CAPITAL AREA IMMIGRANTS' RIGHTS COALITION
DBA AMICA CENTER FOR IMMIGRANT RIGHTS

FINANCIAL STATEMENTS

DECEMBER 31, 2023

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

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Independent Auditor's Report

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

Opinion

We have audited the accompanying consolidated financial statements of Capital Area Immigrants' Rights Coalition (CAIR Coalition) and Acacia Center for Justice (Acacia), (collectively referred to as the Organization), which comprise the statement of financial position as of December 31, 2023, and the related consolidated statements of activities, consolidated functional expenses, and consolidated cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and the consolidated changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Councilor, Buchanan & Mitchell, P.C.

Bethesda, Maryland
November 13, 2024

Certified Public Accountants

Capital Area Immigrants' Rights Coalition

Statement of Financial Position
December 31, 2023

Assets	
Current Assets	
Cash and Cash Equivalents	$ 4,216,285
Grants and Contributions Receivable	255,000
Accounts Receivable	1,553,615
Prepaid Expenses	116,215
Total Current Assets	6,141,115
Property and Equipment	
Office Equipment	78,469
Furniture and Fixtures	2,140
Leasehold Improvements	756,928
Website	17,875
Software	8,147
	863,559
Less Accumulated Depreciation and Amortization	(261,053)
Net Property and Equipment	602,506
Operating Right-of-Use Assets	3,652,065
Deposits	78,716
Total Assets	$ 10,474,402
Liabilities and Net Assets	
Current Liabilities	
Accounts Payable	$ 127,930
Accrued Payroll and Vacation	635,332
Refundable Advances	558,912
Deferred Revenue	12,010
Operating Lease Liabilities	530,106
Total Current Liabilities	1,864,290
Operating Lease Liabilities, Net of Current Portion	4,287,956
Total Liabilities	6,152,246
Net Assets	
Net Assets Without Donor Restrictions	3,930,975
Net Assets With Donor Restrictions	
Impact Lab	48,410
Detained Children's Program	70,902
General Legal Advocacy	151,869
Time Restricted	120,000
Total Net Assets With Donor Restrictions	391,181
Total Net Assets	4,322,156
Total Liabilities and Net Assets	$ 10,474,402

See accompanying Notes to Consolidated Financial Statements.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Grants and Contributions	$ 8,170,905	$ 323,000	$ 8,493,905
Contract Revenue	88,785,596	-	88,785,596
Donated Services	9,564,634	-	9,564,634
Interest Income	48,953	-	48,953
Other Revenue	10,775	-	10,775
Net Assets Released from Restrictions			
Impact Lab	11,792	(11,792)	-
Detained Children's Program	998	(998)	-
General Legal Advocacy	215,162	(215,162)	-
Time Restricted	48,033	(48,033)	-
Total Revenue	106,856,848	47,015	106,903,863
Expenses			
Program Services			
Legal	19,143,922	-	19,143,922
Capacity Building	7,326,154	-	7,326,154
Legal Access and Orientation	29,492,492	-	29,492,492
Legal Representation	36,182,260	-	36,182,260
Total Program Services	92,144,828	-	92,144,828
Supporting Services			
Fundraising	725,815	-	725,815
General and Administration	6,618,280	-	6,618,280
Total Supporting Services	7,344,095	-	7,344,095
Total Expenses	99,488,923	-	99,488,923
Change in Net Assets	7,367,925	47,015	7,414,940
Net Assets, Beginning of Year	6,950,414	344,166	7,294,580
Deconsolidation of Acacia Center for Justice	(10,387,364)	-	(10,387,364)
Net Assets, End of Year	$ 3,930,975	$ 391,181	$ 4,322,156

See accompanying Notes to Consolidated Financial Statements.

