

**COALITION TO ABOLISH  
SLAVERY & TRAFFICKING**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

**COALITION TO ABOLISH SLAVERY & TRAFFICKING**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2016**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Coalition to Abolish Slavery & Trafficking

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Coalition to Abolish Slavery & Trafficking (CAST), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 CAST as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited CAST's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 6, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

To the Board of Directors  
Coalition to Abolish Slavery & Trafficking

**Other Matters - Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 January 19, 2017 on our consideration of CAST'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 CAST's internal control over financial reporting and compliance.

*Green Hasson & Janks LLP*

January 26, 2017  
Los Angeles, California

**COALITION TO ABOLISH SLAVERY & TRAFFICKING**

STATEMENT OF FINANCIAL POSITION

June 30, 2016

With Summarized Totals at June 30, 2015

	2016			Total	2015 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 59,191	\$ 511,730	\$ 25,000	\$ 595,921	\$ 765,330
Accounts Receivable	602,815	-	-	602,815	202,612
Grants and Contributions Receivable (Net)	-	471,846	-	471,846	588,384
Prepaid Expenses and Deposits	83,059	-	-	83,059	40,162
Property and Equipment (Net)	764,405	-	-	764,405	737,549
<b>TOTAL ASSETS</b>	<b>\$ 1,509,470</b>	<b>\$ 983,576</b>	<b>\$ 25,000</b>	<b>\$ 2,518,046</b>	<b>\$ 2,334,037</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES:</b>					
Accounts Payable	\$ 134,428	\$ -	\$ -	\$ 134,428	\$ 57,741
Accrued Liabilities	157,234	-	-	157,234	105,619
<b>TOTAL LIABILITIES</b>	<b>291,662</b>	<b>-</b>	<b>-</b>	<b>291,662</b>	<b>163,360</b>
<b>NET ASSETS:</b>					
Unrestricted	1,217,808	-	-	1,217,808	1,267,236
Temporarily Restricted	-	983,576	-	983,576	878,441
Permanently Restricted	-	-	25,000	25,000	25,000
<b>TOTAL NET ASSETS</b>	<b>1,217,808</b>	<b>983,576</b>	<b>25,000</b>	<b>2,226,384</b>	<b>2,170,677</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,509,470</b>	<b>\$ 983,576</b>	<b>\$ 25,000</b>	<b>\$ 2,518,046</b>	<b>\$ 2,334,037</b>

The Accompanying Notes are an Integral Part of These Financial Statements

**COALITION TO ABOLISH SLAVERY & TRAFFICKING**

STATEMENT OF ACTIVITIES

Year Ended June 30, 2016

With Summarized Totals for the Year Ended June 30, 2015

	2016			Total	2015 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
<b>REVENUE AND SUPPORT:</b>					
Government Contracts	\$ 1,174,724	\$ -	\$ -	\$ 1,174,724	\$ 1,026,028
Public Support:					
Foundations	160,000	1,115,892	-	1,275,892	1,374,500
Individuals and Corporations	84,451	5,000	-	89,451	197,582
In-Kind Donations	1,124,352	-	-	1,124,352	675,084
Special Events (Net of \$44,919 of Direct Benefit to Donors)	401,204	13,244	-	414,448	348,730
Other Revenue	34,976	-	-	34,976	28,167
Interest Income	2,927	-	-	2,927	796
Net Assets Released from:					
Purpose Restrictions	1,029,001	(1,029,001)	-	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	4,011,635	105,135	-	4,116,770	3,650,887
<b>EXPENSES:</b>					
Program Services	3,118,224	-	-	3,118,224	2,528,957
Support Services:					
Management and General	451,943	-	-	451,943	353,826
Fundraising	490,896	-	-	490,896	260,618
<b>TOTAL EXPENSES</b>	4,061,063	-	-	4,061,063	3,143,401
<b>CHANGE IN NET ASSETS</b>	(49,428)	105,135	-	55,707	507,486
Net Assets - Beginning of Year	1,267,236	878,441	25,000	2,170,677	1,663,191
<b>NET ASSETS - END OF YEAR</b>	\$ 1,217,808	\$ 983,576	\$ 25,000	\$ 2,226,384	\$ 2,170,677

