

**COALITION TO ABOLISH
SLAVERY & TRAFFICKING**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

COALITION TO ABOLISH SLAVERY & TRAFFICKING

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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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, 2014, 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, 2014, 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 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 25, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, 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 and Non-Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, 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 February __, 2015 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

March 5, 2015
Los Angeles, California

COALITION TO ABOLISH SLAVERY & TRAFFICKING

STATEMENT OF FINANCIAL POSITION

June 30, 2014

With Summarized Totals at June 30, 2013

	2014				2013 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
ASSETS					
Cash and Cash Equivalents	\$ 409,791	\$ 231,765	\$ 25,000	\$ 666,556	\$ 830,553
Accounts Receivable	196,877	-	-	196,877	195,755
Grants and Contributions Receivable	101,112	75,000	-	176,112	51,402
Prepaid Expenses and Deposits	35,552	-	-	35,552	33,124
Property and Equipment (Net)	753,657	-	-	753,657	6,295
TOTAL ASSETS	\$ 1,496,989	\$ 306,765	\$ 25,000	\$ 1,828,754	\$ 1,117,129
LIABILITIES AND NET ASSETS					
LIABILITIES:					
Accounts Payable	\$ 79,081	\$ -	\$ -	\$ 79,081	\$ 91,649
Accrued Liabilities	86,482	-	-	86,482	70,695
TOTAL LIABILITIES	165,563	-	-	165,563	162,344
NET ASSETS:					
Unrestricted	1,331,426	-	-	1,331,426	633,846
Temporarily Restricted	-	306,765	-	306,765	295,939
Permanently Restricted	-	-	25,000	25,000	25,000
TOTAL NET ASSETS	1,331,426	306,765	25,000	1,663,191	954,785
TOTAL LIABILITIES AND NET ASSETS	\$ 1,496,989	\$ 306,765	\$ 25,000	\$ 1,828,754	\$ 1,117,129

The Accompanying Notes are an Integral Part of These Financial Statements

COALITION TO ABOLISH SLAVERY & TRAFFICKING

STATEMENT OF ACTIVITIES

Year Ended June 30, 2014

With Summarized Totals for the Year Ended June 30, 2013

	2014			Total	2013 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
REVENUE AND SUPPORT:					
Government Contracts	\$ 694,501	\$ -	\$ -	\$ 694,501	\$ 619,168
Public Support:					
Foundations	167,000	393,000	-	560,000	887,080
Individuals and Corporations	200,414	380,377	-	580,791	66,346
Special Events (Net of \$43,983 of Direct Benefit to Donors)	472,650	-	-	472,650	181,500
In-Kind Donations	1,198,529	-	-	1,198,529	350,189
Other Revenue	6,892	-	-	6,892	9,231
Interest Income	957	-	-	957	448
Net Assets Released from:					
Purpose Restrictions	762,551	(762,551)	-	-	-
TOTAL REVENUE AND SUPPORT	3,503,494	10,826	-	3,514,320	2,113,962
EXPENSES:					
Program Services	2,303,174	-	-	2,303,174	1,683,359
Support Services:					
Management and General	260,190	-	-	260,190	239,801
Fundraising	242,550	-	-	242,550	282,145
TOTAL EXPENSES	2,805,914	-	-	2,805,914	2,205,305
CHANGE IN NET ASSETS	697,580	10,826	-	708,406	(91,343)
Net Assets - Beginning of Year	633,846	295,939	25,000	954,785	1,046,128
NET ASSETS - END OF YEAR	\$ 1,331,426	\$ 306,765	\$ 25,000	\$ 1,663,191	\$ 954,785

The Accompanying Notes are an Integral Part of These Financial Statements

COALITION TO ABOLISH SLAVERY & TRAFFICKING

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2014
With Summarized Totals for the Year Ended June 30, 2013

