

**COALITION TO ABOLISH
SLAVERY & TRAFFICKING**

REPORTS REQUIRED BY
OMB CIRCULAR A-133

YEAR ENDED JUNE 30, 2013

**COALITION TO ABOLISH
SLAVERY & TRAFFICKING**

REPORTS REQUIRED BY OMB CIRCULAR A-133

YEAR ENDED JUNE 30, 2013

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Coalition to Abolish Slavery & Trafficking

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Coalition to Abolish Slavery & Trafficking (CAST), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 25, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CAST's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CAST's internal control. Accordingly, we do not express an opinion on the effectiveness of CAST's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CAST's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions concerning these matters have been reported to the management of CAST in a separate letter dated February 25, 2014.

To the Board of Directors
Coalition to Abolish Slavery & Trafficking

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Green Hasson & Janks LLP

February 25, 2014
Los Angeles, California

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE**

To the Board of Directors
Coalition to Abolish Slavery & Trafficking

Report on Compliance for Each Major Federal Program

We have audited Coalition to Abolish Slavery & Trafficking's (CAST) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (*OMB Circular A-133 Compliance Supplement*) that could have a direct and material effect on each of CAST's major federal programs for the year ended June 30, 2013. CAST's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of CAST's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Foundations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CAST's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CAST's compliance.

Opinion on Each Major Federal Program

In our opinion, CAST complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control over Compliance

Management of CAST is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CAST's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CAST's internal control over compliance.

To the Board of Directors
Coalition to Abolish Slavery & Trafficking

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Green Hasson & Janks LLP

February 25, 2014
Los Angeles, California

**COALITION TO ABOLISH
SLAVERY & TRAFFICKING**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
• Material weaknesses identified?	___yes	<u> x </u> no
• Significant deficiencies identified?	___yes	<u> x </u> none reported
Noncompliance material to financial statements noted?	___yes	<u> x </u> no

Federal Awards

Internal control over major programs:		
• Material weaknesses identified?	___yes	<u> x </u> no
• Significant deficiencies identified?	___yes	<u> x </u> none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	___yes	<u> x </u> no
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000	
Auditee qualified as low-risk auditee?	___yes	<u> x </u> no

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.598	U.S. Department of Health and Human Services U.S. Committee for Refugees and Immigrants National Human Trafficking Victim Assistance
19.019	U.S. Department of State Economic Support Funds

**COALITION TO ABOLISH
SLAVERY & TRAFFICKING**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013**

SECTION II - FINANCIAL STATEMENTS FINDINGS

There are no findings required to be reported in accordance with *Generally Accepted Government Auditing Standards*.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are neither findings nor questioned costs for federal awards as defined in OMB Circular A-133.

SECTION IV - PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN

There were no prior year findings as CAST was not subject to an audit under OMB Circular A-133 in the prior year.

APPENDIX

**COALITION TO ABOLISH
SLAVERY & TRAFFICKING**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

COALITION TO ABOLISH SLAVERY & TRAFFICKING

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

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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, 2013, 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, 2013, 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 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 15, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, 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 25, 2014 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

February 25, 2014
Los Angeles, California

COALITION TO ABOLISH SLAVERY & TRAFFICKING

STATEMENT OF FINANCIAL POSITION

June 30, 2013

With Summarized Totals at June 30, 2012

	2013				2012 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
ASSETS					
Cash and Cash Equivalents	\$ 509,614	\$ 295,939	\$ 25,000	\$ 830,553	\$ 904,512
Accounts Receivable	195,755	-	-	195,755	102,508
Grants and Contributions Receivable	51,402	-	-	51,402	154,860
Prepaid Expenses and Deposits	33,124	-	-	33,124	28,284
Property and Equipment (Net)	6,295	-	-	6,295	10,621
TOTAL ASSETS	\$ 796,190	\$ 295,939	\$ 25,000	\$ 1,117,129	\$ 1,200,785
LIABILITIES AND NET ASSETS					
LIABILITIES:					
Accounts Payable	\$ 91,649	\$ -	\$ -	\$ 91,649	\$ 59,142
Accrued Liabilities	70,695	-	-	70,695	95,515
TOTAL LIABILITIES	162,344	-	-	162,344	154,657
NET ASSETS:					
Unrestricted	633,846	-	-	633,846	730,536
Temporarily Restricted	-	295,939	-	295,939	290,592
Permanently Restricted	-	-	25,000	25,000	25,000
TOTAL NET ASSETS	633,846	295,939	25,000	954,785	1,046,128
TOTAL LIABILITIES AND NET ASSETS	\$ 796,190	\$ 295,939	\$ 25,000	\$ 1,117,129	\$ 1,200,785

