

COALITION TO ABOLISH SLAVERY & TRAFFICKING

FINANCIAL STATEMENTS

June 30, 2025

(With Comparative Totals for 2024)

CONTENTS

Independent Auditors' Report	1-3
Statement of Financial Position.....	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-25

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Coalition to Abolish Slavery & Trafficking

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Coalition to Abolish Slavery & Trafficking (a California nonprofit corporation), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coalition to Abolish Slavery & Trafficking (CAST) as of June 30, 2025, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CAST and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CAST's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CAST's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026, on our consideration of CAST's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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.

Report on Summarized Comparative Information

We have previously audited CAST's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 20, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Windes, Inc.".

Long Beach, California
January 28, 2026

COALITION TO ABOLISH SLAVERY & TRAFFICKING

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)**

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 2,610,059	\$ 1,442,305
Investments	69,798	66,506
Grants and contributions receivable	2,094,700	1,967,475
Prepaid expenses, deposits, and other assets	85,208	124,007
Property and equipment, net	3,849,649	3,878,029
Operating lease right-of-use asset, net	746,493	913,654
TOTAL ASSETS	\$ 9,455,907	\$ 8,391,976
LIABILITIES		
Accounts payable	\$ 176,323	\$ 153,146
Accrued liabilities	444,415	420,600
Advances received	-	275,800
Note payable	2,836,182	3,013,443
Operating lease liability	758,365	913,654
TOTAL LIABILITIES	4,215,285	4,776,643
NET ASSETS		
Without donor restrictions	4,543,980	3,251,424
With donor restrictions	696,642	363,909
TOTAL NET ASSETS	5,240,622	3,615,333
TOTAL LIABILITIES AND NET ASSETS	\$ 9,455,907	\$ 8,391,976

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

COALITION TO ABOLISH SLAVERY & TRAFFICKING

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)**

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
REVENUE AND SUPPORT				
Government contracts	\$ 6,324,534	\$ -	\$ 6,324,534	\$ 5,507,708
Foundation contributions	383,681	1,049,756	1,433,437	1,020,168
Individual and business contributions	1,012,565	-	1,012,565	710,367
Contributed services and goods	1,273,549	-	1,273,549	1,640,363
Note payable forgiveness	177,261	-	177,261	177,261
Employee Retention Credit	975,077	-	975,077	-
Investment return, net	49,012	-	49,012	55,394
Other revenue and support	181,352	-	181,352	75,115
Net assets released from restrictions	717,023	(717,023)	-	-
Total revenue and support	11,094,054	332,733	11,426,787	9,186,376
EXPENSES				
Program services	8,460,289	-	8,460,289	8,441,717
Supporting services	1,341,209	-	1,341,209	1,206,050
Total expenses	9,801,498	-	9,801,498	9,647,767
CHANGE IN NET ASSETS	1,292,556	332,733	1,625,289	(461,391)
NET ASSETS, BEGINNING OF YEAR	3,251,424	363,909	3,615,333	4,076,724
NET ASSETS, END OF YEAR	\$ 4,543,980	\$ 696,642	\$ 5,240,622	\$ 3,615,333