The Accompanying Notes are an Integral Part of These Financial Statements

**COALITION TO ABOLISH SLAVERY & TRAFFICKING**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2016

With Summarized Totals for the Year Ended June 30, 2015

	2016					2015 Total
	Program Services	Management and General	Fundraising	Total Support Services	Total	
Salaries	\$ 1,036,688	\$ 215,326	\$ 216,539	\$ 431,865	\$ 1,468,553	\$ 1,202,756
Employee Benefits	197,342	39,480	41,172	80,652	277,994	236,469
Payroll Taxes	89,252	15,884	18,559	34,443	123,695	101,718
<b>TOTAL PERSONNEL COSTS</b>	<b>1,323,282</b>	<b>270,690</b>	<b>276,270</b>	<b>546,960</b>	<b>1,870,242</b>	<b>1,540,943</b>
Program/Client Services	1,283,020	-	-	-	1,283,020	759,979
Professional Services	232,797	27,613	144,475	172,088	404,885	455,532
Occupancy	95,568	442	19,884	20,326	115,894	97,235
Travel	43,667	35,833	541	36,374	80,041	79,544
Telephone and Telecommunication	30,380	8,097	5,753	13,850	44,230	36,086
Supplies	26,355	6,446	4,751	11,197	37,552	28,047
Insurance	19,994	10,920	4,302	15,222	35,216	20,864
Bad Debt Expense	-	31,348	-	31,348	31,348	10,389
Depreciation	15,523	5,759	3,756	9,515	25,038	22,265
Local Parking and Mileage	14,746	3,311	335	3,646	18,392	18,063
Printing and Reproduction	9,994	4,591	3,691	8,282	18,276	12,740
Graphic Design/Media Production	304	-	17,932	17,932	18,236	6,577
Computer Equipment and Software	217	13,571	3,924	17,495	17,712	8,742
Postage, Shipping and Delivery	6,909	3,553	3,592	7,145	14,054	14,216
Staff Training/Development	3,138	5,927	75	6,002	9,140	3,757
Bank and Payroll Processing Fees	-	8,572	-	8,572	8,572	8,463
Dues and Subscriptions	5,307	1,765	250	2,015	7,322	5,098
Miscellaneous Expenses	971	6,026	289	6,315	7,286	4,534
Training and Meetings	1,877	3,308	233	3,541	5,418	4,156
Repairs and Maintenance	4,175	230	843	1,073	5,248	4,599
Recruiting	-	3,941	-	3,941	3,941	1,572
<b>TOTAL 2016 FUNCTIONAL EXPENSES</b>	<b>\$ 3,118,224</b>	<b>\$ 451,943</b>	<b>\$ 490,896</b>	<b>\$ 942,839</b>	<b>\$ 4,061,063</b>	
	77%	11%	12%		100%	
<b>TOTAL 2015 FUNCTIONAL EXPENSES</b>	<b>\$ 2,528,957</b>	<b>\$ 353,826</b>	<b>\$ 260,618</b>	<b>\$ 614,444</b>		<b>\$ 3,143,401</b>
	81%	11%	8%			100%

The Accompanying Notes are an Integral Part of These Financial Statements

# COALITION TO ABOLISH SLAVERY & TRAFFICKING

## STATEMENT OF CASH FLOWS

Year Ended June 30, 2016

With Summarized Totals for the Year Ended June 30, 2015

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 55,707	\$ 507,486
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Bad Debt Expense	31,348	10,389
Depreciation	25,038	22,265
In-Kind Donation of Property and Equipment	-	(6,157)
(Increase) Decrease in:		
Accounts Receivable	(400,203)	(5,735)
Grants and Contributions Receivable	85,190	(422,661)
Prepaid Expenses and Deposits	(42,897)	(4,610)
Increase (Decrease) in:		
Accounts Payable	76,687	(21,340)
Accrued Liabilities	51,615	19,137
 <b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	 (117,515)	 98,774
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of Property and Equipment	(51,894)	-
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	 (169,409)	 98,774
Cash and Cash Equivalents - Beginning of Year	765,330	666,556
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	 <u>\$ 595,921</u>	 <u>\$ 765,330</u>

