

AMERICANS FOR IMMIGRANT JUSTICE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

AMERICANS FOR IMMIGRANT JUSTICE, INC.

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INDEPENDENT AUDITORS' REPORT



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Officers of
Americans for Immigrant Justice, Inc.
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Americans for Immigrant Justice, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2012 and 2011 and the related statements of activities 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 opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming opinions on the financial statements as a whole. The Schedule of Functional Expenses and Schedule of Florida Bar Foundation Financial Assistance are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2013, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Alberni Caballero & Company, LLP

Alberni Caballero & Company, LLP
Coral Gables, Florida
June 26, 2013

FINANCIAL STATEMENTS

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

| | <u>2012</u> | <u>2011</u> |
|---|-------------------------|-------------------------|
| <u>Assets</u> | | |
| Cash | \$ 537,315 | \$ 610,752 |
| Restricted cash | 6,395 | 6,395 |
| Receivables | <u>411,467</u> | <u>410,465</u> |
| | <u>955,177</u> | <u>1,027,612</u> |
| Furniture and Equipment- Net | <u>33,413</u> | <u>46,022</u> |
| Other assets | <u>23,073</u> | <u>22,068</u> |
| Total assets | <u>\$ 1,011,663</u> | <u>\$ 1,095,702</u> |
| <u>Liabilities</u> | | |
| Accounts payable and accrued expenses | \$ 188,611 | \$ 260,983 |
| Refundable advances | 205,626 | 163,343 |
| Case settlements held in trust | 6,395 | 6,395 |
| Deferred revenues | <u>5,400</u> | <u>18,167</u> |
| Total liabilities | <u>406,032</u> | <u>448,888</u> |
| <u>Net Assets</u> | | |
| Unrestricted: | | |
| Designated by the Board for operating reserve | 235,988 | 235,988 |
| Unrestricted and undesignated | <u>369,643</u> | <u>410,826</u> |
| Total unrestricted | <u>605,631</u> | <u>646,814</u> |
| Total liabilities and net assets | <u>\$ 1,011,663</u> | <u>\$ 1,095,702</u> |

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

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

| | <u>2012</u> | <u>2011</u> |
|---|-------------------|-------------------|
| <u>Changes in Unrestricted Net Assets</u> | | |
| Support and revenue | | |
| Contributions | \$ 63,385 | \$ 42,453 |
| Grants | 1,827,251 | 1,990,164 |
| Government contracts | 1,194,083 | 1,409,097 |
| Interest income | 2,471 | 2,795 |
| Events | 66,283 | 114,401 |
| Other | 3,075 | 93,142 |
| Total support and revenue | <u>3,156,548</u> | <u>3,652,052</u> |
| Expenses | | |
| Program services | | |
| Impact Advocacy | 624,966 | 792,949 |
| Direct Services | <u>2,046,079</u> | <u>2,406,361</u> |
| Total program services | <u>2,671,045</u> | <u>3,199,311</u> |
| Supporting services | | |
| Management and general | 354,124 | 348,057 |
| Fundraising | <u>172,562</u> | <u>158,273</u> |
| Total supporting services | <u>526,686</u> | <u>506,330</u> |
| Total expenses | <u>3,197,731</u> | <u>3,705,641</u> |
| Change in Net Assets | (41,183) | (53,589) |
| Net Assets at January 1, | <u>646,814</u> | <u>700,403</u> |
| Net Assets at December 31, | <u>\$ 605,631</u> | <u>\$ 646,814</u> |