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

COALITION TO ABOLISH SLAVERY & TRAFFICKING

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)**

	<u>Empowerment Programs</u>	<u>Legal Services</u>	<u>Advocacy</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Support Services</u>	<u>Totals</u>	
								<u>2025</u>	<u>2024</u>
PERSONNEL EXPENSES									
Salaries and wages	\$ 2,457,478	\$ 1,169,001	\$ 272,884	\$ 3,899,363	\$ 238,934	\$ 338,284	\$ 577,218	\$ 4,476,581	\$ 4,421,418
Employee benefits	341,582	162,488	37,930	542,000	33,211	47,020	80,231	622,231	617,493
Payroll taxes	189,867	90,318	21,083	301,268	18,460	26,136	44,596	345,864	342,390
Total personnel expenses	<u>2,988,927</u>	<u>1,421,807</u>	<u>331,897</u>	<u>4,742,631</u>	<u>290,605</u>	<u>411,440</u>	<u>702,045</u>	<u>5,444,676</u>	<u>5,381,301</u>
OPERATIONAL EXPENSES									
Program and client services	722,719	343,791	80,252	1,146,762	-	-	-	1,146,762	860,458
Contributed services, goods, and interest	736,179	320,648	74,850	1,131,677	58,727	83,146	141,873	1,273,550	1,640,364
Professional services	243,153	115,666	27,000	385,819	235,616	91,851	327,467	713,286	583,886
Occupancy	118,882	56,551	13,201	188,634	11,559	16,365	27,924	216,558	235,835
Bad debt expense	9,915	4,512	157	14,584	1,383	1,191	2,574	17,158	17,640
Telephone and telecommunication	62,855	29,900	6,980	99,735	6,111	8,652	14,763	114,498	123,268
Computer equipment and software	80,525	38,305	8,942	127,772	7,829	11,085	18,914	146,686	111,788
Insurance	45,742	21,759	5,079	72,580	4,447	6,297	10,744	83,324	89,620
Supplies	32,917	15,658	3,655	52,230	3,200	4,531	7,731	59,961	29,454
Travel, local parking, and mileage	62,898	29,920	6,984	99,802	6,115	8,658	14,773	114,575	87,971
Events	56,817	27,027	6,309	90,153	5,524	7,821	13,345	103,498	59,059
Depreciation	70,827	33,692	7,865	112,384	6,886	9,750	16,636	129,020	126,540
Postage, shipping, and delivery	7,926	3,770	880	12,576	771	1,091	1,862	14,438	22,361
Repairs and maintenance	35,074	16,684	3,895	55,653	3,410	4,828	8,238	63,891	54,595
Bank and payroll processing fees	8,114	3,860	901	12,875	8,049	1,117	9,166	22,041	25,788
Training and development	3,294	1,567	366	5,227	320	453	773	6,000	50,354
Other	2,282	1,086	254	3,622	6,439	314	6,753	10,375	51,498
Staff training and development	21,420	10,190	2,379	33,989	2,083	2,949	5,032	39,021	18,907
Printing, graphic design, and media production	13,200	6,279	1,466	20,945	1,283	1,817	3,100	24,045	32,636
Dues and subscriptions	27,684	13,169	3,074	43,927	2,692	3,811	6,503	50,430	39,565
Recruiting	4,230	2,012	470	6,712	411	582	993	7,705	4,879
Total operational expenses	<u>2,366,653</u>	<u>1,096,046</u>	<u>254,959</u>	<u>3,717,658</u>	<u>372,855</u>	<u>266,309</u>	<u>639,164</u>	<u>4,356,822</u>	<u>4,266,466</u>
TOTAL 2025 FUNCTIONAL EXPENSES	<u>\$ 5,355,580</u>	<u>\$ 2,517,853</u>	<u>\$ 586,856</u>	<u>\$ 8,460,289</u>	<u>\$ 663,460</u>	<u>\$ 677,749</u>	<u>\$ 1,341,209</u>	<u>\$ 9,801,498</u>	
	52%	31%	3%	86%	9%	5%	14%	100%	
TOTAL 2024 FUNCTIONAL EXPENSES	<u>\$ 4,663,888</u>	<u>\$ 3,136,192</u>	<u>\$ 641,637</u>	<u>\$ 8,441,717</u>	<u>\$ 694,205</u>	<u>\$ 511,845</u>	<u>\$ 1,206,050</u>		<u>\$ 9,647,767</u>
	52%	31%	3%	86%	9%	5%	14%		100%

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

COALITION TO ABOLISH SLAVERY & TRAFFICKING

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,625,289	\$ (461,391)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Forgiveness of note payable	(177,261)	(177,261)
Realized and unrealized gains on investments and cash equivalents	(46,674)	(37,796)
Bad debt expense	17,158	17,640
Depreciation	129,020	126,540
Amortization on operating lease right-of-use asset	167,161	207,708
Change in operating assets and liabilities:		
Grants and contributions receivable	(144,383)	(718,027)
Prepaid expenses, deposits, and other assets	38,799	(9,283)
Accounts payable	23,177	(24,822)
Accrued liabilities	23,815	72,591
Advances received	(275,800)	192,135
Operating lease liability	(155,289)	(232,010)
Net Cash Provided By (Used In) Operating Activities	1,225,012	(1,043,976)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(100,640)	(29,775)
Proceeds from sale of investments and cash equivalents	43,382	33,290
Purchases of investments	-	(62,000)
Net Cash Used In Investing Activities	(57,258)	(58,485)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,167,754	(1,102,461)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,442,305	2,544,766
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,610,059	\$ 1,442,305

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

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 1 – Nature of Operations

The Coalition to Abolish Slavery & Trafficking (CAST), a Los Angeles-based 501(c)(3) nonprofit organization founded in 1998, provides immediate emergency response and comprehensive trauma-informed services to over 1,200 survivors and their family members each year. Through its evidence-driven model of learning from survivors, CAST is a champion of resiliency, empowerment, and movement building, lending its expertise to the crucial dialogue on human rights, immigrant rights, and systemic change, among other issues which intersect with human trafficking. CAST's mission has never been so relevant and important as it is today.

