

**COALITION TO ABOLISH
SLAVERY & TRAFFICKING**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

COALITION TO ABOLISH SLAVERY & TRAFFICKING

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

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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, 2015, 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, 2015, 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 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 5, 2014. 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 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 January 6, 2016 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 6, 2016
Los Angeles, California

COALITION TO ABOLISH SLAVERY & TRAFFICKING

STATEMENT OF FINANCIAL POSITION

June 30, 2015

With Summarized Totals at June 30, 2014

	2015			Total	2014
	Unrestricted	Temporarily Restricted	Permanently Restricted		Total (As Reclassified)
ASSETS					
Cash and Cash Equivalents	\$ 450,273	\$ 290,057	\$ 25,000	\$ 765,330	\$ 666,556
Accounts Receivable	202,612	-	-	202,612	196,877
Grants and Contributions Receivable	-	588,384	-	588,384	176,112
Prepaid Expenses and Deposits	40,162	-	-	40,162	35,552
Property and Equipment (Net)	737,549	-	-	737,549	753,657
TOTAL ASSETS	\$ 1,430,596	\$ 878,441	\$ 25,000	\$ 2,334,037	\$ 1,828,754
LIABILITIES AND NET ASSETS					
LIABILITIES:					
Accounts Payable	\$ 57,741	\$ -	\$ -	\$ 57,741	\$ 79,081
Accrued Liabilities	105,619	-	-	105,619	86,482
TOTAL LIABILITIES	163,360	-	-	163,360	165,563
NET ASSETS:					
Unrestricted	1,267,236	-	-	1,267,236	1,397,434
Temporarily Restricted	-	878,441	-	878,441	240,757
Permanently Restricted	-	-	25,000	25,000	25,000
TOTAL NET ASSETS	1,267,236	878,441	25,000	2,170,677	1,663,191
TOTAL LIABILITIES AND NET ASSETS	\$ 1,430,596	\$ 878,441	\$ 25,000	\$ 2,334,037	\$ 1,828,754

The Accompanying Notes are an Integral Part of These Financial Statements

COALITION TO ABOLISH SLAVERY & TRAFFICKING

STATEMENT OF ACTIVITIES

Year Ended June 30, 2015

With Summarized Totals for the Year Ended June 30, 2014

	2015			Total	2014 Total (As Reclassified)
	Unrestricted	Temporarily Restricted	Permanently Restricted		
REVENUE AND SUPPORT:					
Government Contracts	\$ 1,026,028	\$ -	\$ -	\$ 1,026,028	\$ 694,501
Public Support:					
Foundations	202,000	1,172,500	-	1,374,500	560,000
Individuals and Corporations	117,582	80,000	-	197,582	580,791
In-Kind Donations	675,084	-	-	675,084	1,198,529
Special Events (Net of \$43,837 of Direct Benefit to Donors)	348,730	-	-	348,730	472,650
Other Revenue	28,167	-	-	28,167	6,892
Interest Income	796	-	-	796	957
Net Assets Released from:					
Purpose Restrictions	614,816	(614,816)	-	-	-
TOTAL REVENUE AND SUPPORT	3,013,203	637,684	-	3,650,887	3,514,320
EXPENSES:					
Program Services	2,528,957	-	-	2,528,957	2,303,174
Support Services:					
Management and General	353,826	-	-	353,826	260,190
Fundraising	260,618	-	-	260,618	242,550
TOTAL EXPENSES	3,143,401	-	-	3,143,401	2,805,914
CHANGE IN NET ASSETS	(130,198)	637,684	-	507,486	708,406
Net Assets - Beginning of Year - As Reclassified	1,397,434	240,757	25,000	1,663,191	954,785
NET ASSETS - END OF YEAR	\$ 1,267,236	\$ 878,441	\$ 25,000	\$ 2,170,677	\$ 1,663,191

The Accompanying Notes are an Integral Part of These Financial Statements

COALITION TO ABOLISH SLAVERY & TRAFFICKING

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2015
With Summarized Totals for the Year Ended June 30, 2014