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

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

| | <u>2012</u> | <u>2011</u> |
|---|-------------------|-------------------|
| Cash Flows from Operating Activities | | |
| Change in net assets | \$ (41,183) | \$ (53,589) |
| Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities: | | |
| Depreciation | 16,170 | 22,742 |
| Loss on disposal of furniture and equipment | - | 2,162 |
| (Increase) decrease in: | | |
| Receivables | (1,002) | 76,853 |
| Deposits and other assets | (1,005) | 21,746 |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | (72,372) | 79,672 |
| Refundable advances | 42,283 | 45,257 |
| Deferred revenues | <u>(12,767)</u> | <u>10,292</u> |
| Net cash (used in) provided by operating activities: | <u>(69,876)</u> | <u>205,135</u> |
| Cash Flows from Investing Activities | | |
| Acquisition of furniture and equipment | <u>(3,561)</u> | <u>(3,281)</u> |
| Net cash (used in) investing activities: | <u>(3,561)</u> | <u>(3,281)</u> |
| Net (decrease) Increase in Cash | (73,437) | 201,854 |
| Cash at January 1, | <u>617,147</u> | <u>415,293</u> |
| Cash at December 31, | <u>\$ 543,710</u> | <u>\$ 617,147</u> |
| Cash per Statement of Financial Position: | | |
| Unrestricted | \$ 537,315 | \$ 610,752 |
| Restricted | <u>6,395</u> | <u>6,395</u> |
| Total Cash | <u>\$ 543,710</u> | <u>\$ 617,147</u> |

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

AMERICANS FOR IMMIGRANT JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

1. NATURE OF ACTIVITIES

Americans for Immigrant Justice, Inc. (formerly known as Florida Immigrant Advocacy Center, Inc.) is a not-for-profit organization incorporated in Florida on July 31, 1995, to protect the basic human rights of immigrants of all nationalities in Florida through direct legal services and impact advocacy efforts. The Organization operates from one office located in Miami, Florida. It provides direct legal assistance to individual clients that meet 125% of the Federal poverty guidelines and require an attorney to represent them in complex immigration issues.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting and Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

Net assets and revenues, gains, or losses are classified based on the existence or absence of donor-imposed restrictions as follows:

Unrestricted - Includes amounts which have no external restrictions and which are available for support of current operations.

Temporarily Restricted - Includes amounts which have donor-restrictions that can be fulfilled by actions of the Endowment pursuant to those restrictions or restrictions that expire by the passage of time.

Permanently Restricted - Includes amounts that are subject to restrictions of the gift instruments requiring in perpetuity that the principal be invested and only the income be used.

There were no restricted net assets as of December 31, 2012 and 2011. However, there was an amount designated by the board for operating reserve of approximately \$236,000 and \$236,000 as of December 31, 2012 and 2011, respectively.

b. Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

c. Restricted and Unrestricted Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c. **Restricted and Unrestricted Revenue** (Continued)

When a restriction expires (that is, when a stipulated time restriction ends or 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. Federal and State grant awards are classified as refundable advances until expended for the purpose of the grant since they are conditional promises to give. Unrestricted support increases unrestricted net assets.

d. **Allowance for Doubtful Accounts**

Management monitors the collection status of its receivables on an ongoing basis. Management believes that all receivables are collectible; therefore, the Organization has not included a provision for uncollectible accounts. Any accounts deemed uncollectible will be charged to expense when the determination is made.

e. **Furniture and Equipment**

Purchases of depreciable assets are recorded at cost or, if donated, at the fair value at the date of donation. Assets purchased with funds with explicit restrictions regarding their use and restrictions on the disposition of those assets are reported as restricted support. The Organization reclassifies temporarily restricted net assets to unrestricted net assets by releasing the depreciation charged for those assets during the period. All of the Organization's depreciable assets are unrestricted. Normal repairs and maintenance are charged to expense as incurred. Depreciation is recorded as an expense of unrestricted net assets and is computed using the straight-line method over the assets estimated useful life.