CAPITAL AREA IMMIGRANTS' RIGHTS COALITION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Legal	Capacity Building	Legal Access and Orientation	Legal Representation	Total Program Services	Fundraising	General and Administration	Total
Pro Bono Legal Services	$ 9,564,634	$ -	$ -	$ -	$ 9,564,634	$ -	$ -	$ 9,564,634
Salaries	6,378,254	242,696	3,149,159	4,912,094	14,682,203	412,901	4,173,039	19,268,143
Payroll Taxes	509,398	20,101	242,439	382,856	1,154,794	32,327	317,065	1,504,186
Fringe Benefits	484,597	51,222	574,172	852,136	1,962,127	61,831	553,886	2,577,844
Subgrantee Award	-	-	-	2,153,084	2,153,084	-	-	2,153,084
Staff Training	58,170	-	-	-	58,170	8,066	7,756	73,992
Conference and Travel	114,881	53,563	76,718	137,379	382,541	8,457	200,919	591,917
Office Expenses	58,846	291	13,500	10,143	82,780	104,380	136,397	323,557
Commodities, Supplies, and Minor Equipment	-	596	58,285	58,062	116,943	2,564	48,887	168,394
Operating Lease Expense	515,305	-	-	-	515,305	19,743	68,707	603,755
Subcontractor Services	708,893	6,554,963	24,817,684	27,400,623	59,482,163	21,191	73,746	59,577,100
Professional Fees	-	402,692	484,017	221,165	1,107,874	-	815,013	1,922,887
Communication Charges	73,925	-	12,068	14,785	100,778	3,432	15,784	119,994
Membership Dues	51,459	-	-	-	51,459	1,972	6,861	60,292
Equipment Rental and Maintenance	47,322	-	64,052	39,054	150,428	5,449	54,842	210,719
Printing Publications and Subscriptions	131,020	-	-	-	131,020	26,956	11,836	169,812
Taxes and Insurance	84,230	-	-	-	84,230	3,227	11,231	98,688
Depreciation and Amortization	-	-	-	-	-	-	75,593	75,593
In-House Litigation	344,358	-	-	-	344,358	13,193	45,914	403,465
Social Services	18,630	-	-	-	18,630	-	-	18,630
Other Expenses	-	30	398	879	1,307	126	804	2,237
Total Expenses	$ 19,143,922	$ 7,326,154	$ 29,492,492	$ 36,182,260	$ 92,144,828	$ 725,815	$ 6,618,280	$ 99,488,923

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash Flows from Operating Activities	
Change in Net Assets	$ 7,414,940
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities	
Depreciation and Amortization	75,593
Operating Lease Expense	603,755
(Increase) in Assets	
Grants and Contributions Receivable	(888,680)
Accounts Receivable	(30,615,747)
Prepaid Expenses	(148,329)
Advances to Subgrantees	(2,698,675)
Other Asset	(27,560)
Increase (Decrease) in Liabilities	
Accounts Payable	20,560,812
Accrued Payroll and Vacation	208,707
Refundable Advances	2,607,973
Deferred Revenue	480,564
Accrued Loss on Uncompleted Contract	(249,560)
Contract Liability	3,838,722
Operating Lease Liabilities	(584,207)
Net Cash Provided by Operating Activities	578,308
Cash Flows from Investing Activities	
Purchases of Property and Equipment	(15,471)
Net Cash Used in Investing Activities	(15,471)
Net Increase in Cash and Cash Equivalents	562,837
Cash and Cash Equivalents, Beginning of Year	9,696,800
Deconsolidation of Acacia Center for Justice	(6,043,352)
Cash and Cash Equivalents, End of Year	$ 4,216,285
Noncash Transactions from Investing and Financing Activities	
Establishment of Right-of-Use Assets	$ 134,765
Establishment of Lease Liabilities	134,765

See accompanying Notes to Consolidated Financial Statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Capital Area Immigrants' Rights Coalition (CAIR Coalition) began doing business as Amica Center for Immigration Rights (Amica) effective June 10, 2024. This change reflects CAIR Coalition's continued mission to support fair and humane immigration policy. The legal structure and operations of CAIR Coalition remain unchanged.

In December 2021, CAIR Coalition became the sole member of a newly created nonprofit, Acacia Center for Justice (Acacia). The objective of Acacia is to expand on Vera Institute of Justice's (Vera) work over the past twenty years in providing legal support and representation to immigrants facing deportation through the development, coordination, and management of national networks of legal services providers serving immigrants across the country. Acacia's goals are two-fold: to support immigrant legal services and defense networks to provide exceptional legal services to immigrants and to advocate for the expansion of these programs and the infrastructure critical to guaranteeing immigrants access to justice, fairness, and freedom.

Effective August 7, 2023, CAIR Coalition and Acacia entered into an independence agreement which set forth the understandings between CAIR Coalition and Acacia regarding Acacia's ultimate independence from CAIR Coalition as well as the continuing relationship between the entities. The Independence Date is effective December 31, 2023. As such, CAIR Coalition is considered to be the sole member with controlling and economic interest in Acacia through December 31, 2023, and consolidated statement of activities, functional expenses, and cash flows for the year ended December 31, 2023, have been presented. No consolidated statement of financial position has been presented since the independence agreement was effective on December 31, 2023.