	2015					2014 Total (As Reclassified)
	Program Services	Support Services			Total	
		Management and General	Fundraising	Total Support Services		
Salaries	\$ 964,982	\$ 162,757	\$ 75,017	\$ 237,774	\$ 1,202,756	\$ 953,753
Employee Benefits	200,317	20,781	15,371	36,152	236,469	231,441
Payroll Taxes	82,321	13,229	6,168	19,397	101,718	81,155
TOTAL PERSONNEL COSTS	1,247,620	196,767	96,556	293,323	1,540,943	1,266,349
Program/Client Services	759,979	-	-	-	759,979	927,135
Professional Services	252,084	73,816	129,632	203,448	455,532	298,484
Occupancy	79,298	11,911	6,026	17,937	97,235	96,636
Travel	61,539	16,971	1,034	18,005	79,544	43,369
Telephone and Telecommunication	30,430	3,621	2,035	5,656	36,086	36,363
Supplies	20,873	4,958	2,216	7,174	28,047	21,894
Depreciation	18,027	2,843	1,395	4,238	22,265	10,643
Insurance	21,405	(2,296)	1,755	(541)	20,864	27,667
Local Parking and Mileage	14,117	3,396	550	3,946	18,063	16,932
Postage, Shipping and Delivery	6,263	1,753	6,200	7,953	14,216	7,843
Printing and Reproduction	2,692	2,054	7,994	10,048	12,740	11,127
Bad Debt Expense	-	10,389	-	10,389	10,389	-
Computer Equipment and Software	3,897	4,754	91	4,845	8,742	4,506
Bank and Payroll Processing Fees	-	8,463	-	8,463	8,463	6,992
Graphic Design/Media Production	-	2,563	4,014	6,577	6,577	3,705
Dues and Subscriptions	3,202	1,896	-	1,896	5,098	4,894
Repairs and Maintenance	3,356	739	504	1,243	4,599	3,315
Miscellaneous Expenses	107	4,427	-	4,427	4,534	4,116
Training and Meetings	1,100	2,835	221	3,056	4,156	3,800
Staff Training/Development	2,086	1,276	395	1,671	3,757	5,734
Recruiting	882	690	-	690	1,572	4,410
TOTAL 2015 FUNCTIONAL EXPENSES	\$ 2,528,957	\$ 353,826	\$ 260,618	\$ 614,444	\$ 3,143,401	
	81%	11%	8%	100%		
TOTAL 2014 FUNCTIONAL EXPENSES	\$ 2,303,174	\$ 260,190	\$ 242,550	\$ 502,740		\$ 2,805,914
	82%	9%	9%	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, 2015

With Summarized Totals for the Year Ended June 30, 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 507,486	\$ 708,406
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
In-Kind Donation of Property and Equipment	(6,157)	(423,239)
Depreciation	22,265	10,643
Bad Debt Expense	10,389	-
(Increase) Decrease in:		
Accounts Receivable	(5,735)	(1,122)
Grants and Contributions Receivable	(422,661)	(124,710)
Prepaid Expenses and Deposits	(4,610)	(2,428)
Increase (Decrease) in:		
Accounts Payable	(21,340)	(12,568)
Accrued Liabilities	19,137	15,787
NET CASH PROVIDED BY OPERATING ACTIVITIES	98,774	170,769
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property and Equipment	-	(334,766)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	98,774	(163,997)
Cash and Cash Equivalents - Beginning of Year	666,556	830,553
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 765,330	\$ 666,556

The Accompanying Notes are an Integral Part of These Financial Statements

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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-trafficking organization in the country and the first to advocate for laws to protect victims. Known for opening the first shelter for trafficked women and girls in the country, CAST is the go-to resource for the media, policy makers, law enforcement, and the philanthropic community for information about modern slavery, as well as the final lifeline for human beings escaping the dark world of trafficking. 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.

Established in 1998 following the infamous El Monte sweatshop slavery case, CAST is one of the leading organizations working with trafficking survivors from over 59 countries around the world, including survivors who are US 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 1500 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 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 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. Likewise, 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 sexual 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; this means that one person is trafficked into this country every 10 minutes. Los Angeles is one of the top three destination cities where traffickers bring victims who suffer unspeakable violence at the hands of their captors.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 - ORGANIZATION (continued)

What makes CAST unique is its survivor-centered approach to its programs that provide direct services to survivors and to which informs all of its policy and prevention initiatives. This means that survivors receive comprehensive, trauma-informed care that helps them truly 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 April 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. CAST is a Charity Navigator Four-Star Charity.

