



CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

FINANCIAL STATEMENTS

DECEMBER 31, 2016

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, 2016, 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, 2016, 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 2015 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated August 5, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Councilor, Buchanan & Mitchell, P.C.

Washington, D.C.
September 5, 2017

Certified Public Accountants

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016

(WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION AS OF DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 154,202	\$ 193,547
Contributions Receivable	-	60,000
Accounts Receivable	181,344	153,440
Prepaid Expenses	<u>46,063</u>	<u>35,269</u>
Total Current Assets	381,609	442,256
Property and Equipment		
Office Equipment	26,731	35,975
Furniture and Fixtures	2,140	2,140
Leasehold Improvements	3,221	-
Website	<u>13,500</u>	<u>3,221</u>
	45,592	41,336
Less Accumulated Depreciation and Amortization	<u>(23,979)</u>	<u>(25,336)</u>
Net Property and Equipment	21,613	16,000
Deposit	<u>3,808</u>	<u>3,808</u>
Total Assets	<u><u>\$ 407,030</u></u>	<u><u>\$ 462,064</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 36,007	\$ 28,583
Accrued Payroll and Vacation	82,969	37,474
Deferred Revenue	8,500	6,833
Deferred Rent	<u>2,535</u>	<u>2,254</u>
Total Current Liabilities	130,011	75,144
Net Assets		
Unrestricted	271,257	298,970
Temporarily Restricted		
Legal Advocacy in Maryland	-	50,000
Legal Advocacy in Virginia	4,980	20,000
Legal Advocacy in District Columbia	782	-
Legal Advocacy for Children Fleeing Violence	-	7,950
Time Restricted	<u>-</u>	<u>10,000</u>
Total Temporarily Restricted Net Assets	<u>5,762</u>	<u>87,950</u>
Total Net Assets	<u>277,019</u>	<u>386,920</u>
Total Liabilities and Net Assets	<u><u>\$ 407,030</u></u>	<u><u>\$ 462,064</u></u>

See accompanying Notes to Financial Statements.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2016

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2016</u>	<u>Total 2015</u>
Revenue				
Grants and Contributions	\$ 546,500	\$ 782	\$ 547,282	\$ 568,115
Contract Revenue	1,172,480	-	1,172,480	968,270
Donated Services	10,360,701	-	10,360,701	8,117,112
Interest and Dividends	91	-	91	176
Membership and Other	4,300	-	4,300	5,231
Net Assets Released from Restrictions	-	-	-	-
Legal Advocacy in Maryland	50,000	(50,000)	-	-
Legal Advocacy in Virginia	15,020	(15,020)	-	-
Legal Advocacy for Children Fleeing Violence	7,950	(7,950)	-	-
Time Restricted	10,000	(10,000)	-	-
Total Revenue	12,167,042	(82,188)	12,084,854	9,658,904
Expenses				
Program Services				
Legal	11,844,474	-	11,844,474	9,047,868
Outreach and Advocacy	60,992	-	60,992	284,038
Coalition	25,112	-	25,112	69,579
Total Program Services	11,930,578	-	11,930,578	9,401,485
Supporting Services				
Fundraising	97,089	-	97,089	87,145
General and Administration	167,088	-	167,088	134,423
Total Supporting Services	264,177	-	264,177	221,568
Total Expenses	12,194,755	-	12,194,755	9,623,053
Change in Net Assets	(27,713)	(82,188)	(109,901)	35,851
Net Assets, Beginning of Year	298,970	87,950	386,920	351,069
Net Assets, End of Year	\$ 271,257	\$ 5,762	\$ 277,019	\$ 386,920

