

**CAPITAL AREA IMMIGRANTS'  
RIGHTS COALITION**

**AUDITED FINANCIAL STATEMENTS**

**December 31, 2011**

**CAPITAL AREA IMMIGRANTS' RIGHTS COALITION**  
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To the Board of Directors  
Capital Area Immigrants' Rights Coalition  
Washington, DC

Independent Auditors' Report

We have audited the accompanying statement of financial position of Capital Area Immigrants' Rights Coalition (CAIR Coalition) as of December 31, 2011, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of CAIR Coalition's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from CAIR Coalition's 2010 financial statements and, in our report dated July 14, 2011, we expressed an unqualified opinion on those financial statements.

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Area Immigrants' Rights Coalition as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Drolet + Associates, PLLC*

Washington, DC  
October 4, 2012

**CAPITAL AREA IMMIGRANTS' RIGHTS COALITION**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2011**  
(With Summarized Financial Information for December 31, 2010)

	2011	2010
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 122,616	\$ 62,426
Contributions receivable	50,000	-0-
Accounts receivable	47,158	41,212
Prepaid expenses	12,629	7,464
<b>TOTAL CURRENT ASSETS</b>	<b>232,403</b>	<b>111,102</b>
<b>PROPERTY AND EQUIPMENT</b>		
Office equipment	24,078	22,318
Furniture and fixtures	2,140	2,140
	<b>26,218</b>	24,458
Less accumulated depreciation	<b>(23,900)</b>	<b>(22,127)</b>
<b>NET PROPERTY AND EQUIPMENT</b>	<b>2,318</b>	<b>2,331</b>
<b>DEPOSIT</b>	<b>3,808</b>	<b>3,808</b>
<b>TOTAL ASSETS</b>	<b>\$ 238,529</b>	<b>\$ 117,241</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 8,932	\$ 16,400
Accrued salary	-0-	14,517
Accrued vacation	8,257	11,853
Deferred revenue	6,500	-0-
<b>TOTAL CURRENT LIABILITIES</b>	<b>23,689</b>	<b>42,770</b>
<b>NET ASSETS</b>		
Unrestricted	164,840	74,471
Temporarily restricted	50,000	-0-
<b>TOTAL NET ASSETS</b>	<b>214,840</b>	<b>74,471</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 238,529</b>	<b>\$ 117,241</b>

*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, 2011**  
(With Summarized Financial Information for the Year Ended December 31, 2010)

	Unrestricted	Temporarily Restricted	Total 2011	Total 2010
<b>REVENUE</b>				
Grants and contributions	\$ 398,478	\$ 50,000	\$ 448,478	\$ 268,854
Contract revenue	294,797		294,797	207,688
Donated services	4,959,550		4,959,550	4,040,100
Interest and dividends	451		451	131
Membership and other	3,619		3,619	3,985
<b>TOTAL REVENUE</b>	<b>5,656,895</b>	<b>50,000</b>	<b>5,706,895</b>	<b>4,520,758</b>
<b>EXPENSES</b>				
Program services:				
Legal	5,177,676		5,177,676	4,167,906
Outreach and Advocacy Coalition	88,344		88,344	209,703
	135,796		135,796	13,899
Total program services	5,401,816	-0-	5,401,816	4,391,508
Supporting services:				
Fundraising	47,755		47,755	23,271
General and administration	116,955		116,955	128,524
Total supporting services	164,710	-0-	164,710	151,795
<b>TOTAL EXPENSES</b>	<b>5,566,526</b>	<b>-0-</b>	<b>5,566,526</b>	<b>4,543,303</b>
<b>CHANGE IN NET ASSETS</b>	<b>90,369</b>	<b>50,000</b>	<b>140,369</b>	<b>(22,545)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>74,471</b>	<b>-0-</b>	<b>74,471</b>	<b>97,016</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 164,840</b>	<b>\$ 50,000</b>	<b>\$ 214,840</b>	<b>\$ 74,471</b>

*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, 2011**  
(With Summarized Financial Information for the Year Ended December 31, 2010)