Estimated useful lives of property and equipment are as follows:

| | <u>Years</u> |
|--------------------|--------------|
| Computer equipment | 3 – 5 |
| Office equipment | 3 – 7 |
| Office furniture | 3 – 7 |

The Organization capitalizes assets with a cost greater than \$1,000 and a useful life greater than one year.

f. **Deferred Revenue/Refundable Advances**

Revenue received in advance of the Organization incurring allowable grant expenses are recorded as deferred revenues or refundable advances.

g. **Functional Expenses Allocation**

The cost of providing services has been allocated on a functional basis on the statement of activities among personnel compensation, professional fees, depreciation, equipment leasing, insurance rent, repairs and maintenance, supplies and postage and telephone. Allocations are generally made based on full time equivalent of administrative personnel as a percentage of the total personnel. Rent is allocated based on square footage.

h. **Income Taxes**

The Organization is a tax-exempt under Section 501(c)(3) of the Internal Revenue Code and is subject to a tax on income from any unrelated business. The Organization did not have any unrelated business income for the years ended December 31, 2012 and 2011.

The Organization adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Income Taxes (Continued)

Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2012 and 2011.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2009.

The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

i. Use of Estimates

The preparation of financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. These estimates include assessing the collectability of receivables, and the useful lives and impairment of tangible assets. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statement in the period they are determined to be necessary. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

3. CONTRACT FUNDING AND ECONOMIC DEPENDENCE

A significant portion of the Organization's funding is received from The Florida Bar Foundation and The Children's Trust. The majority of the contracts are on a cost reimbursement basis and are renewable on an annual basis. A significant reduction in the level of this funding, if this were to occur, may have a material effect on the Organization's programs and activities. However, The Florida Bar Foundation has funded the Organization since its inception and management anticipates its continued support.

Revenues received and receivables due under contracts with The Florida Bar Foundation and The Children's Trust consisted of the following for December 31, 2012 and 2011:

| | <u>2012</u> | | <u>2011</u> | |
|----------------------------|-----------------|--------------------|-----------------|--------------------|
| | <u>Revenues</u> | <u>Receivables</u> | <u>Revenues</u> | <u>Receivables</u> |
| The Children's Trust | 18% | 26% | 20% | 41% |
| The Florida Bar Foundation | 31% | - | 41% | - |

4. FURNITURE AND EQUIPMENT

Furniture and equipment consists of the following as of December 31, 2012 and 2011:

| | <u>2012</u> | <u>2011</u> |
|--------------------------------|------------------|------------------|
| Computer equipment | \$ 143,177 | \$ 139,618 |
| Office equipment | 8,059 | 8,057 |
| Office furniture | 15,901 | 15,091 |
| | <u>166,327</u> | <u>162,768</u> |
| Less: Accumulated depreciation | (132,914) | (116,744) |
| | <u>\$ 33,413</u> | <u>\$ 46,022</u> |

Depreciation expense for the years ended December 31, 2012 and 2011 was \$16,170 and \$22,742, respectively.

5. COMMITMENTS AND CONTINGENCIES

Office Lease

The Organization leases two office spaces under the terms of two separate non-cancelable operating leases (One lease for the Miami office and one for the Washington D.C. office). The lease for the Miami office, which expires on January 31, 2013 (with a monthly base rent of \$18,020), was renewed until January 21, 2014 and calls for a monthly base rent of \$18,741 and additional rental payments based on the Organization's pro-rata share of costs agreed to under the lease. The lease for the Washington D.C. office, which expires on April 30, 2013 (with a base rent of \$600), was renewed until April 30, 2014 and calls for a monthly base rent of \$600.

The minimum future rentals to be paid by the Organization are as follows:

| <u>December 31,</u> | Miami Office | Washington D.C. Office | Total |
|------------------------------|------------------|---------------------------|------------------|
| 2013 | \$ 224,171 | \$ 7,200 | \$ 231,371 |
| 2014 | 18,741 | 2,400 | 21,141 |
| Total minimum future rentals | <u>\$242,912</u> | <u>\$9,600</u> | <u>\$252,512</u> |

Rent expense totaled approximately \$226,000 and \$220,000 for the years ended December 31, 2012 and 2011, respectively.

Grants

The Organization receives grants that require compliance with certain provisions stated in the grant document. Failure to comply with these provisions could result in the return of funds to grantors. Although this is a possibility, management deems the contingency remote since, in their opinion, the Organization has fully complied with the provisions of the grants.