	2014					2013 Total
	Program Services	Support Services			Total	
		Management and General	Fundraising	Total Support Services		
Salaries	\$ 781,197	\$ 94,992	\$ 77,564	\$ 172,556	\$ 953,753	\$ 809,473
Employee Benefits	189,947	22,690	18,804	41,494	231,441	178,836
Payroll Taxes	66,574	8,236	6,345	14,581	81,155	71,281
TOTAL PERSONNEL COSTS	1,037,718	125,918	102,713	228,631	1,266,349	1,059,590
Program/Client Services	927,135	-	-	-	927,135	437,546
Professional Services	128,934	74,427	95,123	169,550	298,484	368,067
Occupancy	79,032	9,290	8,314	17,604	96,636	86,242
Travel	33,506	535	9,328	9,863	43,369	69,169
Telephone and Telecommunication	30,477	3,367	2,519	5,886	36,363	35,913
Insurance	12,492	12,028	3,147	15,175	27,667	19,639
Supplies	17,388	2,293	2,213	4,506	21,894	32,530
Local Parking and Mileage	14,979	1,063	890	1,953	16,932	13,000
Printing and Reproduction	2,392	408	8,327	8,735	11,127	26,610
Depreciation	-	10,643	-	10,643	10,643	4,326
Postage, Shipping and Delivery	6,191	230	1,422	1,652	7,843	7,054
Bank and Payroll Processing Fees	-	6,992	-	6,992	6,992	6,842
Staff Training/Development	3,424	1,828	482	2,310	5,734	-
Dues and Subscriptions	3,783	1,097	14	1,111	4,894	7,910
Computer Equipment and Software	1,090	1,011	2,405	3,416	4,506	-
Recruiting	860	973	2,577	3,550	4,410	-
Miscellaneous Expenses	27	4,089	-	4,089	4,116	3,796
Training and Meetings	1,004	2,592	204	2,796	3,800	23,964
Graphic Design/Media Production	-	1,090	2,615	3,705	3,705	-
Repairs and Maintenance	2,742	316	257	573	3,315	3,107
TOTAL 2014 FUNCTIONAL EXPENSES	\$ 2,303,174	\$ 260,190	\$ 242,550	\$ 502,740	\$ 2,805,914	
	82%	9%	9%		100%	
TOTAL 2013 FUNCTIONAL EXPENSES	\$ 1,683,359	\$ 239,801	\$ 282,145	\$ 521,946		\$ 2,205,305
	76%	11%	13%			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, 2014

With Summarized Totals for the Year Ended June 30, 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 708,406	\$ (91,343)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
In-Kind Donation of Property and Equipment	(423,239)	-
Depreciation	10,643	4,326
(Increase) Decrease in:		
Accounts Receivable	(1,122)	(93,247)
Grants and Contributions Receivable	(124,710)	103,458
Prepaid Expenses and Deposits	(2,428)	(4,840)
Increase (Decrease) in:		
Accounts Payable	(12,568)	32,507
Accrued Liabilities	15,787	(24,820)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	170,769	(73,959)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property and Equipment	(334,766)	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(163,997)	(73,959)
Cash and Cash Equivalents - Beginning of Year	830,553	904,512
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 666,556</u>	<u>\$ 830,553</u>

The Accompanying Notes are an Integral Part of These Financial Statements

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE 1 - ORGANIZATION

The Coalition to Abolish Slavery & Trafficking (CAST), a Los Angeles-based 501(c)(3) nonprofit organization with international and domestic programming, is the longest running and largest anti-slavery organization in the country, and the first to advocate for laws to protect victims. The mission of CAST is to assist persons trafficked for the purpose of forced labor and slavery-like practices and to work toward ending all instances of such human-rights violations. Known for opening the first shelter for trafficked women and girls in the country, CAST provides resources for the media, policy makers, law enforcement, and the philanthropic community. The organization also provides the final lifeline for human beings who escape slavery.