	Legal	Outreach and Advocacy	Coalition	Total Program	Fundraising	General and Administration	2011 Total	2010 Total
Pro bono legal services	\$ 4,752,779	\$ 81,498	\$ 125,273	\$ 4,959,550			\$ 4,959,550	\$ 4,040,100
Salaries	241,901	4,148	6,376	252,425	\$ 15,599	\$ 60,438	328,462	257,706
Payroll taxes	18,953	361	554	19,868	1,357	5,256	26,481	19,305
Fringe benefits	19,132	343	529	20,004	1,292	5,336	26,632	26,594
Staff training	250			250			250	100
Travel	21,645	7	10	21,662	26	100	21,788	21,976
Office expense	4,599	70	108	4,777	713	8,855	14,345	10,443
Rent expense	42,273	803	1,234	44,310	13,024	11,730	69,064	56,986
Contractual services	47,574	712	1,094	49,380	13,930	19,225	82,535	70,450
Communication charges	5,173	98	151	5,422	369	1,432	7,223	7,679
Membership dues	2,897	14	22	2,933	54	210	3,197	3,604
Equipment rental and maintenance	5,185	99	151	5,435	371	1,439	7,245	8,505
Printing and publications	9,627	83	128	9,838	613	1,356	11,807	9,675
Taxes and insurance	4,419	84	129	4,632	316	1,226	6,174	6,371
Depreciation	1,269	24	37	1,330	91	352	1,773	3,809
<b>TOTAL EXPENSES</b>	<b>\$ 5,177,676</b>	<b>\$ 88,344</b>	<b>\$ 135,796</b>	<b>\$ 5,401,816</b>	<b>\$ 47,755</b>	<b>\$ 116,955</b>	<b>\$ 5,566,526</b>	<b>\$ 4,543,303</b>

*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, 2011**  
(With Summarized Financial Information for the Year Ended December 31, 2010)

	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>CHANGE IN NET ASSETS</b>	<b>\$ 140,369</b>	<b>\$ (22,545)</b>
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,773	3,809
(Increase) decrease in contributions receivable	(50,000)	5,790
Increase in accounts receivable	(5,946)	(15,686)
(Increase) decrease in prepaid expenses	(5,165)	8,360
Decrease in accounts payable	(7,468)	(3,002)
(Decrease) increase in accrued salary	(14,517)	2,833
(Decrease) increase in accrued vacation	(3,596)	2,316
Increase in deferred revenue	6,500	-0-
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>61,950</b>	<b>(18,125)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of office equipment	(1,760)	-0-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,760)</b>	<b>-0-</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>60,190</b>	<b>(18,125)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>62,426</b>	<b>80,551</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 122,616</b>	<b>\$ 62,426</b>

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

**CAPITAL AREA IMMIGRANTS' RIGHTS COALITION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

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**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 two juvenile facilities in Virginia. 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, it 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 our Coalition members.

*Coalition:* CAIR Coalition sponsors monthly 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, 2011**

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**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, 2011 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. Tax returns for the years ended December 2008 through 2010 remain subject to examination.

**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, 2011, 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 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, 2011**

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

**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 2010 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, 2010. 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, 2010, 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 did not make a discretionary match for the year ended December 31, 2011.

**CAPITAL AREA IMMIGRANTS' RIGHTS COALITION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2011**

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**NOTE C - DONATED SERVICES**

The value of donated services, included as contributions in the financial statements, was for legal services and related expenses. The total of approximately \$4,959,550 has been included as a program expense.

**NOTE D - CONCENTRATIONS**

For the year ended December 31, 2011, all contract revenue was received from one customer. As of December 31, 2011, the balance of accounts receivable was due from one customer. As of December 31, 2011 the contribution receivable was due from one donor. The donor also provided 22% of the total grants and contributions for the year ended December 31, 2011. Donated services make up approximately 87% of total revenue. In addition three firms provided 56% of the total donated revenue.

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 - TEMPORARILY RESTRICTED NET ASSETS**

At December 31, 2011 CAIR's temporarily restricted net assets consisted of the following:

<b>Purpose</b>	<b>Amount</b>
Legal Advocacy in Maryland	<b>\$ 50,000</b>
<b>Total temporarily restricted net assets</b>	<b>\$ 50,000</b>

**NOTE F - OFFICE LEASE**

CAIR Coalition entered into a lease agreement (the Agreement) for office space effective November 1, 2004 under a non-cancelable operating lease, which was extended through October 2013. Base rent increases 4% annually through the term of the lease.

**CAPITAL AREA IMMIGRANTS' RIGHTS COALITION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**December 31, 2011**

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**NOTE F - OFFICE LEASE (Continued)**

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

<i>For the Year Ending December 31,</i>	<b>Amount</b>
2012	<b>\$ 60,260</b>
2013	<b>51,051</b>
<b>Total future minimum lease payments</b>	<b>\$ 111,311</b>

**NOTE G - SUBSEQUENT EVENTS**

Subsequent events were evaluated through October 4, 2012 which is the date the financial statements were available to be issued