The Accompanying Notes are an Integral Part of These Financial Statements

COALITION TO ABOLISH SLAVERY & TRAFFICKING

STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

With Summarized Totals for the Year Ended June 30, 2012

	2013			Total	2012 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
REVENUE AND SUPPORT:					
Government Contracts	\$ 619,168	\$ -	\$ -	\$ 619,168	\$ 321,822
Public Support:					
Foundations	505,480	381,600	-	887,080	1,063,518
Individuals and Corporations	66,346	-	-	66,346	94,170
Special Events (Net of \$26,650 of Direct Benefit to Donors)	-	-	-	-	-
	181,500	-	-	181,500	106,742
In-Kind Donations	350,189	-	-	350,189	429,204
Other Revenue	9,231	-	-	9,231	11,738
Interest Income	448	-	-	448	673
Net Assets Released from:					
Purpose Restrictions	248,925	(248,925)	-	-	-
Time Restrictions	127,328	(127,328)	-	-	-
TOTAL REVENUE AND SUPPORT	2,108,615	5,347	-	2,113,962	2,027,867
EXPENSES:					
Program Services	1,683,359	-	-	1,683,359	1,510,052
Support Services:					
Management and General	239,801	-	-	239,801	196,801
Fundraising	282,145	-	-	282,145	93,474
TOTAL EXPENSES	2,205,305	-	-	2,205,305	1,800,327
CHANGE IN NET ASSETS	(96,690)	5,347	-	(91,343)	227,540
Net Assets - Beginning of Year	730,536	290,592	25,000	1,046,128	818,588
NET ASSETS - END OF YEAR	\$ 633,846	\$ 295,939	\$ 25,000	\$ 954,785	\$ 1,046,128

The Accompanying Notes are an Integral Part of These Financial Statements

COALITION TO ABOLISH SLAVERY & TRAFFICKING

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2013

With Summarized Totals for the Year Ended June 30, 2012

	2013						2012 Total
	Program Services	Support Services			Total		
		Management and General	Fundraising	Total Support Services			
Salaries	\$ 577,429	\$ 112,509	\$ 119,535	\$ 232,044	\$ 809,473	\$ 618,159	
Employee Benefits	126,992	25,233	26,611	51,844	178,836	122,010	
Payroll Taxes	50,555	9,892	10,834	20,726	71,281	51,384	
TOTAL PERSONNEL COSTS	754,976	147,634	156,980	304,614	1,059,590	791,553	
Program/Client Services	437,546	-	-	-	437,546	486,409	
Professional Services	256,510	37,992	73,565	111,557	368,067	271,533	
Occupancy	60,327	13,633	12,282	25,915	86,242	81,640	
Travel	65,395	1,705	2,069	3,774	69,169	41,568	
Telephone and Telecommunication	26,202	4,908	4,803	9,711	35,913	30,019	
Supplies	16,513	9,352	6,665	16,017	32,530	17,029	
Printing and Reproduction	4,527	1,109	20,974	22,083	26,610	6,219	
Training and Meetings	19,803	3,652	509	4,161	23,964	6,785	
Insurance	15,100	3,290	1,249	4,539	19,639	18,968	
Local Parking and Mileage	11,807	530	663	1,193	13,000	7,788	
Dues and Subscriptions	4,526	3,157	227	3,384	7,910	7,313	
Postage, Shipping and Delivery	5,888	201	965	1,166	7,054	8,607	
Bank and Payroll Processing Fees	1,498	5,042	302	5,344	6,842	7,325	
Depreciation	-	4,326	-	4,326	4,326	7,913	
Repairs and Maintenance	2,158	495	454	949	3,107	3,008	
Miscellaneous Expenses	583	2,775	438	3,213	3,796	6,650	
TOTAL 2013 FUNCTIONAL EXPENSES	\$ 1,683,359	\$ 239,801	\$ 282,145	\$ 521,946	\$ 2,205,305		
TOTAL 2012 FUNCTIONAL EXPENSES	\$ 1,510,052	\$ 196,801	\$ 93,474	\$ 290,275		\$ 1,800,327	