Established in 1998 following a sweatshop slavery case in El Monte, California, CAST is one of the leading organizations working with trafficking survivors from over 58 countries around the world, including survivors who are United States citizens. Today, CAST is a multi-ethnic human rights organization dedicated to identifying victims, mobilizing all sectors of the community to identify and advocate against trafficking, and ensuring that victims receive appropriate services and assistance to recover from their trauma. CAST achieves its goals by providing an innovative model of trauma-informed care to more than 1,000 victims of trafficking and their family members to lead successful and self-reliant lives; building multi-disciplinary networks to ensure that victims have access to a wide-range of care; training tens of thousands of governmental, law enforcement, healthcare, community-based and faith-based organizations to outreach to victims; and successfully advocating for anti-trafficking policy measures at a local, state and federal level. CAST is most known for innovating evidence-based approaches, including the nation's first shelter for trafficking victims and survivor leadership programs such as the National Survivor Network.

Human trafficking, or modern-day slavery, is defined as the recruitment and/or the transportation of persons using violence, deception, or coercion for the purpose of exploiting them for economic profit or sexual advantage. Women, men, and children have been trafficked into the United States for agricultural work, domestic work, restaurant work, garment work, prostitution, servile marriage, begging, and use in the entertainment and sex industry, as well as criminal activities. Victims of trafficking are some of the most underserved and vulnerable of all populations. During their enslavement, they are frequently abused physically, sexually and psychologically. They are starved, degraded, and forced to work day and night for little or no pay; they are denied any access to health care. Foreign national victims usually speak little English, have little or no money, no legal status or knowledge about their basic rights, and have a variety of critical mental and physical issues stemming from long-term physical or sexual abuse, neglect and trauma. Domestic victims forced to work in the sex industry are often seen as criminals (prostitutes) or willing accomplices to their traffickers instead of victims of crime. All victims of trafficking have significant physical, emotional, psychological, and spiritual repercussions from the trauma of exploitation.

There are an estimated 27 million people living in slavery around the world. Victims are trafficked from Asia, Africa, Latin America, Russia, and Eastern Europe; they are of all ages and education levels. Human trafficking is now tied with the arms trade as the second largest international criminal enterprise after drugs and has become a \$9 billion-a-year global industry. The CIA estimates there are as many as 50,000 women, men and children trafficked into the United States every year, equivalent to one person trafficked into this country every 10 minutes. Los Angeles is one of the top three destination cities where traffickers bring victims who suffer violence at the hands of their captors.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE 1 - ORGANIZATION (continued)

What makes CAST unique is the survivor-centered approach to its programs that provide direct services to victims. This approach informs all of its policy and prevention initiatives. Survivors receive comprehensive, trauma-informed care that helps them rebuild their lives. Furthermore, CAST not only works in the trenches giving survivors 24-hour access to services, but it also provides opportunities for survivors to become key leaders in the anti-trafficking movement.

In 2012, CAST was recognized at the Clinton Global Initiative by President Obama during his announcement of new federal government initiatives to combat human trafficking both domestically and internationally. This recognition led to a CAST feature in Forbes Magazine. In 2014, CAST received the Presidential Award for Extraordinary Efforts to Combat Trafficking in Persons presented by Secretary of State John Kerry.

A SURVIVOR-CENTERED APPROACH TO ENDING MODERN DAY SLAVERY

Comprehensive Victim Services

For 15 years, CAST has invested in human resilience by helping clients recover from years of abuse and trauma. The trafficking cases are recognized nationally and internationally and serve as a best-practice model of inter-agency collaboration and empowerment of survivors. The organization's programs are known best for their success in assisting survivors in their journey from being victims of trafficking to becoming self-sufficient, thriving members of the communities in which they live. These services include access to food, shelter, job training, intensive case management, mental health and wellness, alternative non-western healing therapies, education and life skills training.

CAST's legal services program works collaboratively with clients, community-based organizations, public-interest attorneys and numerous government agencies to ensure that survivors of trafficking are provided linguistically appropriate, culturally sensitive, and victim-centered legal services. To comprehensively respond to survivors' urgent legal needs, CAST coordinates networks of pro bono attorneys. The organization also founded the Trafficking Legal Clinic (TLC), the first legal services clinic dedicated to serving trafficking survivors in the United States. CAST also established one of the country's first grassroots task forces in collaboration with law enforcement to work closely to identify, assist, and investigate trafficking cases. To date, CAST has a 100% track record in successfully obtaining visas on behalf of its clients.

