AND EQUIPMENT	15,447	5,387
DEPOSIT	3,808	3,808
TOTAL ASSETS	\$ 400,537	\$ 374,104
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 27,435	\$ 25,369
Accrued vacation	21,830	12,801
Deferred rent	203	-0-
TOTAL CURRENT LIABILITIES	49,468	38,170
NET ASSETS		
Unrestricted	351,069	250,934
Temporarily restricted:		
For legal advocacy in Maryland	-0-	75,000
For capacity building	-0-	10,000
Total temporarily restricted net assets	-0-	85,000
TOTAL NET ASSETS	351,069	335,934
TOTAL LIABILITIES AND NET ASSETS	\$ 400,537	\$ 374,104

The accompanying notes are an integral part of these financial statements.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014
(With Summarized Financial Information for the Year Ended December 31, 2013)

	Unrestricted	Temporarily Restricted	Total 2014	Total 2013
REVENUE				
Grants and contributions	\$ 313,965		\$ 313,965	\$ 481,592
Contract revenue	674,595		674,595	424,521
Donated services	9,727,252		9,727,252	6,571,442
Interest and dividends	151		151	162
Membership and other	2,635		2,635	3,760
Net assets released from restrictions	85,000	(85,000)	-0-	-0-
TOTAL REVENUE	10,803,598	(85,000)	10,718,598	7,481,477
EXPENSES				
Program services:				
Legal	10,149,282		10,149,282	6,986,049
Outreach and Advocacy	375,771		375,771	167,940
Coalition	18,857		18,857	21,598
Total program services	10,543,910	-0-	10,543,910	7,175,587
Supporting services:				
Fundraising	55,342		55,342	42,878
General and administration	104,211		104,211	102,137
Total supporting services	159,553	-0-	159,553	145,015
TOTAL EXPENSES	10,703,463	-0-	10,703,463	7,320,602
CHANGE IN NET ASSETS	100,135	(85,000)	15,135	160,875
NET ASSETS, BEGINNING OF YEAR	250,934	85,000	335,934	175,059
NET ASSETS, END OF YEAR	\$ 351,069	\$ -0-	\$ 351,069	\$ 335,934

The accompanying notes are an integral part of these financial statements.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2014
(With Summarized Financial Information for the Year Ended December 31, 2013)

	Legal	Outreach and Advocacy	Coalition	Total Program	Fundraising	General and Administration	2014 Total	2013 Total
Pro bono legal services	\$ 9,359,689	\$ 350,000	\$ 17,563	\$ 9,727,252			\$ 9,727,252	\$ 6,571,442
Salaries	475,731	17,416	874	494,021	\$ 19,610	\$ 70,832	584,463	428,309
Payroll taxes	36,726	1,344	67	38,137	1,514	4,790	44,441	31,920
Fringe benefits	45,411	1,617	81	47,109	1,820	6,576	55,505	35,911
Staff training	934			934			934	354
Travel	37,520	14	2	37,536	26	57	37,619	30,276
Office expense	11,626	262	13	11,901	14,443	1,065	27,409	23,303
Rent expense	62,585	2,291	115	64,991	2,580	9,318	76,889	62,511
Contractual services	81,186	1,797	90	83,073	13,851	7,301	104,225	94,649
Communication charges	5,512	202	10	5,724	227	821	6,772	6,856
Membership dues	4,806	25	1	4,832	28	183	5,043	4,496
Equipment rental and maintenance	5,437	199	10	5,646	224	810	6,680	9,276
Printing and publications	8,966	201	10	9,177	563	816	10,556	9,792
Taxes and insurance	8,694	318	16	9,028	358	1,294	10,680	10,290
Depreciation	2,327	85	4	2,416	96	346	2,858	1,191
Miscellaneous	2,132		1	2,133	2	2	2,137	26
TOTAL EXPENSES	\$ 10,149,282	\$ 375,771	\$ 18,857	\$ 10,543,910	\$ 55,342	\$ 104,211	\$ 10,703,463	\$ 7,320,602

The accompanying notes are an integral part of these financial statements.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2014
(With Summarized Financial Information for the Year Ended December 31, 2013)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	\$ 15,135	\$ 160,875
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	2,858	1,191
Decrease (increase) in contributions receivable	30,000	(80,000)
(Increase) decrease in accounts receivable	(113,858)	8,768
Increase in prepaid expenses	(13,426)	(4,114)
Increase in accounts payable	2,066	15,683
Increase in accrued vacation	9,029	1,964
Decrease in deferred revenue	-0-	(6,500)
Increase in deferred rent	203	-0-
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(67,993)	97,867
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of office equipment	(12,918)	(5,595)
NET CASH USED IN INVESTING ACTIVITIES	(12,918)	(5,595)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(80,911)	92,272
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	213,754	121,482
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 132,843	\$ 213,754

The accompanying notes are an integral part of these financial statements.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization Capital Area Immigrants' Rights Coalition (CAIR Coalition) is a public interest legal organization incorporated on January 11, 1999 in the District of Columbia. CAIR Coalition brings immigrants, attorneys, volunteers and community leaders together to work for a fair and humane immigration policy. CAIR Coalition provides legal advocacy, education and training services, public policy development, information sharing, and community empowerment programs.

