



CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

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Independent Auditors' Report

To the Board of Directors
Capital Area Immigrants' Rights Coalition
Washington, D.C.

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, 2015, 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. 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 auditors consider 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, 2015, 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.



To the Board of Directors
Capital Area Immigrants' Rights Coalition

Report on Summarized Comparative Information

We have previously audited CAIR Coalition's 2014 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated August 4, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Counihan, Buchanan + Mitchell, P.C.

Washington, D.C.
August 5, 2016

Certified Public Accountants

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2014)

	<u>2015</u>	<u>2014</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 193,547	\$ 132,843
Contributions Receivable	60,000	50,000
Accounts Receivable	153,440	167,376
Prepaid Expenses	<u>35,269</u>	<u>31,063</u>
Total Current Assets	442,256	381,282
Property and Equipment		
Office Equipment	35,975	37,069
Furniture and Fixtures	2,140	2,140
Leasehold Improvements	<u>3,221</u>	<u>-</u>
	41,336	39,209
Less Accumulated Depreciation	<u>(25,336)</u>	<u>(23,762)</u>
Net Property and Equipment	16,000	15,447
Deposit	<u>3,808</u>	<u>3,808</u>
Total Assets	<u>\$ 462,064</u>	<u>\$ 400,537</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 28,583	\$ 27,435
Accrued Vacation	37,474	21,830
Deferred Revenue	6,833	-
Deferred Rent	<u>2,254</u>	<u>203</u>
Total Current Liabilities	75,144	49,468
Net Assets		
Unrestricted	298,970	351,069
Temporarily Restricted		
Legal Advocacy in Maryland	50,000	-
Legal Advocacy in Virginia	20,000	-
Legal Advocacy for Children Fleeing Violence	7,950	-
Time Restricted	<u>10,000</u>	<u>-</u>
Total Temporarily Restricted Net Assets	<u>87,950</u>	<u>-</u>
Total Net Assets	<u>386,920</u>	<u>351,069</u>
Total Liabilities and Net Assets	<u>\$ 462,064</u>	<u>\$ 400,537</u>

See accompanying Notes to Financial Statements.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2015

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2015</u>	<u>Total 2014</u>
Revenue				
Grants and Contributions	\$ 480,165	\$ 87,950	\$ 568,115	\$ 313,965
Contract Revenue	968,270	-	968,270	674,595
Donated Services	8,117,112	-	8,117,112	9,727,252
Interest and Dividends	176	-	176	151
Membership and Other	5,231	-	5,231	2,635
Total Revenue	9,570,954	87,950	9,658,904	10,718,598
Expenses				
Program Services				
Legal	9,047,868	-	9,047,868	10,149,282
Outreach and Advocacy	284,038	-	284,038	375,771
Coalition	69,579	-	69,579	18,857
Total Program Services	9,401,485	-	9,401,485	10,543,910
Supporting Services				
Fundraising	87,145	-	87,145	55,342
General and Administration	134,423	-	134,423	104,211
Total Supporting Services	221,568	-	221,568	159,553
Total Expenses	9,623,053	-	9,623,053	10,703,463
Change in Net Assets	(52,099)	87,950	35,851	15,135
Net Assets, Beginning of Year	351,069	-	351,069	335,934
Net Assets, End of Year	\$ 298,970	\$ 87,950	\$ 386,920	\$ 351,069

See accompanying Notes to Financial Statements.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2014)

	<u>Legal</u>	<u>Outreach and Advocacy</u>	<u>Coalition</u>	<u>Total Program</u>	<u>Fundraising</u>	<u>General and Administration</u>	<u>2015 Total</u>	<u>2014 Total</u>
Pro Bono Legal Services	\$ 7,809,144	\$ 247,372	\$ 60,596	\$ 8,117,112	\$ -	\$ -	\$ 8,117,112	\$ 9,727,252
Salaries	810,199	25,665	6,287	842,151	27,394	93,671	963,216	584,463
Payroll Taxes	60,973	1,931	473	63,377	2,062	7,050	72,489	44,441
Fringe Benefits	67,331	2,101	515	69,947	2,241	7,665	79,853	55,505
Staff Training	1,514	-	-	1,514	-	-	1,514	934
Travel	46,080	22	9	46,111	102	78	46,291	37,619
Office Expense	18,463	443	109	19,015	31,478	2,220	52,713	27,409
Rent Expense	107,590	3,408	834	111,832	3,638	12,440	127,910	76,889
Contractual Services	67,560	1,780	436	69,776	17,578	6,498	93,852	104,225
Communication Charges	6,755	213	52	7,020	227	779	8,026	6,772
Membership Dues	6,697	25	6	6,728	26	90	6,844	5,043
Equipment Rental and Maintenance	7,838	249	60	8,147	265	907	9,319	6,680
Printing and Publications	16,775	281	68	17,124	849	1,027	19,000	10,556
Taxes and Insurance	10,752	341	83	11,176	1,064	1,242	13,482	10,680
Depreciation	6,518	206	51	6,775	220	754	7,749	2,858
Miscellaneous	3,679	1	-	3,680	1	2	3,683	2,137
Total Expenses	<u>\$ 9,047,868</u>	<u>\$ 284,038</u>	<u>\$ 69,579</u>	<u>\$ 9,401,485</u>	<u>\$ 87,145</u>	<u>\$ 134,423</u>	<u>\$ 9,623,053</u>	<u>\$10,703,463</u>