The Accompanying Notes are an Integral Part of These Financial Statements



# COALITION TO ABOLISH SLAVERY & TRAFFICKING

## NOTES TO FINANCIAL STATEMENTS

June 30, 2016

### NOTE 1 - ORGANIZATION

The Coalition To Abolish Slavery & Trafficking (CAST), a Los Angeles-based 501(c)(3) nonprofit organization, provides immediate intervention and comprehensive trauma-informed services to survivors of human trafficking and mobilizes its coalition partners to build a future where modern slavery no longer plagues our communities.

CAST is a pioneer in the movement to eradicate modern slavery, and its efforts have a profound impact in the lives of survivors of human trafficking and the growing network of organizations joining the anti-trafficking movement. Since 1998, CAST has been the key go-to resource for the Los Angeles community on issues related to human trafficking, while serving its most vulnerable citizens. Through the development of data-driven program models, CAST provides comprehensive services to over 350 survivors and their families each year. Through partnerships with healthcare organizations, government benefits agencies, law enforcement and cultural and faith-based community groups, CAST is able to provide support at every phase of a human trafficking survivor's journey to freedom, including:

- **Hotline and Emergency Response:** CAST's 24-hour hotline serves as a resource to the community for referrals, technical assistance and reporting tips regarding potential human trafficking cases. The emergency response team provides immediate, short-term services to ensure the safety and well-being of victims when they first escape their trafficking situation.
- **Shelter:** One of the first in the nation, CAST's shelter provides physically and psychologically safe housing for trafficking survivors. Through a host of supportive programs and services, the shelter is designed to help clients heal from the trauma, build community and expand their own supportive networks. Shelter residents are taught skills in conflict resolution, job training, independent living and financial literacy and planning. CAST's housing program is an integral component of its continuum of services and has been studied by numerous countries and organizations who wish to replicate its trauma-informed, client-centered model.
- **Social Services:** CAST's intensive case management program offers a client-centered, trauma-informed approach to help survivors heal and reach self-sufficiency and independence. The program begins with a comprehensive assessment to determine goals and necessary next steps. Services can include basic necessities, supportive counseling, medical and mental health care, education, life skills training, employment, transportation and applying for state and federal benefits.
- **Legal Services:** Staff attorneys empower survivors to assert their legal rights and choose appropriate remedies to rebuild their lives. The legal services program works collaboratively with clients, community-based organizations, public-interest attorneys and numerous government agencies to ensure survivors of human trafficking are provided culturally-sensitive, victim-centered legal representation. Along with CAST's growing in-house team, CAST's pro bono network of attorneys dedicate their time and talent assisting with immigration advocacy, criminal victim-witness advocacy, civil litigation, family law and cutting edge policy initiatives.

# COALITION TO ABOLISH SLAVERY & TRAFFICKING

## NOTES TO FINANCIAL STATEMENTS

June 30, 2016

### NOTE 1 - ORGANIZATION (continued)

- **Advocacy:** CAST's advocacy efforts impact survivors' abilities to access life-saving services, heal from their tragic experiences and go on to become powerful voices in the anti-trafficking movement. Drawing from nearly two decades of direct experience with victims of human trafficking, CAST has initiated first-of-its-kind legislation and has won the respect and partnership of a diverse group of policy leaders. Its policy initiatives are directly informed by survivor experiences and implemented by trained survivor advocates. CAST introduces anti-trafficking legislation and ensures its implementation.
- **Survivor Leadership:** CAST's survivor leadership programs, the Survivor Advisory Caucus (launched in 2003) and National Survivor Network (launched in 2011), bring together over 200 survivors of human trafficking that are empowered to organize and impact policy change. Their voices on policies and public awareness have led to the development of stronger protections for victims in both California and federal anti-trafficking laws. By connecting survivors across the country, CAST is able to support and encourage survivors to realize their own leadership qualities and to value their insight as experts in the field. The first of its kind in the U.S., the program is preparing to expand internationally in order to create a global survivor network that will engage survivors in advocacy and prevention efforts globally.
- **Outreach, Training and Partnerships:** CAST is an internationally recognized leader and go-to resource for the media, policymakers, law enforcement and philanthropic community to access information about modern slavery. CAST provides education, training and technical assistance to law enforcement, health and human services providers, attorneys and community, government and faith-based organizations, which help to identify trafficked persons and ensure that they have access to care.