As an industry leader, CAST has a profound impact in the lives of survivors of human trafficking. CAST is the key go-to resource for the Los Angeles community and the United States of America on issues related to human trafficking. Through partnerships with healthcare organizations, government agencies, community-based organizations, and business, cultural, and faith-based communities, CAST provides support at every phase of a human trafficking survivor's journey to freedom, including:

- **Hotline and Emergency Response:** CAST's 24-hour hotline provides immediate and around the clock response to victims of trafficking and serves as a resource to the community for referrals and technical assistance. The dedicated emergency response team provides immediate, short-term services to ensure the safety, well-being, and rights of victims when they first escape.
- **Housing Program:** The first of its kind in the nation, CAST's emergency shelter - Hummingbird Haven, and its transitional shelter - Mariposa Haven - provide safe housing for trafficked women and transition-aged youth (TAY) who would otherwise be homeless. Through a host of supportive services, Hummingbird Haven and Mariposa Haven are vital parts of CAST's continuum of care to help survivors establish safety, healing, and self-sufficiency. Residents are taught skills in conflict resolution, job training, independent living, and financial literacy and planning. CAST's housing program has been studied by numerous countries and organizations to replicate its trauma-informed, client-centered model. Providing a continuum of housing services, CAST also began its Rapid Re-Housing Program in 2020, which supports survivors of trafficking with finding a permanent home, rental assistance, and dedicated case management.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 1 – Nature of Operations (Continued)

- **Comprehensive Case Management:** Utilizing an empowerment approach, CAST provides a uniquely designed continuum of care to meet the emergency, long-term, and diverse needs of human trafficking survivors. Case managers go the extra mile to ensure safety and a clear path to independence; clients engage in regular assessments to provide every avenue possible to achieve their goals. Services include providing basic necessities, supportive counseling, medical and mental health care, education, life skills training, employment, transportation, and state and federal benefits coordination. When survivors graduate from CAST, they are self-sufficient and thriving in the community.
- **Youth Program:** Recognizing the specialized needs of trafficked minors and TAY, CAST provides group activities focused on empowerment, positive experiences, and education; comprehensive case management and advocacy with interventions designed for youth; assistance navigating government systems, such as probation and the Department of Children and Family Services; and leadership opportunities for TAY to build job skills and professional development through direct work experience and mentoring.
- **Survivor Leadership:** CAST's model survivor leadership programs, Resilient Voices: Los Angeles Survivor Network and the National Survivor Network, bring together survivors of human trafficking from around the United States of America who 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 California and federal anti-trafficking laws. By connecting survivors across the country, CAST supports survivors to build leadership capacity, adding value to the field with survivor insights and expertise.
- **Legal Services:** CAST is one of the only providers in the United States of America that comprehensively assesses and serves the full spectrum of legal services trafficking survivors need. Specializing in immigration, crime victim rights, family law, civil remedies, and criminal witness advocacy, CAST's expert team of lawyers obtain justice for survivors. 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-responsive, victim-centered legal representation. Along with CAST's team of full-time attorneys on staff, CAST's pro bono network of attorneys volunteer to take cases and support cutting edge policy initiatives.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 1 – Nature of Operations (Continued)

- **Advocacy:** Drawing from 25 years of direct experience working with survivors of trafficking, CAST sponsors cutting-edge legislation on victim protections and human trafficking prevention policies and contributes its expertise to the media. Serving as the go-to resource for policymakers, CAST's public policy agenda centers around survivor experiences and invests in the training of survivors as advocates and leaders to impact systemic change. Trafficking Victims Protection Act, SB657 California Transparency in Supply Chains Act, AB1761 Affirmative Defense for Human Trafficking Survivors, the federal Survivors of Human Trafficking Empowerment Act, and appropriations for specialized services for victims of trafficking are just a few laws that CAST successfully championed.
- **Outreach, Training, and Partnerships:** CAST is an internationally recognized leader and resource for corporate social responsibility programs, media, policymakers, law enforcement, and philanthropic community to access information about human trafficking. Believing in collective impact, CAST provides education, training, and technical assistance to increase identification of victims, expand resources for their care, and end human trafficking in industries where it is prevalent. Additionally, CAST is a national training and technical assistance provider for attorneys across the country to enable survivors to access critical legal services.