The programs of CAIR Coalition fall into the following three areas:

Legal: CAIR Coalition conducts legal rights presentations at county jails in Virginia and Maryland, providing advice and assistance to individuals detained by the Department of Homeland Security (DHS). When possible, CAIR Coalition secures legal counsel for immigration detainees being held in the Virginia and Maryland detention facilities. CAIR Coalition also provides legal assistance to unaccompanied immigrant children in the custody of the Office of Refugee Resettlement who are being detained at juvenile facilities in Virginia and Maryland. In addition, CAIR Coalition assists detained asylum seekers during their Credible Fear Interviews or Reasonable Fear Interviews and tries to secure legal counsel for their Immigration Court proceedings.

CAIR Coalition holds annual trainings on asylum law, co-sponsored by the D.C. Bar and the Washington Lawyers' Committee for Civil Rights and Urban Affairs. Additionally, CAIR Coalition sponsors and conducts workshops to train pro bono lawyers, public defenders and advocates throughout the year, and mentors attorneys who are providing pro bono legal representation. CAIR Coalition also provides "Know Your Rights" trainings for the immigrant community.

Outreach and Advocacy: CAIR Coalition staff and members regularly meet with DHS offices including the Arlington Asylum Office, the Washington District Office of U.S. Citizenship and Immigration Services, and the Washington Field Office of Immigration and Customs Enforcement, and the Executive Office for Immigration Review to advocate on behalf of individual clients as well as recommend changes in immigration policies and procedures that will help to ensure the fair treatment of the immigrant populations served by CAIR Coalition members.

Coalition: CAIR Coalition sponsors periodic coalition meetings that bring together community groups, immigrants, pro bono attorneys and government representatives to increase the knowledge, skills and impact of member organizations so that they can best meet the needs of the immigrants they serve.

The operations of CAIR Coalition are primarily funded by grants, government contracts and contributions.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2014

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Income Taxes CAIR Coalition is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code). In addition, CAIR Coalition has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. No provision for income taxes is required for the year ended December 31, 2014 as CAIR Coalition had no net unrelated business income.

CAIR Coalition requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. CAIR Coalition does not believe its financial statements include, or reflect, any uncertain tax positions. CAIR Coalition's Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service for three years after filing.

Cash and Cash Equivalents CAIR Coalition considers all highly liquid investments which have an initial maturity of three months or less to be cash equivalents.

Accounts Receivable Accounts receivable is comprised of amounts due for services. Accounts receivable are charged to bad debt expense as they are deemed uncollectible. At December 31, 2014, management believes all accounts receivable are collectible. Therefore, no reserve for bad debt expense has been recorded.

Contributions Receivable Contributions receivable are considered to be fully collectible by management and, accordingly, no allowance for doubtful accounts is considered necessary.

Basis of Accounting The accompanying financial statements are presented on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when incurred.

Property and Equipment Property and equipment, which consist of furniture and office equipment, are stated at cost, if purchased or fair market value at date of donation, if contributed. CAIR Coalition capitalizes all expenditures for property and equipment in excess of \$500. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Revenue Recognition CAIR Coalition reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Restricted contributions for which the restrictions are met in the year received are considered unrestricted for financial statement purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2014

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Deferred Rent All rental payments, including fixed rent increases, are recognized on a straight-line basis.

Functional Expense Allocation The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated Services Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CAIR Coalition.

Use of Estimates Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Reclassifications Certain 2013 amounts have been reclassified for comparative purposes.

Prior Year Summarized Information The financial statements include certain prior year summarized comparative information as of and for the year ended December 31, 2013. 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 CAIR Coalition's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

NOTE B - TAX SHELTERED ANNUITY PLAN

In 2000, CAIR Coalition established a salary reduction plan (the Plan) under Section 403(b) of the Internal Revenue Code. The Plan covers substantially all full-time employees who have completed one year of employment and at least 1,000 hours of service. CAIR Coalition determines a discretionary employee matching contribution for each plan year. CAIR Coalition's discretionary match was approximately \$3,200 for the year ended December 31, 2014.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2014

NOTE C - DONATED SERVICES

The value of donated services, included as revenue in the financial statements, was for legal services and related expenses. The total of approximately \$9,727,252 has been included as a program expense.

NOTE D - CONCENTRATIONS

As of December 31, 2014, the accounts receivable was due from one funding source. All of contributions receivable was due from one donor as of December 31, 2014.

Donated services make up approximately 91% of total revenue. One funding source represented 100% of the contract revenue for the year ended December 31, 2014. One donor contributed 20% of donated services for the year ended December 31, 2014.

CAIR Coalition maintains cash balances at financial institutions in the Washington, DC metropolitan area. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times during the year, the CAIR Coalition's cash balances exceeded the FDIC insurance amount. Management believes the risk in these situations to be minimal.

NOTE E - OFFICE AND EQUIPMENT LEASES

CAIR Coalition entered into a lease agreement for office space effective November 1, 2004 under a non-cancelable operating lease. In September of 2014, the lease was extended through October 2017. In addition subsequent to year end, CAIR Coalition entered into a one year non-cancelable lease agreement for additional office space through February 2016. CAIR Coalition also entered into a new copier lease agreement in September 2012.

Total future minimum lease payments on an annual basis are as follows:

<i>For the Year Ending December 31,</i>	Amount
2015	\$ 124,679
2016	92,393
2017	71,238
Total future minimum lease payments	\$ 288,310

NOTE F - SUBSEQUENT EVENTS

In May of 2015, CAIR Coalition obtained an unsecured line of credit in the amount of \$120,000. The line of credit is due on demand.

Subsequent events were evaluated through August 4, 2015, which is the date the financial statements were available to be issued.