6. EMPLOYEE BENEFITS

IRC Section 125 Smart Plan

The Organization maintains a cafeteria plan under Section 125 of the Internal Revenue Code. The plan allows employees to pay for family health and dental coverage through pre-tax earnings. Employees are eligible to participate after 90 days of continuous employment.

6. EMPLOYEE BENEFITS (Continued)

IRC Section 403 (b)(7) Annuity Plan

The Organization maintains an annuity plan under Internal Revenue Code IRC Section 403 (b)(7). As of January 1, 2011, The Organization contributes 3% of the annual salaries of those employees which have been with the Organization for three (3) or more years.

7. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts which at times may exceed the federally insured limits. The Organization has not experienced any losses in such accounts. The Organization maintains its cash with high quality financial institutions, which the Organization believes limits these risks.

8. BOARD DESIGNATED OPERATING RESERVE

In January 2010, the Board of Directors approved the establishment of a Board designated operating reserve. The purpose of this fund or account is to establish a financial reserve to provide for a minimum of one to two months of operating income (operating reserve or reserve). The goal is to position the Organization to handle fiscal emergencies such as lack of short-term cash flow, unanticipated loss of grants or other funding, and unexpected replacement of physical assets. Any use of the operating reserve must first be approved by the executive committee of the Board. As of December 31, 2012, the balance of the operating reserve was approximately \$236,000.

9. SUBSEQUENT EVENTS

Management evaluated subsequent events from January 1, 2013 through June 26, 2012, the date that the financial statements were available to be published. No events were identified during this review of subsequent events that required adjustment to or disclosure within these financial statements.

SUPPLEMENTARY INFORMATION

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012

| | Program Services | | | Supporting Services | | | 2012 |
|-------------------------|--------------------------------|---------------------|---------------------|---------------------------|-------------------|---------------------|---------------------|
| | Impact Advocacy & Statewide | Direct Services | Total Program | Management and General | Fundraising | Total Supporting | Total Expenses |
| Personnel compensation | \$ 488,945 | \$ 1,309,208 | \$ 1,798,153 | \$ 324,209 | \$ 153,756 | \$ 477,965 | \$ 2,276,118 |
| Client services | 2,521 | 9,758 | 12,279 | - | - | - | 12,279 |
| Depreciation | 5,551 | 8,333 | 13,883 | 2,287 | - | 2,287 | 16,170 |
| Dues and licenses | 4,865 | 5,214 | 10,079 | 284 | 1,750 | 2,034 | 12,113 |
| Equipment leasing | 9,703 | 25,116 | 34,819 | 1,593 | - | 1,593 | 36,412 |
| Insurance | 2,426 | 3,597 | 6,023 | 76 | 7 | 83 | 6,106 |
| Legal library | 1,852 | 6,420 | 8,272 | - | - | - | 8,272 |
| Litigation | 662 | - | 662 | - | - | - | 662 |
| Professional services | 21,711 | 65,708 | 87,419 | 11,648 | 7,855 | 19,503 | 106,922 |
| Rent | 46,053 | 167,992 | 214,045 | 11,720 | - | 11,720 | 225,765 |
| Repairs and maintenance | 2,893 | 8,052 | 10,945 | 11 | 7 | 18 | 10,963 |
| Subgrants | 5,000 | 334,485 | 339,485 | - | - | - | 339,485 |
| Supplies and postage | 14,945 | 46,040 | 60,985 | 1,120 | 7,889 | 9,009 | 69,994 |
| Telephone | 10,380 | 23,139 | 33,520 | 740 | 293 | 1,033 | 34,553 |
| Training | 1,549 | 5,318 | 6,867 | 240 | 390 | 630 | 7,497 |
| Travel | 5,910 | 27,699 | 33,609 | 196 | 215 | 411 | 34,020 |
| Bad debt | - | - | - | - | 400 | 400 | 400 |
| | <u>\$ 624,966</u> | <u>\$ 2,046,079</u> | <u>\$ 2,671,045</u> | <u>\$ 354,124</u> | <u>\$ 172,562</u> | <u>\$ 526,686</u> | <u>\$ 3,197,731</u> |