A SURVIVOR-CENTERED APPROACH TO ENDING MODERN DAY SLAVERY

Comprehensive Victim Services

For 18 years, CAST has invested in human resilience by helping clients recover from years of abuse and trauma. Our trafficking cases are recognized nationally and internationally and serve as a best-practice model of inter-agency collaboration and empowerment of survivors. Our program is known best for its 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, health and mental health, complementary healing therapies, education and life skills training.

CAST's legal services program works collaboratively with survivors, community-based organizations, public-interest attorneys and numerous government agencies to ensure 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 and 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 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 survivors.

CAST's services impact ALL types of trafficking survivors including women, men, LGBT, adults, children, transition-aged-youth, US-born, and foreign national survivors. Many are children, run away or transition-aged-youth (TAY), or those who have aged out of the foster care system. Some are as young as 12 years old.

In the words of one 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."

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 but also services other shelter programs are not always able to provide. CAST shelter residents 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 countries and organizations who wish to replicate its trauma-informed, client-centered program.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 - ORGANIZATION (continued)

Advocacy and Public Policy

The Coalition to Abolish Slavery & Trafficking (CAST) was established 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 (ATEST) based in Washington, DC. We believe that grassroots and policy advocacy can only be as good as the direct client experiences in which they are based. For this reason, CAST serves as a crucial bridge between practice and public policy by engaging our main constituents: survivors themselves.

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. Through this one-of-a-kind survivor organizing model, CAST 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 its inception in 2004, survivors' voices on policies and public awareness have led to legislative victories in passing both California and Federal anti-trafficking laws, including the 2015 Survivor Advisory Council to the White House. CAST's survivor leadership development program has expanded into a national network, connecting more than 160 domestic and foreign national survivors from all over the country to advocate shared public policy goals.

Outreach, Training and Partnership

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 receive fair treatment as crime victims and access to care. CAST provides direct outreach to victims, helping them escape and access services to begin rebuilding their lives. CAST's Training Program utilizes a professional curriculum that trains community members and professionals to outreach to and work effectively with survivors of trafficking.

As a founding member and leader of the Los Angeles Regional Task Force, CAST's partnership with the Los Angeles County Sheriff's Department (LASD) and the US Attorney's Office (USAO) developed the largest co-located taskforce in the country. Housing government and non-governmental organizations under one roof, the taskforce consists of more than 100 member agencies that collaborate on trafficking cases by bringing together federal, state and local partners to address the immediate and comprehensive needs of trafficking victims while investigating and prosecuting the crime of trafficking. This inter-agency collaboration is based on a model that brings together criminal justice agencies, child welfare organizations, and community and faith based partners to provide wraparound care to survivors while ensuring traffickers are held accountable.

CAST completed a 10-year Strategic Growth Business Plan in April of 2015. The plan lays the road map to making greater impact in the anti-trafficking industry by building a bridge between practice and policy so that there are practical and effective solutions to ending modern slavery. CAST's organizational goals are: 1) innovate and provide model direct service programs that enable victims to heal and move forward with their lives; 2) build and train multi-disciplinary, ethnically diverse networks for outreach to and identification of victims; 3) provide leadership training to survivors as a key solution to impacting systemic change; 4) mobilize partners and advocate for anti-trafficking policies that protect victims, punish traffickers and lead to the elimination of modern slavery; and 5) build organizational infrastructure to expand and scale evidence-based impact.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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 \$878,441 of temporarily restricted net assets at June 30, 2015.
- **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, 2015.

(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, 2015.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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, 2015. All grants and contributions receivable at June 30, 2015 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, 2015.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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, 2015:

Legal and Intern Program	\$	668,927
Shelter Program		<u>6,157</u>
TOTAL IN-KIND DONATIONS	\$	<u>675,084</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, 2014, from which the summarized information was derived.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) RECLASSIFICATION

For comparability, certain June 30, 2014 amounts have been reclassified, where appropriate, to conform with the consolidated financial statement presentation used at June 30, 2015. In addition, \$66,008 of beginning net assets was reclassified from temporarily restricted net assets to unrestricted net assets, to reflect releases from restriction that should have been made in a prior year.