See accompanying Notes to Financial Statements.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>Legal</u>	<u>Outreach and Advocacy</u>	<u>Coalition</u>	<u>Total Program</u>	<u>Fundraising</u>	<u>General and Administration</u>	<u>2016 Total</u>	<u>2015 Total</u>
Pro Bono Legal Services	\$ 10,283,814	\$ 53,401	\$ 21,986	\$ 10,359,201	\$ -	\$ -	\$ 10,359,201	\$ 8,117,112
Salaries	1,039,329	5,397	2,222	1,046,948	44,797	117,358	1,209,103	963,216
Payroll Taxes	78,575	412	170	79,157	3,416	8,874	91,447	72,489
Fringe Benefits	86,405	448	184	87,037	3,712	10,278	101,027	79,853
Staff Training	1,615	-	-	1,615	117	-	1,732	1,514
Travel	54,368	7	3	54,378	119	147	54,644	46,291
Office Expense	22,045	93	39	22,177	16,244	3,860	42,281	52,713
Rent Expense	122,819	645	265	123,729	5,339	13,871	142,939	127,910
Contractual Services	77,402	344	142	77,888	12,378	7,422	97,688	93,852
Communication Charges	11,297	59	24	11,380	491	1,276	13,147	8,026
Membership Dues	10,520	4	2	10,526	282	81	10,889	6,844
Equipment Rental and Maintenance	7,501	39	16	7,556	326	848	8,730	9,319
Printing and Publications	12,962	20	8	12,990	8,844	415	22,249	19,000
Taxes and Insurance	14,692	77	32	14,801	639	1,659	17,099	13,482
Depreciation and Amortization	8,212	43	18	8,273	357	927	9,557	7,749
In-House Litigation	10,206	-	-	10,206	-	-	10,206	-
Miscellaneous	2,712	3	1	2,716	28	72	2,816	3,683
Total Expenses	\$ 11,844,474	\$ 60,992	\$ 25,112	\$ 11,930,578	\$ 97,089	\$ 167,088	\$ 12,194,755	\$ 9,623,053

See accompanying Notes to Financial Statements.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (109,901)	\$ 35,851
Adjustments to Reconcile Change in Net Assets to Net Cash (Used in) Provided by Operating Activities		
Depreciation and Amortization	9,557	7,749
Loss on Disposal of Property and Equipment	1,516	599
<u>(Increase) Decrease in Assets</u>		
Contributions Receivable	60,000	(10,000)
Accounts Receivable	(27,904)	13,936
Prepaid Expenses	(10,794)	(4,206)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable	7,424	1,148
Accrued Vacation	45,495	15,644
Deferred Revenue	1,667	6,833
Deferred Rent	281	2,051
Net Cash (Used in) Provided by Operating Activities	<u>(22,659)</u>	69,605
Cash Flows from Investing Activities		
Purchases of Property and Equipment	<u>(16,686)</u>	<u>(8,901)</u>
Net Cash Used in Investing Activities	<u>(16,686)</u>	<u>(8,901)</u>
Cash Flows from Financing Activities		
Draws on Line of Credit	125,000	-
Repayments of Line of Credit	<u>(125,000)</u>	<u>-</u>
Net Cash Provided by Financing Activities	<u>-</u>	<u>-</u>
Net (Decrease) Increase in Cash and Cash Equivalents	<u>(39,345)</u>	60,704
Cash and Cash Equivalents, Beginning of Year	<u>193,547</u>	<u>132,843</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 154,202</u></u>	<u><u>\$ 193,547</u></u>

See accompanying Notes to Financial Statements.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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, 2016

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, 2016, 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, 2016, 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, 2016

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 2015 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, 2015. 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, 2015, from which the summarized information was derived.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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 \$4,000 for the year ended December 31, 2016.

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 \$10,359,000 has been included as a program expense allocated to Legal (\$10,284,000), Outreach and Advocacy (\$53,000), and Coalition (\$22,000).

4. CONCENTRATIONS

As of December 31, 2016, contracts receivable was due from one funding source.

One funding source accounted for all of the contract revenue for the year ended December 31, 2016.

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. Interest is payable on outstanding borrowings at the bank's index rate plus 2.75%. Interest expense for the year ended December 31, 2016, was approximately \$300 and is included in office expense in the accompanying statement of functional expenses.

6. OFFICE AND EQUIPMENT LEASES

CAIR Coalition has several non-cancelable lease agreements for office space, expiring at various times through October 2018. CAIR Coalition also has a copier lease agreement that extends through September 2020, accounted for as an operating lease.

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

For the Years Ending December 31,

2017	\$ 191,644
2018	164,786
2019	7,608
2020	5,706
Total	<u>\$ 369,744</u>

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

7. SUBSEQUENT EVENTS

Subsequent events were evaluated through September 5, 2017, which is the date the financial statements were available to be issued.