Shelter

As the first shelter in the United States designed specifically to meet the needs of trafficking survivors, it not only provides physically and psychologically safe housing to its clients but also services other shelter programs. The residents of CAST's shelter have access to a multi-cultural, multi-lingual staff with extensive expertise in working with survivors of trafficking and other forms of trauma. The shelter is an integral component of CAST's continuum of services and has been studied by numerous foreign government agencies and organizations that wish to replicate its trauma-informed, client-centered program.

Advocacy and Public Policy

CAST was founded in 1998 to identify victims of trafficking, mobilize all sectors of the community to identify and advocate against trafficking, and ensure that victims receive appropriate services and assistance to recover from their trauma through survivor informed systemic change. CAST is a founding member of the national Freedom Network and the Alliance to End Slavery and Trafficking based in Washington, DC. The organization believes that grassroots initiatives and policy advocacy can only be as good as the direct client experiences on which they are based. For this reason, CAST initiates all of its outreach and policy initiatives by engaging its main constituents - the survivors themselves.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE 1 - ORGANIZATION (continued)

Survivor Leadership Network

CAST takes a survivor-centered approach to ending modern-day slavery by fostering the transformation of victims into effective advocates for systemic change. The organization provides opportunities for leadership development and an infrastructure in which survivors' critical perspective and experience contribute to a survivor-led global anti-slavery movement aimed at advancing the rights of survivors and informing prevention strategies. Since 2004, survivors' voices on policies and public awareness have led to victories in both the California and Federal legislatures regarding anti-trafficking laws. Today, CAST's survivor leadership development program is a national network, connecting survivors from around the country for support and shared advocacy.

Training and Outreach

CAST provides education, training, and technical assistance to law enforcement, health and human services providers, attorneys, the community, government and faith-based organizations, which help to identify trafficked persons and ensure that they receive fair treatment as victims of a crime. CAST's Training Program utilizes a professional curriculum that trains community members and professionals to work effectively with survivors of trafficking.

As a founding member of the Los Angeles Metropolitan Task Force, CAST works in collaboration with over 60 members to raise public awareness, train law enforcement agencies to identify victims, and provide critical services to survivors throughout the Los Angeles Metropolitan area.

In 2008, CAST launched the Cross Border Collaborative (CBC), a capacity and coalition-building project funded by the U.S. Department of State's Office to Monitor and Combat Trafficking in Persons. The goal of this project is to build the capacity of non-governmental organizations to establish and strengthen coalitions in Mexico City and bordering states to address all forms of trafficking, including prevention measures. CAST has trained internationally in Mexico, Venezuela, Peru, Thailand, Guatemala, China, Italy, the Philippines, and Canada, among others, and has worked with international visitors from around the world to expand global collaborations and share best practices in the joint fight against modern-day slavery.

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:

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) ACCOUNTING (continued)

- **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 \$306,765 of temporarily restricted net assets at June 30, 2014.
- **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, 2014.

(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, 2014.

(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.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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, 2014. All grants and contributions receivable at June 30, 2014 are due within one year and no allowance for uncollectible grants and contributions receivable is 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, 2014.

(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.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) IN-KIND DONATIONS (continued)

In-kind donations are summarized as follows for the year ended June 30, 2014:

Legal and Intern Program	\$	770,222
Shelter Building		423,239
Shelter Program		5,068
<i>TOTAL IN-KIND DONATIONS</i>	\$	<u>1,198,529</u>

(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, 2013, from which the summarized information was derived.

(m) SUBSEQUENT EVENTS

CAST has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2014 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through March 5, 2015, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2014 consist of the following:

Shelter Building	\$	758,005
Office and Other Equipment		37,275
Computer Equipment		59,991
TOTAL		855,271
Less: Accumulated Depreciation		(101,614)
PROPERTY AND EQUIPMENT (NET)	\$	753,657

Depreciation expense for the year ended June 30, 2014 was \$10,643.

