

AMERICANS FOR IMMIGRANT JUSTICE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

AMERICANS FOR IMMIGRANT JUSTICE, INC.
TABLE OF CONTENTS
DECEMBER 31, 2017 AND 2016

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
NOTES TO FINANCIAL STATEMENTS	
Notes to Financial Statements	8-12
SUPPLEMENTARY INFORMATION	
Schedule of Florida Bar Foundation Financial Assistance	13
COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control Over Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14-15

INDEPENDENT AUDITORS' REPORT



CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

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 (the "Organization"), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years 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 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 opinion.

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, 2017 and 2016, 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 audit were conducted for the purpose of forming opinions on the financial statements as a whole. The Schedule of Florida Bar Foundation Financial Assistance is presented for purposes of additional analysis and is 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 20, 2018, 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.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Coral Gables, Florida
June 20, 2018

FINANCIAL STATEMENTS

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
	<u>Assets</u>	
Cash and cash equivalents	\$ 2,394,011	\$ 1,092,604
Restricted cash	8,665	8,657
Investments	12,780	-
Receivables	<u>537,362</u>	<u>473,763</u>
	<u>\$ 2,952,818</u>	<u>\$ 1,575,024</u>
Furniture and Equipment- Net	<u>39,450</u>	<u>32,686</u>
Other assets	<u>53,912</u>	<u>22,209</u>
Total assets	<u>\$ 3,046,180</u>	<u>\$ 1,629,919</u>
	<u>Liabilities</u>	
Accounts payable and accrued expenses	\$ 59,608	\$ 133,240
Refundable advances	545,321	51,015
Case settlements held in trust	8,468	8,468
Deferred revenues	<u>41,650</u>	<u>35,500</u>
Total liabilities	<u>\$ 655,047</u>	<u>\$ 228,223</u>
	<u>Net Assets</u>	
Unrestricted:		
Designated by the Board for operating reserve	\$ 350,000	\$ 235,988
Unrestricted and undesignated	<u>2,041,133</u>	<u>1,165,708</u>
Total unrestricted	<u>2,391,133</u>	<u>1,401,696</u>
Total liabilities and net assets	<u>\$ 3,046,180</u>	<u>\$ 1,629,919</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>Changes in Unrestricted Net Assets</u>		
Support and revenue		
Contributions	\$ 246,111	\$ 230,002
Grants	3,919,132	3,121,368
Government contracts	526,229	576,605
Interest income	2,441	1,243
Events	192,354	124,716
Other	<u>48,468</u>	<u>1,901</u>
Total support and revenue	<u>\$ 4,934,735</u>	<u>\$ 4,055,835</u>
Expenses		
Program services		
Impact advocacy	\$ 325,447	\$ 290,485
Direct services	<u>3,166,962</u>	<u>2,569,046</u>
Total program services	<u>3,492,409</u>	<u>2,859,531</u>
Supporting services		
Management and general	345,427	444,291
Fundraising	<u>107,462</u>	<u>95,125</u>
Total supporting services	<u>452,889</u>	<u>539,416</u>
Total expenses	<u>\$ 3,945,298</u>	<u>\$ 3,398,947</u>
Change in Net Assets	\$ 989,437	\$ 656,888
Net Assets at January 1,	<u>1,401,696</u>	<u>744,808</u>
Net Assets at December 31,	<u>\$ 2,391,133</u>	<u>\$ 1,401,696</u>