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

Legal: CAIR Coalition conducts legal rights presentations at detention centers in various states, providing advice and assistance to individuals detained by the Department of Homeland Security (DHS). When possible, CAIR Coalition secures free legal counsel for immigration detainees, either in-house or with a partner law firm or law school legal clinic. 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 also engages in impact litigation to challenge barriers to asylum, minimize the immigration consequences of criminal convictions, and protect due process rights for detained children and adults.

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.

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

Organization (Continued)

The programs of Acacia fall into the following three areas:

Legal Access & Orientation Programs deliver legal orientations and self-help workshops about immigration court procedures to adults, adult caregivers of children, and families in DHS custody and in removal proceedings to help them better understand what to expect in court. These programs are comprised of:

- Legal Orientation Program (LOP) delivers legal orientations and self-help workshops about immigration court procedures to adult individuals in DHS custody to help them prepare to represent themselves in immigration court.
- Legal Orientation Program for Custodians of Unaccompanied Children (LOPC) provides legal orientation presentations to adult caregivers (custodians/sponsors) of non-detained unaccompanied children in EOIR removal proceedings.
- Immigration Court Helpdesk (ICH) delivers legal orientations and self-help workshops to non-detained individuals in removal proceedings to help them better understand what to expect in immigration court and prepare to represent themselves.
- Family Group Legal Orientation Program (FGLOP) provides legal orientation presentations and self-help workshops to family groups in removal proceedings to help them better understand what to expect in court and prepare to represent themselves.

Legal Representation Programs provide legal counsel to adults and children in various contexts. These programs are comprised of:

- National Qualified Representative Program (NQRP) provides qualified representatives (attorneys and others accredited to provide legal defense) in immigration court to unrepresented detained adults who are found by an Immigration Judge or The Board of Immigration Appeals to be mentally incompetent to represent themselves in immigration proceedings.
- Children's Counsel Initiative (CCI) provides legal representation to children who are in immigration proceedings in designated immigration court locations.
- Unaccompanied Children Program (UCP) provides know your rights presentations and legal screenings to all children in ORR custody, as well as representation to children in and released from ORR custody.
- Litigation Support Fund (LSF) provides a source of funding to support the legal cases of unaccompanied children who are placed in facilities and locations outside of the existing network of legal service providers and to challenge custody determinations and other strategic litigation advocacy.

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

Organization (Continued)

Through Capacity Building programs, Acacia works with partners to expand organizational resources to meet demand for legal services throughout the US The programs are comprised of:

- Attorney Recruitment Project places experienced and new attorneys in legal service providers to bolster the capacity of these critical services.
- Policy and Outreach encompass policy analysis, research, lobbying, and government relations to advance and grow public support for Acacia's work.

Principles of Consolidation

The consolidated statements of activities, functional expenses, and cash flows include the accounts of CAIR Coalition and Acacia, collectively, the Organization. The statement of financial position includes the accounts of only CAIR Coalition as Acacia was not controlled by CAIR Coalition as of December 31, 2023. Intercompany balances and transactions have been eliminated in consolidation.

Income Taxes

Both CAIR Coalition and Acacia are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code). In addition, both have been determined by the Internal Revenue Service not to be private foundations within the meaning of Section 509(a) of the Code.

The Organization 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. The Organization does not believe its consolidated financial statements include, or reflect, any uncertain tax positions.

CAIR Coalition's and Acacia'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.

Basis of Accounting

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Organization considers all highly liquid investments which have an initial maturity of three months or less to be cash equivalents.

Grants and Contributions Receivable

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

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

Accounts Receivable

Accounts receivable consists of amounts due for services. Accounts receivable amounts are presented in the statement of financial position at the net amount expected to be collected. The Organization uses the loss-rate method to estimate expected credit losses based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Historical credit loss experience provides the basis for the estimation of expected credit losses and adjustments are made for differences in current and forecasted risk characteristics and economic conditions. In addition, allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. Accounts receivable that do not share risk characteristics are evaluated on an individual basis. At December 31, 2023, management believes all accounts receivable are collectible. Therefore, no allowance for credit losses has been recorded.

The Organization writes off accounts receivable amounts from the allowance in the period the receivable is considered uncollectible. Any recoveries of amounts that were previously written off are recorded when the cash is received. During the year ended December 31, 2023, the Organization had no write-offs or recoveries. The consolidated balance of accounts receivable at December 31, 2022, was approximately $12.400 million.