NOTE 4 - ACCRUED LIABILITIES

Accrued liabilities at June 30, 2014 consist of the following:

Accrued Vacation	\$	52,917
Accrued Payroll		24,563
Other		9,002
TOTAL ACCRUED LIABILITIES	\$	86,482

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:

Years Ending June 30	
2015	\$ 95,632
2016	95,846
2017	63,898
TOTAL	\$ 255,376

Rent expense for the year ended June 30, 2014 totaled \$96,636.

(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.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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, 2014, CAST's matching contribution to the Plan was \$31,253.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2014 consist of the following:

Case Management	\$	123,566
Legal Program		92,789
Shelter Program		76,341
Support Survivors Caucus Project		12,891
Outreach and Advocacy		1,178
<i>TOTAL TEMPORARILY RESTRICTED NET ASSETS</i>	\$	306,765

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.

Endowment Net Asset Composition by Type of Fund at June 30, 2014	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted	\$ 47	\$ 25,000	\$ 25,047
Changes in Endowment Net Assets for the Year Ended June 30, 2014			
Endowment Net Assets - Beginning of Year	\$ 44	\$ 25,000	\$ 25,044
Investment Income	3	-	3
<i>ENDOWMENT NET ASSETS - END OF YEAR</i>	\$ 47	\$ 25,000	\$ 25,047

**COALITION TO ABOLISH
SLAVERY & TRAFFICKING**

SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2014

COALITION TO ABOLISH SLAVERY & TRAFFICKING

SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
Year Ended June 30, 2014

	Contract Number	Federal CFDA Number	Governmental Revenue		Program Expenditures from Governmental Revenue
Agency - Program Grant Title			Federal	Nonfederal	
FEDERAL AWARDS					
MAJOR AWARDS					
U.S. Department of Justice:					
Office for Victims of Crime:					
Comprehensive Services for All Victims of Trafficking	2011-VT-BX-K025	16.320	\$ 225,245	\$ -	\$ 225,245
California Emergency Management Agency					
Anti-Human Trafficking Task Force	HF12017250	16.575			
October 1, 2012 through September 30, 2013			36,450	-	36,450
October 1, 2013 through September 30, 2014			94,378	-	94,378
TOTAL MAJOR AWARDS			356,073	-	356,073
NON-MAJOR AWARDS					
U.S. Department of Health and Human Services:					
U.S. Committee for Refugees and Immigrants					
National Human Trafficking Victim Assistance	90ZV0101/01	93.598	96,648	-	96,648
U.S. Department of State					
Economic Support Funds	S-SGTIP-11-GR-0018	19.019	126,975	-	126,975
Legal Aid Foundation of Los Angeles					
		19.019	59,797	-	59,797
California Emergency Management Agency					
Los Angeles Metro Task Force	C-117936	16.803	55,008	-	55,008
TOTAL NON-MAJOR AWARDS			338,428	-	338,428
TOTAL FEDERAL AND NON-FEDERAL AWARDS			\$ 694,501	\$ -	\$ 694,501
PAYMENTS TO SUB-RECIPIENTS					
CEDHAPI	S-SGTIP-11-GR-0018	19.019	09/30/2011 - 09/30/2014		\$ 5,000
Instituto Para Las Mujeres en la Migracion	S-SGTIP-11-GR-0018	19.019	09/30/2011 - 09/30/2014		10,000
Red Binacional De Corazones AC	S-SGTIP-11-GR-0018	19.019	09/30/2011 - 09/30/2014		10,500
RIRIKI Intervencion Social, S.C.	S-SGTIP-11-GR-0018	19.019	09/30/2011 - 09/30/2014		14,000
TOTAL PAYMENTS TO SUB-RECIPIENTS					\$ 39,500

Summary of Significant Accounting Policies

1. Basis of Accounting - The Schedule of Expenditures of Federal and Non-Federal Awards has been reported on the accrual basis of accounting.
2. CAST is exempt from income taxation under Internal Revenue Code Section 501(c)(3) and California Revenue Taxation Code Section 23701d.

See Independent Auditor's Report