See accompanying Notes to Financial Statements.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2014)

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 35,851	\$ 15,135
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation	7,749	2,858
Loss on Disposal of Property and Equipment	599	-
<u>(Increase) Decrease in Assets</u>		
Contributions Receivable	(10,000)	30,000
Accounts Receivable	13,936	(113,858)
Prepaid Expenses	(4,206)	(13,426)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable	1,148	2,066
Accrued Vacation	15,644	9,029
Deferred Revenue	6,833	-
Deferred Rent	2,051	203
Net Cash Provided by (Used in) by Operating Activities	69,605	(67,993)
Cash Flows from Investing Activities		
Purchases of Property and Equipment	<u>(8,901)</u>	<u>(12,918)</u>
Net Cash Used in Investing Activities	(8,901)	(12,918)
Net Increase (Decrease) in Cash and Cash Equivalents	60,704	(80,911)
Cash and Cash Equivalents, Beginning of Year	<u>132,843</u>	<u>213,754</u>
Cash and Cash Equivalents, End of Year	<u>\$ 193,547</u>	<u>\$ 132,843</u>

See accompanying Notes to Financial Statements.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

1. 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, 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
DECEMBER 31, 2015

1. 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, 2015, 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 generally 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 consists of amounts due for services. Accounts receivable are charged to bad debt expense as they are deemed uncollectible. At December 31, 2015, 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.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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. Restricted contributions for which the restrictions are met in the year received are considered unrestricted for financial statement purposes.

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

The preparation of financial statements prepared in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could vary from those estimates.

Reclassifications

Certain 2014 amounts have been reclassified for comparative purposes.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative totals as of and for the year ended December 31, 2014. Such information does not include sufficient detail to constitute a presentation in accordance 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, 2014, from which the summarized information was derived.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. 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 matching contribution was approximately \$5,300 for the year ended December 31, 2015.

3. 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 \$8,117,000 has been included as a program expense allocated to Legal (\$7,809,000), Outreach and Advocacy (\$247,000), and Coalition (\$61,000).

4. CONCENTRATIONS

As of December 31, 2015, the accounts receivable was due from one funding source. 83% of contributions receivable was due from one donor as of December 31, 2015.

One funding source accounted for all of the contract revenue for the year ended December 31, 2015. One donor contributed 18% of total grants and contributions for the year ended December 31, 2015.

CAIR Coalition maintains cash balances at financial institutions in the Washington, D.C., 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.

5. LINE OF CREDIT

In 2015, CAIR Coalition obtained an unsecured line of credit from a bank in the amount of \$120,000. The line of credit may be terminated at any time, requiring immediate payment of the balance outstanding. There were no borrowings against the line during the year ended December 31, 2015. Interest is payable on outstanding borrowings at the bank's index rate plus 2.75%.

6. OFFICE AND EQUIPMENT LEASES

CAIR Coalition entered into a non-cancelable lease agreement for office space effective November 1, 2004. In September of 2014, the lease was extended through October 2017. In addition, CAIR Coalition entered into a one year non-cancelable lease agreement in 2015 for additional office space through February 2017. CAIR Coalition also has a copier lease agreement accounted for as an operating lease.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

6. OFFICE AND EQUIPMENT LEASES (CONTINUED)

Total future minimum lease payments under these leases are as follows:

<u>For the Years Ending December 31,</u>	<u>Amount</u>
2016	\$ 137,002
2017	<u>80,160</u>
Total	<u>\$ 217,162</u>

7. SUBSEQUENT EVENTS

Subsequent events were evaluated through August 5, 2016, which is the date the financial statements were available to be issued.