

**CAPITAL AREA IMMIGRANTS'
RIGHTS COALITION**

AUDITED FINANCIAL STATEMENTS

December 31, 2013

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION
AUDITED FINANCIAL STATEMENTS
December 31, 2013

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



Drolet + Associates PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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, 2013, 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, 2013, 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 2012 financial statements, and our report dated September 27, 2013 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, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Drolet + Associates, P.L.L.C.

Washington, DC
September 11, 2014

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION
STATEMENT OF FINANCIAL POSITION
December 31, 2013
(With Summarized Financial Information for December 31, 2012)

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 213,754	\$ 121,482
Contributions receivable	80,000	-0-
Accounts receivable	53,518	62,286
Prepaid expenses	17,637	13,523
TOTAL CURRENT ASSETS	364,909	197,291
PROPERTY AND EQUIPMENT		
Office equipment	24,151	23,478
Furniture and fixtures	2,140	2,140
	26,291	25,618
Less accumulated depreciation	(20,904)	(24,635)
NET PROPERTY AND EQUIPMENT	5,387	983
DEPOSIT	3,808	3,808
TOTAL ASSETS	\$ 374,104	\$ 202,082
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 25,369	\$ 9,686
Accrued vacation	12,801	10,837
Deferred revenue	-0-	6,500
TOTAL CURRENT LIABILITIES	38,170	27,023
NET ASSETS		
Unrestricted	250,934	175,059
Temporarily restricted:		
For legal advocacy in Maryland	75,000	-0-
For capacity building	10,000	-0-
Total temporarily restricted net assets	85,000	-0-
TOTAL NET ASSETS	335,934	175,059
TOTAL LIABILITIES AND NET ASSETS	\$ 374,104	\$ 202,082

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, 2013
(With Summarized Financial Information for the Year Ended December 31, 2012)

	Unrestricted	Temporarily Restricted	Total 2013	Total 2012
REVENUE				
Grants and contributions	\$ 396,592	\$ 85,000	\$ 481,592	\$ 313,398
Contract revenue	424,521		424,521	328,058
Donated services	6,571,442		6,571,442	3,923,886
Interest and dividends	162		162	209
Membership and other	3,760		3,760	3,304
TOTAL REVENUE	7,396,477	85,000	7,481,477	4,568,855
EXPENSES				
Program services:				
Legal	6,986,049		6,986,049	4,371,841
Outreach and Advocacy Coalition	167,940		167,940	78,434
	21,598		21,598	7,765
Total program services	7,175,587	-0-	7,175,587	4,458,040
Supporting services:				
Fundraising	42,878		42,878	49,344
General and administration	102,137		102,137	101,252
Total supporting services	145,015	-0-	145,015	150,596
TOTAL EXPENSES	7,320,602	-0-	7,320,602	4,608,636
CHANGE IN NET ASSETS	75,875	85,000	160,875	(39,781)
NET ASSETS, BEGINNING OF YEAR	175,059	-0-	175,059	214,840
NET ASSETS, END OF YEAR	\$ 250,934	\$ 85,000	\$ 335,934	\$ 175,059

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, 2013
(With Summarized Financial Information for the Year Ended December 31, 2012)

	Legal	Outreach and Advocacy	Coalition	Total Program	Fundraising	General and Administration	2013 Total	2012 Total
Pro bono legal services	\$ 6,396,282	\$ 155,225	\$ 19,935	\$ 6,571,442			\$ 6,571,442	\$ 3,923,886
Salaries	344,990	8,093	1,039	354,122	\$ 9,062	\$ 65,125	428,309	393,392
Payroll taxes	24,883	683	88	25,654	765	5,501	31,920	30,320
Fringe benefits	28,240	746	95	29,081	835	5,995	35,911	32,186
Staff Training	354			354			354	-0-
Travel	30,109	9	31	30,149	51	76	30,276	28,118
Office expense	8,413	146	19	8,578	13,553	1,172	23,303	18,876
Rent expense	50,351	1,181	152	51,684	1,323	9,504	62,511	60,260
Contractual services	68,108	1,187	152	69,447	15,928	9,274	94,649	78,596
Communication charges	5,527	129	17	5,673	144	1,039	6,856	8,002
Membership dues	4,345	15	2	4,362	16	118	4,496	4,898
Equipment rental and maintenance	7,472	175	23	7,670	196	1,410	9,276	9,499
Printing and publications	8,069	142	18	8,229	421	1,142	9,792	10,618
Taxes and insurance	8,006	188	24	8,218	560	1,512	10,290	8,618
Depreciation	879	21	3	903	23	265	1,191	925
Miscellaneous	21			21	1	4	26	442
TOTAL EXPENSES	\$ 6,986,049	\$ 167,940	\$ 21,598	\$ 7,175,587	\$ 42,878	\$ 102,137	\$ 7,320,602	\$ 4,608,636

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, 2013
(With Summarized Financial Information for the Year Ended December 31, 2012)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	\$ 160,875	\$ (39,781)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,191	925
Loss on sale of equipment	-0-	410
(Increase) decrease in contributions receivable	(80,000)	50,000
Decrease (increase) in accounts receivable	8,768	(15,128)
Increase in prepaid expenses	(4,114)	(894)
Increase in accounts payable	15,683	754
Increase in accrued vacation	1,964	2,580
Decrease in deferred revenue	(6,500)	-0-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	97,867	(1,134)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of office equipment	(5,595)	-0-
NET CASH USED IN INVESTING ACTIVITIES	(5,595)	-0-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	92,272	(1,134)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	121,482	122,616
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 213,754	\$ 121,482

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

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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, 2013

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, 2013 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, 2013, 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, 2013

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 2012 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, 2012. 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, 2012, 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, 2013.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2013

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 \$6,571,442 has been included as a program expense.

NOTE D - CONCENTRATIONS

As of December 31, 2013, the accounts receivable was due from one funding source. 94% of contributions receivable was due from two donors as of December 31, 2013.

Donated services make up approximately 88% of total revenue. One funding source represented 100% of the contract revenue for the year ended December 31, 2013. One donor contributed 21% of total grants and contributions for the year ended December 31, 2013.

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. December 31, 2012, the lease was extended through October 2015. 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
2014	\$ 64,093
2015	54,700
2016	2,628
2017	1,971
Total future minimum lease payments	\$ 123,392

NOTE F - SUBSEQUENT EVENTS

Subsequent events were evaluated through September 11, 2014 which is the date the financial statements were available to be issued.