Property and Equipment

Property and equipment is stated at cost, if purchased, or fair market value at date of donation, if contributed. The Organization capitalizes all expenditures for property and equipment in excess of $5,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated lives of the related assets or the remaining lease term and is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. Expenditures for maintenance and repairs are charged to expense as incurred.

Operating Right-of-Use Assets and Lease Liabilities

The determination of whether an arrangement is a lease is made at the lease's inception. Under the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating lease liabilities are initially measured at the present value of minimum lease payments using a risk-free discount rate that approximates the remaining term of the lease. The operating right-of-use assets are the operating lease liabilities adjusted for other lease-related accounts. Management considers the likelihood of exercising renewal or termination clauses (if any) in measuring the Organization's operating right-of-use assets and operating lease liabilities.

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

Operating Right-of-Use Assets and Lease Liabilities (Continued)

Operating lease expense is allocated over the remaining lease term on a straight-line basis.

The Organization considers leases with initial terms of twelve months or less, and no option to purchase the underlying asset, to be short-term leases. Accordingly, short-term lease costs are expensed over the remaining lease term, with no corresponding right-of-use asset or lease liability. In addition, the Organization does not separate non-lease components from lease components (if any) when determining the payments for leases.

Grants and Contributions

The Organization reports unconditional 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, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Donor restricted contributions for which the conditions and/or restrictions are met in the year received are considered unconditional and without donor restrictions for consolidated financial statement purposes.

Conditional grants and contributions are reported as refundable advances until the conditions have been substantially met or explicitly waived by the donor. Revenue is recognized on the date the condition is met.

Contract Revenue

Contract revenue includes immigration legal services provided by the Organization under fixed-price and time and materials contracts. Fixed-price contracts are recognized ratably over the contract period, as services are provided. Time and materials contracts are recognized over time as incurred, which is representative of the services provided. The transaction price associated with time and materials contracts is based on fixed hourly rates charged to the customer and may vary depending on the actual time expended by the Organization and other direct costs, such as travel expenses incurred. Contract activities and expenditures are subject to audit and acceptance by the funding agency and, as a result of such audit, adjustments could be required. However, management does not anticipate any material adjustments.

Deferred Revenue

Deferred revenue represents the amount received on a fixed price contract in advance of completion of the services. The consolidated balance of deferred revenue as of December 31, 2022, was approximately $1,300,000. $21,800 was recognized as income during the year ended December 31, 2023.

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

Classification of Net Assets

The consolidated financial statements of the Organization have been prepared in accordance with US generally accepted accounting principles (US GAAP), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Functional Expense Allocation

Certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, fringe benefits, payroll taxes, and general expenses, which are allocated on the basis of estimates of time and effort by employees. Expenses directly identifiable to specific programs and supporting activities are presented accordingly.

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 the Organization.

Use of Estimates

The preparation of consolidated 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.

2. ADOPTION OF ACCOUNTING STANDARDS UPDATE

During the year ended December 31, 2023, the Organization adopted Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.* ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability.

2. ADOPTION OF ACCOUNTING STANDARDS UPDATE (CONTINUED)

Assets must be presented in the consolidated financial statements at the net amount expected to be collected. All assets that fall within the scope of ASU 2016-13 were evaluated to determine if the measurement of expected credit losses is material. The Organization adopted ASU 2016-13 and the effect of the adoption was not material to the consolidated financial statements.

3. LIQUIDITY AND AVAILABLE RESOURCES

The Organization manages its liquidity to meet general expenditures, liabilities, and other obligations as they come due. To meet unanticipated or seasonal needs, CAIR Coalition had a line of credit which matured on January 16, 2024, for $260,000. The line of credit was not renewed. Interest is charged at the Wall Street Journal Prime Rate plus 2.65%, secured by CAIR Coalition's assets. There was no activity in this line of credit during the year ended December 31, 2023.

In addition, on July 14, 2023, Acacia entered a variable rate revolving line of credit with a bank to provide funding for working capital. The available line of credit is $1.500 million and was due on July 1, 2024. Interest is due monthly and accrues at .25% points above the Prime Rate in *The Wall Street Journal*. The line of credit is secured by substantially all the assets of Acacia. In addition, the line of credit is guaranteed by Vera. There were no advances under the line of credit in 2023.