CAST's commitment to collaboration was recently demonstrated by a cutting-edge partnership with the L.A. County Sheriff's Department (LASD) to create the Los Angeles Regional Human Trafficking Task Force, the largest co-located multi-agency partnership to provide trauma-informed care to trafficking victims and investigate high-priority trafficking crimes. By co-locating key partners in law enforcement with prominent service providers, CAST and LASD are creating a more cohesive, concerted effort to identify and serve victims of human trafficking and combat its presence and growth in Los Angeles County. The task force is a model for the nation in the development of comprehensive, proactive and interdisciplinary anti-trafficking strategies between federal and regional partners.

CAST's longstanding commitment to serving ALL types of survivors of human trafficking is unparalleled. Unlike most other direct service providers, CAST helps survivors move from crisis to independence regardless of type of trafficking, age, gender, sexual orientation, native language or country of origin. Additionally, CAST's work with survivors spans nearly two decades and provides unique insight into the effectiveness of programs that seek to identify victims, address the unique needs of vulnerable populations (i.e. minors and transition age youth), and provide services to empower survivors at every stage of recovery.

In the words of a survivor, "Being trafficked was the worst experience of my life but CAST has renewed my trust in other people. Now I am working and going to school. I hope others learn from my experience and can find justice too. There is hope."

In 2014, Secretary of State John Kerry presented CAST with the Presidential Award for Extraordinary Efforts to Combating Trafficking in Persons. CAST is the first nonprofit recipient of this prestigious award.

# COALITION TO ABOLISH SLAVERY & TRAFFICKING

## NOTES TO FINANCIAL STATEMENTS

June 30, 2016

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting.

#### (b) ACCOUNTING

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of CAST are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

- **Unrestricted.** These generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving income from investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.
- **Temporarily Restricted.** CAST reports gifts of cash and other assets as temporarily 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 of the 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 purpose or time restrictions. CAST has \$983,576 of temporarily restricted net assets at June 30, 2016.
- **Permanently Restricted.** These net assets are received from donors who stipulate that resources are to be maintained permanently, but permit CAST to expend all of the income (or other economic benefits) derived from the donated assets. CAST has \$25,000 of permanently restricted net assets at June 30, 2016.

#### (c) CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, CAST considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. CAST maintains its cash and cash equivalents in bank deposit accounts and other investment accounts, which, at times, may exceed federally insured limits. CAST has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. The carrying value of cash and cash equivalents approximates its fair value at June 30, 2016.

# COALITION TO ABOLISH SLAVERY & TRAFFICKING

## NOTES TO FINANCIAL STATEMENTS

June 30, 2016

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (d) ACCOUNTS RECEIVABLE

Accounts receivable are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, if any, represents their estimated net realizable value. The allowance for doubtful accounts, if any, is estimated based on historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past due receivable balances are written-off when internal collection efforts have been unsuccessful in collecting the amount due. Accounts receivable are primarily from governmental agencies. Therefore, no allowance for doubtful accounts receivable has been provided.

#### (e) GRANTS AND CONTRIBUTIONS RECEIVABLE

Unconditional grants and contributions are recognized as revenue in the period pledged or granted. CAST reports unconditional grants and contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. Conditional promises to give are not included as support until such time as the conditions are substantially met. There were no conditional promises to give at June 30, 2016. All grants and contributions receivable at June 30, 2016 are due within one year. At June 30, 2016, CAST's management evaluated the collectability of grants and contributions receivable and an allowance of \$31,348 was considered necessary.

#### (f) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost if purchased or at fair value at the date of donation, if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. The estimated useful lives are as follows:

Buildings	39.5 Years
Office and Other Equipment	3-6 Years
Computer Equipment	3 Years

Expenditures for repairs and maintenance are charged to expense as incurred while renewals and betterments are capitalized. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$5,000 and the useful life is greater than one year.