(n) SUBSEQUENT EVENTS

CAST has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2015 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through January 6, 2016, 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, 2015 consist of the following:

Shelter Building	\$	758,005
Computer Equipment		66,148
Office and Other Equipment		37,275
TOTAL		861,428
Less: Accumulated Depreciation		(123,879)
PROPERTY AND EQUIPMENT (NET)	\$	737,549

Depreciation expense for the year ended June 30, 2015 was \$22,265.

NOTE 4 - ACCRUED LIABILITIES

Accrued liabilities at June 30, 2015 consist of the following:

Accrued Vacation	\$	57,166
Accrued Payroll		36,718
Other		11,735
TOTAL ACCRUED LIABILITIES	\$	105,619

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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	
2016	\$ 95,846
2017	63,898
TOTAL	\$ 159,744

Rent expense for the year ended June 30, 2015 totaled \$97,235.

(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, 2015, CAST's matching contribution to the Plan was \$38,064.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2015 consist of the following:

Support Survivors Caucus Project	\$ 411,462
Legal Program	143,095
Technology and Board Development	111,914
Shelter Program	81,569
Time Restricted	75,000
Case Management	55,401
TOTAL TEMPORARILY RESTRICTED NET ASSETS	\$ 878,441

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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, 2015	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted	\$ -	\$ 25,000	\$ 25,000
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Changes in Endowment Net Assets for the Year Ended June 30, 2015			
Endowment Net Assets - Beginning of Year	\$ -	\$ 25,000	\$ 25,000
Investment Income	-	-	-
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<i>ENDOWMENT NET ASSETS - END OF YEAR</i>	\$ -	\$ 25,000	\$ 25,000
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**COALITION TO ABOLISH
SLAVERY & TRAFFICKING**

SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2015

COALITION TO ABOLISH SLAVERY & TRAFFICKING

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015**

	<u>Contract Number</u>	<u>Federal CFDA Number</u>	<u>Governmental Revenue Federal</u>	<u>Program Expenditures from Governmental Revenue</u>
FEDERAL AWARDS				
Agency - Program Grant Title				
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	\$ 62,839	\$ 62,839
Office for Victims of Crime:				
Comprehensive Services for all Victims of Trafficking	2014-VT-BX-K010	16.320	<u>165,608</u>	<u>165,608</u>
TOTAL MAJOR AWARDS			228,447	228,447
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	170,311	170,311
Administration for Children and Families				
Office of Refugee Resettlement				
Rescue & Restore Victims of Human Trafficking Regional	90ZV0111-01-00	93.598	150,000	150,000
U.S. Department of State				
Economic Support Funds	S-SGTIP-11-GR-0018	19.019	96,942	96,942
Legal Aid Foundation of Los Angeles (subcontract)				
October 1, 2013 - September 30, 2015		19.019	71,699	71,699
California Emergency Management Agency				
Unserved/Underserved Victim Advocacy & Outreach Program	UV13048656	16.575	30,622	30,622
Unserved/Underserved Victim Advocacy & Outreach Program	UV14058656	16.575	97,903	97,903
TOTAL NON-MAJOR AWARDS			<u>617,477</u>	<u>617,477</u>
TOTAL FEDERAL AWARDS			<u>\$ 845,924</u>	<u>\$ 845,924</u>

See Independent Auditor's Report

COALITION TO ABOLISH SLAVERY & TRAFFICKING

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015**

	<u>Contract Number</u>	<u>Federal CFDA Number</u>	<u>Contract Period</u>	<u>Program Expenditures from Governmental Revenue</u>
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
				<u>\$ 39,500</u>
<i>TOTAL PAYMENTS TO SUB-RECIPIENTS</i>				<i>\$ 39,500</i>

Summary of Significant Accounting Policies

1. Basis of Accounting - The Schedule of Expenditures of 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