CAST's long-standing 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 identity, sexual orientation, native language, or country of origin. CAST's work with survivors spans more than two decades and provides unique insight into the effectiveness of programs that seek to identify victims, address the unique needs of vulnerable populations, and provide services to empower survivors at every stage of recovery.

CAST is a four-star charity, with the highest score possible, through Charity Navigator, and was awarded GuideStar's Platinum Transparency status in 2025.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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 U.S. GAAP. Accordingly, such information should be read in conjunction with CAST's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Financial Statement Presentation

CAST reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of CAST or the passage of time. As restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions. Other donor stipulations are perpetual in nature.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of the financial statements requires in accordance with U.S. GAAP management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, CAST's management evaluates estimates and assumptions based upon historical experience and various other factors and circumstances. CAST's management believes that its estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, CAST considers cash on hand and all highly liquid investments with an initial maturity of three months or less to be cash and 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 their fair value at June 30, 2025.

Investments

Investments in certificates of deposit are reported at fair value. Interest and dividend income and gains and losses on investments are reported in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulations or by law.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Revenue and Support

Contributions, including unconditional promises to give, are recognized when the promise to give is received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions, consistent with the nature of the restriction. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized as revenue or receivable until the conditions on which they depend have been substantially met. At June 30, 2025, CAST is party to conditional grants with grant terms through September 2027 and additional funding of approximately \$6,200,000 that has not been recognized at June 30, 2025 because certain performance obligations have not yet been met.

Grants and contracts receivable are recorded when the conditions are met. Accounts receivable are recorded when services are performed and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The allowance for doubtful accounts is estimated based on historical collection trends, type of donor, 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 amount dues. At June 30, 2025, the majority of receivables are due from governmental agencies. Management evaluated the collectability of grants and contracts receivable and determined that no allowance was necessary at June 30, 2025 and 2024.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Revenue and Support (Continued)

The majority of CAST's government contracts revenue is derived from cost reimbursement grants and contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Such grants are generally considered nonreciprocal transactions restricted by the awarding agencies for certain purposes. Amounts received are recognized as revenue when CAST has satisfied the specific performance requirements or incurred expenditures in compliance with specific contract or grant provisions. CAST has elected to adopt a policy whereby donor-restricted grants and contracts that were initially conditional and whose conditions and restrictions are met in the same reporting period are recognized as revenue without donor restrictions. Amounts received prior to incurring qualifying expenditures or fulfilling specific performance obligations are reported as advances received in the statement of financial position. There were no advances received at June 30, 2025.

Revenue and Receivable Concentration

CAST's revenue and support is primarily received from the federal government, various state governments, and private organizations primarily under cost reimbursement or fixed price contracts. For the year ended June 30, 2025, approximately 56% of revenue was from three government agencies. Approximately 56% of grants and contributions receivable were due from three government agencies at June 30, 2025. For the year ended June 30, 2024, approximately 39% of revenue was from two government agencies. Approximately 55% of grants and contributions receivable were due from three government agencies at June 30, 2024.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

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 using the straight-line basis over the estimated useful lives of the related assets. The estimated useful lives are as follows:

Buildings	39.5 Years
Furniture and Fixtures	3-7 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. Expenditures for property and equipment acquired under certain grant agreements are expensed when incurred because the grantor retains title to such assets.

Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements as of June 30, 2025.

Lease Arrangements

CAST determines if an arrangement contains a lease at inception based on whether CAST has the right to control the asset during the contract period and other facts and circumstances.

CAST's policy for determining its lease discount rate used for measuring the lease liability is to use the rate implicit in the lease whenever that rate is readily determinable. If the rate implicit in the lease is not readily determinable, then CAST has elected to use its incremental borrowing rate or the risk-free discount rate, as permitted by U.S. GAAP, determined using a period comparable with that of the lease term.

CAST has elected a policy to account for short-term leases, defined as any lease with a term less than 12 months, by recognizing all components of the lease payment in the statement of activities in the period in which the obligation for the payments is incurred.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Contributed Services and Goods

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 CAST's 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 rendered, however, do not meet the above recognition criteria and, as such, are not recognized as revenue.

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.