#### (g) LONG-LIVED ASSETS

CAST evaluates the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized during the year ended June 30, 2016.

# COALITION TO ABOLISH SLAVERY & TRAFFICKING

## NOTES TO FINANCIAL STATEMENTS

June 30, 2016

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) IN-KIND DONATIONS

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

A substantial number of unpaid volunteers have donated significant amounts of their time to CAST, primarily in the areas of social services, legal services, training and assistance at the CAST shelter. Volunteers provide various forms of assistance to CAST staff members that include administrative support, shelter activity coordination and support, legal research, legal writing and documentation, and certain training/outreach support. Some of the services that these individuals rendered, however, do not meet the above recognition criteria and, as such, are not recognized as revenue.

In-kind donations are summarized as follows for the year ended June 30, 2016:

Legal and Intern Program	\$ 1,120,832
Other	<u>3,520</u>
<b>TOTAL IN-KIND DONATIONS</b>	<b><u>\$ 1,124,352</u></b>

#### (i) INCOME TAXES

CAST is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

#### (j) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing CAST's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. CAST uses full time equivalents to allocate indirect costs.

#### (k) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses as of the date and for the period presented. Accordingly, actual results could differ from those estimates.

#### (l) COMPARATIVE TOTALS

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CAST's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

# COALITION TO ABOLISH SLAVERY & TRAFFICKING

## NOTES TO FINANCIAL STATEMENTS

June 30, 2016

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (m) NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases*, which is intended to improve financial reporting about leasing transactions. The new standard will require organizations that lease assets with terms of more than 12 months to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by those leases. The ASU also will require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements and providing additional information about the amounts recorded in the financial statements. For CAST, the ASU will be effective for the year ending June 30, 2021.

In August 2016, FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, which is intended to reduce complexity in financial reporting. The ASU focuses on improving the current net asset classification requirements and information presented in financial statements that is useful in assessing a nonprofit's liquidity, financial performance, and cash flows. For CAST, the ASU will be effective for the year ending June 30, 2019.

#### (n) SUBSEQUENT EVENTS

CAST has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2016 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through January 26, 2017, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

### NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2016 consist of the following:

Shelter Building	\$	758,005
Computer Equipment		103,267
Office and Other Equipment		<u>52,050</u>
<b>TOTAL</b>		913,322
Less: Accumulated Depreciation		<u>(148,917)</u>
<b>PROPERTY AND EQUIPMENT (NET)</b>	\$	<u>764,405</u>

Depreciation expense for the year ended June 30, 2016 was \$25,038.

# COALITION TO ABOLISH SLAVERY & TRAFFICKING

## NOTES TO FINANCIAL STATEMENTS

June 30, 2016

### NOTE 4 - ACCRUED LIABILITIES

Accrued liabilities at June 30, 2016 consist of the following:

Accrued Vacation	\$	78,864
Accrued Payroll		67,305
Other		11,065
<b>TOTAL ACCRUED LIABILITIES</b>	<b>\$</b>	<b>157,234</b>

### NOTE 5 - COMMITMENTS AND CONTINGENCIES

#### (a) OPERATING LEASES

CAST leases real property under a non-cancelable operating lease that expires in February 2017. Future minimum lease payments on the non-cancelable operating lease are as follows:

Year Ending June 30	
2017	\$ 102,252

Rent expense for the year ended June 30, 2016 totaled \$115,894.

#### (b) GOVERNMENT CONTRACTS

CAST's grants and contracts are subject to inspection and audit by the appropriate governmental funding agency. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, CAST has no provisions for the possible disallowance of program costs in its financial statements.

### NOTE 6 - EMPLOYEE BENEFIT PLAN

CAST sponsors a 403(b) Thrift Plan (the Plan) for the benefit of its employees, substantially all of whom are eligible to participate after meeting minimum qualifying standards. CAST has elected to make contributions to the Plan on behalf of participating employees, who are at least 21 years of age, for 3% of their eligible compensation. For the year ended June 30, 2016, CAST's matching contribution to the Plan was \$46,263.