The following reflects the Organization's financial assets as of December 31, 2023, reduced by amounts not available for general operating expenditure within one year:

Financial Assets	
Cash and Cash Equivalents	$ 4,216,285
Grants and Contributions Receivable	255,000
Accounts Receivable	1,553,615
Less Amounts Restricted by Donors for Purpose	(271,181)
Total Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	$ 5,753,719

4. TAX SHELTERED ANNUITY PLAN

CAIR Coalition has 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. The Board of Directors determines a discretionary employee matching contribution for each plan year. The discretionary matching contribution was approximately $56,000 for the year ended December 31, 2023.

Acacia sponsors a 403(b) plan (the 403B Plan) for its employees. The 403B Plan covers substantially all full-time employees who have completed one month of service. For the year ended December 31, 2023, Acacia contributed approximately $543,000 to the 403B Plan.

5. DONATED SERVICES

The Organization received donated services for legal services and related expenses during the year ended December 31, 2023. The value of donated services are based on current market rates for similar services.

5. DONATED SERVICES (CONTINUED)

The Organization's policy related to donated services is to utilize the services given to carry out the mission of the Organization. All donated services received by the Organization for the year ended December 31, 2023, were considered without donor restrictions and able to be used by the Organization as determined by the Board of Directors and management.

6. CONCENTRATIONS

As of December 31, 2023, approximately 95% of accounts receivable was due from two funding sources, approximately 100% of grants and contributions receivable was due from two donors. Three funding sources accounted for 95% of the contract revenue for the year ended December 31, 2023. Two donors accounted for 75% of grants and contributions revenue for the year ended December 31, 2023.

The Organization 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 Organization's cash balances exceeded the FDIC insurance amounts. Management believes the risk in these situations to be minimal.

7. OFFICE AND EQUIPMENT OPERATING LEASES

The Organization has two non-cancelable operating lease agreements for office space in Washington, DC, and Baltimore, Maryland, expiring at various times through October 2032. The Organization also has operating lease agreements for office equipment that expire at various times through October 2028. Under accounting principles generally accepted in the United States of America (GAAP), operating lease expense related to the lease agreements is recognized on a straight-line basis over the remaining lease terms. In addition, the Organization had no variable or short-term lease expense in 2023.

Under the terms of the Washington, DC lease, the base rent increases annually based on scheduled increases of 3.5% to 4.0%. The lessor will provide several months of free rent and the Organization is responsible for its share of increases in real estate taxes and operating expenses. In addition, the lessor provided lease incentives totaling approximately $750,000. The lease does not contain an option to extend the lease term or terminate early.

Under the terms of the Baltimore, Maryland lease, the base rent increases annually based on scheduled increases of approximately 2.75%. In 2026, the Organization has the option to extend the lease for one five-year term at market rates. The Organization was not reasonably certain to exercise the option to extend the lease term at the initial date of application of *Leases (Topic 842),* and the option was not included in the measurement of the operating right-of-use asset or lease liability.

7. OFFICE AND EQUIPMENT OPERATING LEASES (CONTINUED)

Maturities of the operating lease liabilities and balances of the right-of-use assets as of December 31, 2023, are as follows:

For the Years Ending December 31,	DC Office	MD Office	Copier	Computers	Total
2024	$ 405,488	$ 80,623	$ 26,052	$ 95,339	$ 607,502
2025	422,372	82,754	25,562	38,692	569,380
2026	515,612	13,853	22,502	-	551,967
2027	534,136	-	19,959	-	554,095
2028	555,502	-	6,885	-	562,387
Thereafter	2,341,378	-	-	-	2,341,378
Total Undiscounted Minimum Lease Payments	4,774,488	177,230	100,960	134,031	5,186,709
Less Discount to Present Value	(355,651)	(2,525)	(7,314)	(3,157)	(368,647)
Total Operating Lease Liabilities	$ 4,418,837	$ 174,705	$ 93,646	$ 130,874	$ 4,818,062
Operating Right-of-Use Assets	$ 3,259,546	$ 167,901	$ 93,742	$ 130,876	$ 3,652,065

The supplementary qualitative operating lease information is as follows:

Supplementary Qualitative Operating Lease Information	Amount
Weighted-Average Remaining Lease Term (Years)	8.30
Weighted-Average Discount Rate (Risk-Free)	1.73%

8. CONDITIONAL GRANT

CAIR Coalition has received a conditional grant as of December 31, 2023, totaling approximately $2,184,000. The conditional amount has not been recorded as grants and contributions revenue, as the required criteria under generally accepted accounting principles have not been met as of December 31, 2023, and any funds received, in advance, have been included in refundable advances on the statement of financial position. CAIR Coalition must incur certain costs associated with legal representation of detained immigrants in order to recognize the revenue related to this grant.