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

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services			Supporting Services			Total Expenses
	Impac Advocacy & Statewide	Direct Services	Total Program	Management and General	Fundraising	Total Supporting	
Personnel compensation	\$ 207,652	\$ 2,328,832	\$ 2,536,484	\$ 249,239	\$ 81,721	\$ 330,960	\$ 2,867,444
Client services	347	6,151	6,498	12	4	16	6,514
Depreciation	-	-	-	7,487	-	7,487	7,487
Dues and licenses	2,010	7,704	9,714	2,865	1,792	4,657	14,371
Equipment leasing	188	16,713	16,901	1,952	-	1,952	18,853
Insurance	-	6,611	6,611	-	-	-	6,611
Legal library	85	3,357	3,442	46	-	46	3,488
Litigation	47,849	36,219	84,068	-	-	-	84,068
Miscellaneous	-	3,439	3,439	-	5,468	5,468	8,907
Professional services	4,081	145,739	149,820	18,884	5,279	24,163	173,983
Rent	56,290	164,051	220,341	52,924	-	52,924	273,265
Repairs and maintenance	224	5,419	5,643	692	81	773	6,416
Subgrants	-	225,176	225,176	-	-	-	225,176
Supplies and postage	5,127	82,380	87,507	9,922	10,720	20,642	108,149
Telephone	1,594	33,288	34,882	1,180	672	1,852	36,734
Training	-	2,302	2,302	224	844	1,068	3,370
Travel	-	99,581	99,581	-	881	881	100,462
	<u>\$ 325,447</u>	<u>\$ 3,166,962</u>	<u>\$ 3,492,409</u>	<u>\$ 345,427</u>	<u>\$ 107,462</u>	<u>\$ 452,889</u>	<u>\$ 3,945,298</u>

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

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Services			Supporting Services			Total Expenses
	Impact Advocacy & Statewide	Direct Services	Total Program	Management and General	Fundraising	Total Supporting	
Personnel compensation	\$ 171,216	\$ 1,803,673	\$ 1,974,889	\$ 382,960	\$ 82,201	\$ 465,161	\$ 2,440,050
Client services	1,724	11,462	13,186	633	-	633	13,819
Depreciation	-	-	-	6,796	-	6,796	6,796
Dues and licenses	925	6,724	7,649	2,601	2,031	4,632	12,281
Equipment leasing	231	21,686	21,917	1,123	-	1,123	23,040
Insurance	487	9,610	10,097	-	-	-	10,097
Legal library	209	1,670	1,879	35	11	46	1,925
Litigation	59,523	9,108	68,631	-	-	-	68,631
Miscellaneous	28	1,362	1,390	493	682	1,175	2,565
Professional services	7,756	119,221	126,977	18,445	1,669	20,114	147,091
Rent	37,105	171,084	208,189	28,690	-	28,690	236,879
Repairs and maintenance	1,242	1,735	2,977	884	31	915	3,892
Subgrants	-	217,417	217,417	-	-	-	217,417
Supplies and postage	6,824	66,723	73,547	-	7,398	7,398	80,945
Telephone	1,053	29,788	30,841	1,170	758	1,928	32,769
Training	1,036	11,450	12,486	398	92	490	12,976
Travel	1,126	86,333	87,459	63	252	315	87,774
	<u>\$ 290,485</u>	<u>\$ 2,569,046</u>	<u>\$ 2,859,531</u>	<u>\$ 444,291</u>	<u>\$ 95,125</u>	<u>\$ 539,416</u>	<u>\$ 3,398,947</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 989,437	\$ 656,888
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	7,487	6,796
(Increase) decrease in:		
Receivables	(63,599)	(137,646)
Deposits and other assets	(31,703)	(6,041)
Increase (decrease) in:		
Accounts payable and accrued expenses	(73,632)	(36,470)
Refundable advances	494,306	1,015
Deferred revenues	6,150	19,500
Net cash provided by operating activities:	<u>1,328,446</u>	<u>504,429</u>
Cash Flows from Investing Activities		
Net Proceeds from Sale/Purchase of Investments	(12,780)	-
Acquisition of furniture and equipment	<u>(14,251)</u>	<u>(20,423)</u>
Net cash (used in) investing activities:	<u>(27,031)</u>	<u>(20,423)</u>
Net increase in Cash	1,301,415	484,006
Cash at January 1,	<u>1,101,261</u>	<u>617,255</u>
Cash at December 31,	<u>\$ 2,402,676</u>	<u>\$ 1,101,261</u>
Cash per Statement of Financial Position:		
Unrestricted	\$ 2,394,011	\$ 1,092,604
Restricted	<u>8,665</u>	<u>8,657</u>
Total Cash	<u>\$ 2,402,676</u>	<u>\$ 1,101,261</u>