**COALITION TO ABOLISH SLAVERY & TRAFFICKING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at June 30, 2016 consist of the following:

Transitional-Aged-Youth (TAY)		
Pilot Program	\$	245,553
Support Survivors Caucus Project		227,913
Legal Program		213,855
Time Restricted		183,653
Case Management		76,306
Other Grants		36,296
		<hr/>
<b>TOTAL TEMPORARILY RESTRICTED NET ASSETS</b>	<b>\$</b>	<b>983,576</b>
		<hr/>

**NOTE 8 - PERMANENTLY RESTRICTED NET ASSETS AND ENDOWMENTS**

CAST's endowment consists of a fund established by a donor. Investment earnings are to be used for the Seeds of Renewal Program.

CAST's management understands California State law as (1) requiring the preservation of the fair value of the original gifts as of the gift date of the donor restricted endowment funds, absent donor stipulations to the contrary and (2) allowing the spending of income and gains on permanently restricted endowments, absent explicit donor stipulations that all or a portion of such gains be maintained in perpetuity.

<b>Endowment Net Asset Composition by Type of Fund at June 30, 2016</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor-Restricted	\$ -	\$ 25,000	\$ 25,000
			<hr/>
<b>Changes in Endowment Net Assets for the Year Ended June 30, 2016</b>			
Endowment Net Assets - Beginning of Year	\$ -	\$ 25,000	\$ 25,000
Investment Income	-	-	-
			<hr/>
<b>ENDOWMENT NET ASSETS - END OF YEAR</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>
			<hr/>



**COALITION TO ABOLISH  
SLAVERY & TRAFFICKING**

SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2016

**COALITION TO ABOLISH SLAVERY & TRAFFICKING**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2016**

	Contract Number	Federal CFDA Number	Governmental Revenue Federal	Program Expenditures from Governmental Revenue
<b>FEDERAL AWARDS</b>				
Federal Grantor/Passed Through Grantor/Program or Cluster Title				
<b>MAJOR AWARDS</b>				
<b>U.S. Department of Health and Human Services:</b>				
U.S. Committee for Refugees and Immigrants				
National Human Trafficking Victim Assistance	90ZV0101/01	93.598	\$ 115,039	\$ 115,039
National Human Trafficking Victim Assistance	90ZV0123	93.598	86,191	86,191
Administration for Children and Families				
Office of Refugee Resettlement				
Rescue & Restore Victims of Human Trafficking				
Regional Program	90ZV0111-01-00	93.598	150,000	150,000
<b>TOTAL MAJOR AWARDS</b>			<b>\$ 351,230</b>	<b>\$ 351,230</b>
<b>NON-MAJOR AWARDS</b>				
<b>U.S. Department of Justice:</b>				
Office for Victims of Crime:				
Comprehensive Services for All Victims of Trafficking	2014-VT-BX-K010	16.320	186,084	186,084
Comprehensive Services for All Victims of Trafficking				
Training and Technical Assistance	2015-VT-BX-K029	16.320	105,433	105,433
Comprehensive Services for All Victims of Trafficking	2015-VT-BX-K005	16.320	94,980	94,980
<b>U.S. Department of State</b>				
Legal Aid Foundation of Los Angeles (subcontract)				
October 1, 2013 - September 30, 2015		19.019	73,251	73,251
<b>California Emergency Management Agency</b>				
Unserved/Underserved Victim Advocacy & Outreach Program	UV14058656	16.575	94,330	94,330
Unserved/Underserved Victim Advocacy & Outreach Program	UV15018656	16.575	44,561	44,561
Human Trafficking Victim Assistance Program	HV15018656	16.575	48,240	48,240
<b>TOTAL NON-MAJOR AWARDS</b>			<b>646,879</b>	<b>646,879</b>
<b>TOTAL FEDERAL AWARDS</b>			<b>\$ 998,109</b>	<b>\$ 998,109</b>

**Notes to the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2016:**

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of CAST under programs of the Federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of CAST, it is not intended to and does not present the financial position, changes in net assets, or cash flows of CAST.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**3. Indirect Cost Rate**

CAST has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

See Independent Auditor's Report