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

| | Program Services | | | Supporting Services | | | 2011 Total Expenses |
|---------------------------|--------------------------------|---------------------|---------------------|---------------------------|-------------------|---------------------|---------------------------|
| | Impact Advocacy & Statewide | Direct Services | Total Program | Management and General | Fundraising | Total Supporting | |
| Personnel compensation | \$ 556,946 | \$ 1,467,233 | \$ 2,024,179 | \$ 291,941 | \$ 143,128 | \$ 435,069 | \$ 2,459,248 |
| Client services | 5,262 | 18,797 | 24,059 | - | - | - | 24,059 |
| Depreciation | 7,795 | 11,019 | 18,814 | 3,928 | - | 3,928 | 22,742 |
| Dues and licenses | 9,881 | 10,024 | 19,906 | 2,058 | 6,496 | 8,554 | 28,460 |
| Equipment leasing | 8,865 | 10,206 | 19,071 | 1,006 | - | 1,006 | 20,077 |
| Insurance | 2,237 | 3,284 | 5,521 | - | - | - | 5,521 |
| Legal library | 1,649 | 6,088 | 7,738 | - | - | - | 7,738 |
| Litigation | 1,456 | 13 | 1,469 | - | - | - | 1,469 |
| Loan repayment assistance | - | 1,611 | 1,611 | - | - | - | 1,611 |
| Miscellaneous | 442 | 296 | 738 | - | - | - | 738 |
| Professional services | 43,451 | 89,797 | 133,249 | 25,693 | 3,328 | 29,021 | 162,270 |
| Rent | 35,537 | 167,345 | 202,882 | 17,482 | - | 17,482 | 220,365 |
| Repairs and maintenance | 4,048 | 8,785 | 12,832 | 24 | 215 | 239 | 13,071 |
| Subgrants | - | 508,933 | 508,933 | - | - | - | 508,933 |
| Supplies and postage | 33,765 | 46,014 | 79,779 | 2,097 | 3,845 | 5,942 | 85,721 |
| Telephone | 13,305 | 25,621 | 38,926 | 1,185 | 52 | 1,237 | 40,163 |
| Training | 45,823 | 2,743 | 48,566 | 367 | 185 | 552 | 49,118 |
| Travel | 20,328 | 22,384 | 42,712 | 1,795 | 1,023 | 2,818 | 45,531 |
| Bad debt | 2,159 | 6,166 | 8,325 | 482 | - | 482 | 8,807 |
| | <u>\$ 792,949</u> | <u>\$ 2,406,361</u> | <u>\$ 3,199,311</u> | <u>\$ 348,057</u> | <u>\$ 158,273</u> | <u>\$ 506,330</u> | <u>\$ 3,705,641</u> |

AMERICANS FOR IMMIGRANT JUSTICE, INC.
SCHEDULE OF FLORIDA BAR FOUNDATION FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

| | |
|--------------------------|-------------------|
| GENERAL AWARDS | |
| General Operating | \$634,333 |
| Salary Supplementation | 110,000 |
| Children's Legal Project | 53,696 |
| Statewide | 153,296 |
| TOTAL GENERAL AWARDS | <u>\$ 951,325</u> |

| | |
|------------------------|-------------------|
| EXPENSES | |
| Personnel Compensation | \$880,265 |
| Contract Services | 19,575 |
| Dues and Licenses | 1,439 |
| Equipment Leasing | 2,389 |
| Insurance | 3,696 |
| Legal Library | 442 |
| Litigation | 596 |
| Professional Services | 2,500 |
| Supplies and Postage | 6,428 |
| Telephone | 4,531 |
| Travel | 1,688 |
| Training | 1,010 |
| TOTAL EXPENSES | <u>\$ 951,325</u> |