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

NOTES TO FINANCIAL STATEMENTS

AMERICANS FOR IMMIGRANT JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

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, 2017 and 2016. However, there was an amount designated by the board for operating reserve of approximately \$350,000 and \$236,000 as of December 31, 2017 and 2016 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.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

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 the various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses incurred and attributable to more than one function are allocated to the functions based on the overall percent of time spent by the employees related to the purpose for which costs were incurred. Rent is allocated based on square footage.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2017 and 2016.

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

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 effect 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, 2017 and 2016.

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 2014.

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.

j. Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified to conform with current year presentation. This reclassification had no effect on the reported results of operations.

3. CONTRACT FUNDING AND ECONOMIC DEPENDENCE

A significant portion of the Organization's funding is received from The Florida Bar Foundation, Vera Institute of Justice, Inc., U.S. Committee for Refugees and Immigrants ("USCRI") and The Children's Trust. The majority of the contracts are on a cost reimbursement basis and are

AMERICANS FOR IMMIGRANT JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

3. CONTRACT FUNDING AND ECONOMIC DEPENDENCE (CONTINUED)

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, Vera Institute of Justice, Inc., and USCRI and The Children's Trust consisted of the following for December 31, 2017 and 2016:

	<u>2017</u>		<u>2016</u>	
	<u>Revenues</u>	<u>Receivables</u>	<u>Revenues</u>	<u>Receivables</u>
Vera Institute of Justice, Inc.	43%	40%	17%	-
The Children's Trust	9%	20%	13%	38%
The Florida Bar Foundation	8%	-	8%	-
USCRI	-	-	28%	21%

4. FURNITURE AND EQUIPMENT

Furniture and equipment consists of the following as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Computer equipment	\$ 176,122	\$ 166,656
Office equipment	8,059	8,059
Office furniture	21,097	15,091
	<hr/> 205,278	<hr/> 189,806
Less: Accumulated depreciation	(165,828)	(157,120)
	<hr/> \$ 39,450	<hr/> \$ 32,686

Depreciation expense for the years ended December 31, 2017 and 2016 was \$7,487 and \$6,796 respectively.

5. COMMITMENTS AND CONTINGENCIES

Office Lease

The Organization leases two office spaces under the terms of two separate operating leases (One lease for the Miami office and one for the Washington D.C. office). The lease for the Miami office, which expired on December 31, 2017 was renewed on January 1, 2017 and calls for a monthly base rent of \$22,525. The lease for the Washington D.C. office expired and a new agreement was entered into in February of 2017 which calls for a monthly fee of \$170 for a virtual office that provides an answering service, receipt of mail, conference room and office space as needed.

Rent expense totaled approximately \$273,000 and \$237,000 for the years ended December 31, 2017 and 2016, respectively.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

5. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

IRC Section 403 (b)(7) Annuity Plan

The Organization maintains an annuity plan under Internal Revenue Code IRC Section 403 (b)(7), however, as of January 1, 2016, the Organization discontinued its contributions.

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, 2017, the balance of the operating reserve was approximately \$350,000.

9. SUBSEQUENT EVENTS

Management evaluated subsequent events from January 1, 2018 through June 20, 2018, 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.
SCHEDULE OF FLORIDA BAR FOUNDATION FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2017

GENERAL AWARDS		
General Operating		\$ 358,531
	TOTAL GENERAL AWARDS	<u>\$ 358,531</u>
EXPENSES		
Personnel Compensation		\$ 332,123
Space		8,433
Equipment Rental		460
Supplies		480
Telephone		640
Travel		1,280
Audit		1,115
Litigation		14,000
	TOTAL EXPENSES	<u>\$ 358,531</u>

COMPLIANCE SECTION



**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, 2017 and 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, and have issued our report thereon dated June 20, 2018.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

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.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Coral Gables, Florida
June 20, 2018