9. RELATED PARTY TRANSACTIONS

As part of the formation of Acacia, the bylaws stipulated that CAIR Coalition had the power to elect Acacia's Board of Trustees. Accordingly, CAIR Coalition was considered to be the sole member with controlling and economic interest in Acacia through the Independence Date as discussed in Note 1. During the year ended December 31, 2023, CAIR Coalition provided services as a subcontractor to Acacia for approximately $1.9 million. As of December 31, 2023, approximately $734,000 was due from Acacia to CAIR Coalition.

The Director of Finance for Vera serves as a trustee for Acacia. During the year ended December 31, 2023, Vera provided contract revenue of approximately $18.4 million to Acacia.

Another Acacia trustee serves as Executive Director of an Acacia subcontractor. During the year ended December 31, 2023, this subcontractor provided services to Acacia for approximately $6.55 million.

10. SUBSEQUENT EVENTS

During late 2024, the Board of Directors of CAIR Coalition voted to recognize the National Organization of Legal Services Workers, UAW Local 2320, AFL-CIO, as the representative for a collective bargaining unit at CAIR Coalition.

Subsequent events were evaluated through November 13, 2024, which is the date the consolidated financial statements were available to be issued.

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CENTERED ON YOUR SUCCESS

Independent Auditor's Report on Consolidating Information

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

We have audited the accompanying financial statements of Capital Area Immigrants' Rights Coalition (CAIR Coalition) and Acacia Center for Justice (Acacia), (collectively referred to as the Organization), as of and for the year ended December 31, 2023, and our report thereon dated November 13, 2024, which expressed an unmodified opinion on those financial statements, appears on pages 3-4. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of activities is presented for purposes of additional analysis of the consolidated financial statements rather than to present the results of operations, and cash flows of the individual organizations, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Councilor, Buchanan & Mitchell, P.C.

Certified Public Accountants

Bethesda, Maryland
November 13, 2024

Capital Area Immigrants' Rights Coalition and Acacia Center for Justice

Consolidating Statement of Activities
For the Year Ended December 31, 2023

	CAIR Coalition	Acacia	Eliminations	Total
Change in Net Assets Without Donor Restrictions				
Revenue				
Grants and Contributions	$ 5,287,554	$ 2,883,351	$ -	$ 8,170,905
Contract Revenue	5,993,454	84,702,081	(1,909,939)	88,785,596
Donated Services	9,564,634	-	-	9,564,634
Interest Income	33,642	15,311	-	48,953
Other Revenue	10,775	-	-	10,775
Net Assets Released from Restrictions				
Impact Lab	11,792	-	-	11,792
Legal Advocacy in Virginia	-	-	-	-
Detained Children's Program	998	-	-	998
General Legal Advocacy	215,162	-	-	215,162
Time Restricted	48,033	-	-	48,033
Total Revenue Without Donor Restrictions	21,166,044	87,600,743	(1,909,939)	106,856,848
Expenses				
Program Services				
Legal	19,143,922	-	-	19,143,922
Capacity Building	-	7,326,154	-	7,326,154
Legal Access and Orientation	-	30,519,695	(1,027,203)	29,492,492
Legal Representation	-	37,064,996	(882,736)	36,182,260
Total Program Services	19,143,922	74,910,845	(1,909,939)	92,144,828
Supporting Services				
Fundraising	490,224	235,591	-	725,815
General and Administration	1,324,163	5,294,117	-	6,618,280
Total Supporting Services	1,814,387	5,529,708	-	7,344,095
Total Expenses	20,958,309	80,440,553	(1,909,939)	99,488,923
Change in Net Assets Without Donor Restrictions	207,735	7,160,190	-	7,367,925
Change in Net Assets With Donor Restrictions				
Grants and Contributions	323,000	-	-	323,000
Net Assets Released from Restrictions	(275,985)	-	-	(275,985)
Total Revenue With Donor Restrictions	47,015	-	-	47,015
Change in Net Assets	254,750	7,160,190	-	7,414,940
Net Assets, Beginning of Year	4,067,406	3,227,174	-	7,294,580
Deconsolidation of Acacia Center for Justice	-	(10,387,364)	-	(10,387,364)
Net Assets, End of Year	$ 4,322,156	$ -	$ -	$ 4,322,156