Income Taxes

CAST is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and state income taxes under Section 23701(d) of the California Revenue and Taxation Code. The Internal Revenue Service classified CAST as one that is not a private foundation within the meaning of Section 509(a) of the Code because it is an organization described in Section(s) 509(a)(1) and 170(b)(1)(A)(vi). Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

CAST has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Section 740-10, *Income Taxes*, which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. As of and for the year ended June 30, 2025, CAST had no material unrecognized tax benefits, tax penalties, or interest.

CAST is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal purposes is three years and for state purposes is four years.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Assets and liabilities are measured at fair value using a three-level fair value hierarchy that ranks the quality and reliability of the information used to measure fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the report date.

Level 2 - Pricing inputs other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reporting date.

Level 3 - Pricing inputs include significant inputs that are generally unobservable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. All assets and liabilities for which the fair value measurement is based on significant unobservable inputs or instruments which trade infrequently and, therefore, have little or no price transparency are classified as level 3.

Subsequent Events

Management has evaluated subsequent events from the statement of financial position date through January 28, 2026, which is the date the financial statements were available to be issued and determined that there are no further items that are required to be disclosed.

NOTE 3 – Liquidity and Availability of Resources

The following reflects CAST's financial assets as of June 30, 2025, reduced by amounts not available for general use because of timing or donor-imposed restrictions within one year of the statement of financial position date:

Financial assets:	
Cash and cash equivalents	\$ 2,610,059
Investments	69,798
Grants and contributions receivable	<u>2,094,700</u>
Total financial assets	4,774,557
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:	
Restricted by donor purpose restrictions	<u>(696,642)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,077,915</u>

COALITION TO ABOLISH SLAVERY & TRAFFICKING

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)**

NOTE 3 – Liquidity and Availability of Resources (Continued)

CAST regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. CAST is substantially supported by contributions, government grants, and contracts without donor restrictions. As part of CAST’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. CAST has additional funding available through a line of credit. (See Note 7.)

NOTE 4 – Investments

Investments measured at fair value consist of the following as of June 30, 2025:

<u>June 30, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ 69,798	\$ -	\$ -	\$ 69,798
	<u>\$ 69,798</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,798</u>

Net investment return consists of the following:

	For the Year Ended June 30,	
	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 12,788	\$ 26,932
Realized and unrealized gains	46,674	37,796
Less: Advisory fees	<u>(10,450)</u>	<u>(9,334)</u>
Total	<u>\$ 49,012</u>	<u>\$ 55,394</u>

COALITION TO ABOLISH SLAVERY & TRAFFICKING

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)**

NOTE 5 – Property and Equipment

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

	<u>2025</u>	<u>2024</u>
Buildings	\$ 4,375,574	\$ 4,375,574
Furniture and fixtures	<u>200,448</u>	<u>99,808</u>
Total	4,576,022	4,475,382
Less accumulated depreciation	<u>(726,373)</u>	<u>(597,353)</u>
 Net, property and equipment	 <u>\$ 3,849,649</u>	 <u>\$ 3,878,029</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$129,020 and \$126,540, respectively.

NOTE 6 – Note Payable

In May 2021, CAST entered into an agreement with the City of Los Angeles Housing and Community Investment Department to receive funding of up to \$4,000,000 for the purpose of purchasing Hummingbird Haven, a temporary, emergency shelter for victims of human trafficking. The note payable, secured by a deed of trust, with an interest rate of 0%, is forgivable over a 20-year service payback period, and for each year that CAST provides continuous services, the amortization rate shall be the equivalent of 1/20th of the initial loan amount. At June 30, 2025, the balance of the note payable was \$2,836,182, with forgiveness of \$177,261 reflected in the statement of activities for the year ended June 30, 2025.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 6 – Note Payable (Continued)

At June 30, 2025, the future scheduled forgiveness of the note is as follows:

<u>Year Ending</u> <u>June 30,</u>	
2026	\$ 177,261
2027	177,261
2028	177,261
2029	177,261
2030	177,261
Thereafter	<u>1,949,877</u>
Total forgiveness	<u>\$ 2,836,182</u>

NOTE 7 – Line of Credit

CAST has entered into a line of credit agreement with an interest rate of 0.25% above prime (7.5% as of June 30, 2025), a capacity of \$350,000, and a maturity date of August 2025. There is no balance outstanding as of June 30, 2025. The line of credit was subsequently reinstated in November 2025 with a maturity date of August 2026.

NOTE 8 – Lease Arrangements

CAST leases real property under a non-cancelable operating lease that expires in June 2029. CAST also enters into short-term lease agreements of less than one year that are scoped out of recognition under ASC 842, *Leases*.