COMPLIANCE SECTION



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors and Officers of
Americans for Immigrant Justice, Inc.
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Americans for Immigrant Justice, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2012 and 2011, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors and Officers of
Americans for Immigrant Justice, Inc.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alberni Caballero & Company, LLP

Alberni Caballero & Company, LLP
Coral Gables, Florida
June 26, 2013



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors and Officers of
Americans for Immigrant Justice, Inc.
Miami, Florida

Report on Compliance for Each Major Federal Program

We have audited Americans for Immigrant Justice, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2012. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

To the Board of Directors and Officers of
Americans for Immigrant Justice, Inc.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Alberni Caballero & Company, LLP

Alberni Caballero & Company, LLP
Coral Gables, Florida
June 26, 2013

AMERICANS FOR IMMIGRANT JUSTICE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

| <u>Federal Agency/Pass-Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Federal Grant Number</u> | <u>Expenditures</u> |
|--|------------------------------------|---------------------------------|---------------------|
| U.S. Department of Health and Human Services | | | |
| Administration for Children and Families | | | |
| Office of Refugee Resettlement | | | |
| <i>Passed through Lutheran Immigration & Refugee Services</i> | | | |
| Assistance for Torture Victims | 93.604 | 90ZT0057/03 | \$ <u>11,469</u> |
| <i>Passed through the Florida Department of Children & Families:</i> | | | |
| Refugees and Entrant Assistance-Discretionary Grants | 93.576 | XK025 | 202,392 |
| <i>Passed through the Florida Department of Children & Families:</i> | | | |
| Refugees and Entrant Assistance- State Administered Programs | 93.566 | XK025 | <u>37,693</u> |
| <i>Sub-total Refugees and Entrant Assistance- Cluster</i> | | | <u>240,085</u> |
| Total U.S. Department of Health and Human Services | | | <u>251,554</u> |
| U.S. Department of Justice | | | |
| Legal Assistance for Victims Grants Program | 16.524 | 2010-WL-AX-0066 | 359,956 |
| Culturally & Linguistically Specific Services Program- Nou Kab | 16.016 | 2009-UW-AX-0021 | <u>106,440</u> |
| Sub-Total Direct Programs | | | <u>466,396</u> |
| <i>Passed through FL Coalition Against Domestic Violence:</i> | | | |
| Violence Against Women Formula Grants | 16.588 | 11-2055-LCH | <u>11,537</u> |
| Total U.S. Department of Justice | | | <u>477,933</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 729,487</u> |

See Note to Schedule of Expenditures of Federal Awards.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards included herein represents all of the Federal grant awards of Americans for Immigrant Justice, Inc. (the "Organization") over which the Organization exercised direct operating control for the year ended December 31, 2012.

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting and includes expenses incurred by the Organization during its year ended December 31, 2012.

Substantially all federal awards administered by Organization are operated on a reimbursement basis. Advances to grant programs are made from unrestricted cash balances included with the Organization's cash accounts.

The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Additionally because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

SECTION I SUMMARY OF AUDITORS' RESULTS

Financial Statements

| | |
|---|-------------|
| Type of auditors' report issued: | Unqualified |
| Internal control over financial reporting: | |
| Material weaknesses identified? | No |
| Significant deficiencies identified not considered to be material weaknesses? | No |
| Non-compliance material to financial statements noted? | No |

Federal Awards Programs

| | |
|--|-------------|
| Internal control over major programs: | |
| Material weaknesses identified? | No |
| Significant deficiencies identified not considered to be material weaknesses? | No |
| Type of auditors' report issued on compliance for major programs: | Unqualified |
| Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? | No |

Identification of major programs:

Program CFDA #

| | |
|--|------------|
| U.S. Department of Justice: | |
| Legal Assistance for Victims Grants Program - Lucha | 16.524 |
| Dollar threshold used to distinguish between Type A and Type B Programs: | \$ 300,000 |
| Auditee qualified as low risk auditee? | Yes |

AMERICANS FOR IMMIGRANT JUSTICE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

SECTION II FINANCIAL STATEMENT FINDINGS

None

SECTION III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None