The lease arrangement provides for minimum lease payments. Variable payments are not determinable at lease commencement and are not included in the measurement of the operating lease right-of-use asset and operating lease liability. The lease agreement does not include any material residual guarantees or restrictive covenants.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 8 – Lease Arrangements (Continued)

The following summarizes the line items in the statement of financial position, which include amounts for the operating lease at June 30, 2025:

Operating lease right-of-use asset, net	<u>\$ 746,493</u>
Operating lease liability	<u>\$ 758,365</u>

The operating lease right of-of-use asset is shown net of accumulated amortization. Amortization for the year ended June 30, 2025 was \$167,161.

The components of operating lease expenses that are included in occupancy in the statement of functional expenses are as follows for the year ended June 30, 2025:

Operating lease costs	<u>\$ 188,749</u>
-----------------------	-------------------

The following summarizes the supplemental cash flow information related to leases for the year ended June 30, 2025:

Cash paid for amounts included in the measurement of lease liability:	
Operating cash flows from operating lease	<u>\$ 155,289</u>

The weighted-average remaining lease term and discount rate for the operating lease are as follows for the year ended June 30, 2025:

Weighted-average remaining lease term	4.0 years
Weighted-average discount rate	4.44%

COALITION TO ABOLISH SLAVERY & TRAFFICKING

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)**

NOTE 8 – Lease Arrangements (Continued)

The maturities of the operating lease liability as of June 30, 2025 are as follows:

<u>Year Ending June 30,</u>	<u>Operating Lease</u>
2026	\$ 197,770
2027	203,703
2028	209,814
2029	<u>216,108</u>
Total minimum lease payments	827,395
Less amounts representing interest	<u>(69,030)</u>
Present value of minimum lease payments	<u>\$ 758,365</u>

NOTE 9 – Commitments and Contingencies

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 does not include provisions for the possible disallowance of program costs in its financial statements.

In the normal course of business, CAST may become a party to litigation. Management believes there are no asserted or unasserted claims or contingencies that would have a significant impact on the financial statements as of June 30, 2025.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)**

NOTE 10 – 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 years ended June 30, 2025 and 2024, CAST’s matching contribution to the Plan was \$129,084 and \$131,684, respectively.

NOTE 11 – Contributed Services and Goods

Contributed services and goods consisted of the following during the years ended June 30:

	Revenue Recognized		Valuation Techniques and Inputs
	2025	2024	
Legal services	\$ 689,045	\$ 1,149,282	Standard hourly rates
Database administration	225,000	225,000	Standard hourly rates
Policy work	180,000	180,000	Standard hourly rates
Interest	62,112	65,994	Treasury rate
Furniture, clothing, and supplies	92,190	10,620	Value if sold at wholesale
Communication services	-	9,467	Standard hourly rates
Other services	25,202	-	Standard hourly rates
 Total	 \$ 1,273,549	 \$ 1,640,363	

All donated services and goods were utilized by CAST’s programs and supporting services. There were no donor-imposed restrictions associated with the donated services.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)**

NOTE 12 – Employee Retention Credits

The Employee Retention Credit (ERC) was enacted in March 2020 by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and amended in December 2020 by the Taxpayer Certainty and Disaster Tax Relief Act (TCDTR Act). The ERC is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an eligible employer paid to employees in calendar year 2020 (between March 2020 and before January 2021) and 70% of the qualified wages in calendar year 2021.

During the year ended June 30, 2025, CAST recognized and received \$975,077 of refundable ERCs claimed under provisions of the CARES Act and TCDTR Act on the accompanying statement of activities.

NOTE 13 – Net Assets

The activity of net assets with donor restrictions for the year ended June 30, 2025 is as follows:

	Balance at 6/30/2024	Contributions	Releases	Balance at 6/30/2025
Net assets restricted for time or purpose:				
Survivor leadership programs	\$ 108,995	\$ 600,956	\$ (232,227)	\$ 477,724
Legal services	22,237	123,800	(62,865)	83,172
Research and advocacy	4,185	80,000	(84,185)	-
Housing	-	110,000	(105,700)	4,300
Case management and youth	121,287	125,000	(149,735)	96,552
Other	67,205	10,000	(67,311)	9,894
Time restriction	15,000	-	(15,000)	-
Restricted in perpetuity:				
Endowment corpus	25,000	-	-	25,000
Net assets with donor restrictions	\$ 363,909	\$ 1,049,756	\$ (717,023)	\$ 696,642