The Accompanying Notes are an Integral Part of These Financial Statements

COALITION TO ABOLISH SLAVERY & TRAFFICKING

STATEMENT OF CASH FLOWS

Year Ended June 30, 2013

With Summarized Totals for the Year Ended June 30, 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (91,343)	\$ 227,540
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	4,326	7,913
(Increase) Decrease in:		
Accounts Receivable	(93,247)	37,768
Grants and Contributions Receivable	103,458	(39,210)
Prepaid Expenses and Deposits	(4,840)	1,937
Increase (Decrease) in:		
Accounts Payable	32,507	33,382
Accrued Liabilities	(24,820)	10,812
	<hr/>	<hr/>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(73,959)	280,142
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property and Equipment	<hr/> -	<hr/> (12,978)
	<hr/>	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(73,959)	267,164
Cash and Cash Equivalents - Beginning of Year	<hr/> 904,512	<hr/> 637,348
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS - END OF YEAR	<hr/> <u>\$ 830,553</u>	<hr/> <u>\$ 904,512</u>

The Accompanying Notes are an Integral Part of These Financial Statements

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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, 2013

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 2004, CAST received the California Association of Nonprofits Innovation Award, and in 2010, CAST was recognized with the United Nations Association Global Citizens Award. During 2012, CAST was recognized by the United States President at the Clinton Global Initiative, and was featured favorably in Forbes Magazine. CAST is a Charity Navigator Four-Star Charity.

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, 2013

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, 2013

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 \$295,939 of temporarily restricted net assets at June 30, 2013.
- **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, 2013.

(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, 2013.

(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, 2013

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. Conditional promises to give at June 30, 2013 amounted to \$100,000. All grants and contributions receivable at June 30, 2013 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:

Computer Equipment	3 Years
Office and Other Equipment	3-6 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, 2013.

(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, 2013

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, 2013:

Legal and Intern Program	\$	212,095
Shelter Program		<u>138,094</u>
TOTAL IN-KIND DONATIONS	\$	<u>350,189</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, 2012, 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, 2013 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through February 25, 2014, the date these financial statements were available to be issued. Refer to Note 9 for material events noted to have occurred after year end.

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2013 consist of the following:

Computer Equipment	\$	59,991
Office and Other Equipment		<u>37,275</u>
TOTAL		97,266
Less: Accumulated Depreciation		<u>(90,971)</u>
PROPERTY AND EQUIPMENT (NET)	\$	<u>6,295</u>

Depreciation expense for the year ended June 30, 2013 was \$4,326.

NOTE 4 - ACCRUED LIABILITIES

Accrued liabilities at June 30, 2013 consist of the following:

Accrued Vacation	\$	43,734
Accrued Payroll		18,326
Other		<u>8,635</u>
TOTAL ACCRUED LIABILITIES	\$	<u>70,695</u>

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	
2014	\$ 95,528
2015	95,632
2016	95,846
2017	<u>63,898</u>
TOTAL	<u>\$ 350,904</u>

Rent expense for the year ended June 30, 2013 totaled \$86,242.

(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, 2013

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, 2013, CAST's matching contribution to the Plan was \$27,600.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2013 consist of the following:

Support Survivors Caucus Project	\$	99,057
Shelter Program		85,096
Legal Program		59,286
Case Management		51,323
Outreach and Advocacy		1,177
		<hr/>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	\$	295,939
		<hr/> <hr/>

NOTE 8 - PERMANENTLY RESTRICTED NET ASSETS AND ENDOWMENTS

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

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

Endowment Net Asset

**Composition by Type of Fund
at June 30, 2013**

	Temporarily Restricted	Permanently Restricted	Total
	<hr/>	<hr/>	<hr/>
Donor-Restricted	\$ 44	\$ 25,000	\$ 25,044
	<hr/>	<hr/>	<hr/>

**Changes in Endowment Net
Assets for the Year Ended
June 30, 2013**

Endowment Net Assets - Beginning of Year	\$ 41	\$ 25,000	\$ 25,041
Investment Income	3	-	3
	<hr/>	<hr/>	<hr/>

**ENDOWMENT NET ASSETS -
END OF YEAR**

	\$ 44	\$ 25,000	\$ 25,044
	<hr/>	<hr/>	<hr/>

COALITION TO ABOLISH SLAVERY & TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE 9 - SUBSEQUENT EVENTS

Subsequent to year end CAST was able to fulfill its goal of acquiring the Shelter through a contribution from one of its donors. Escrow closed on September 11, 2013. As a result of this contribution, the matching requirement on a conditional pledge of \$100,000 at June 30, 2013 was met in the new fiscal year.

**COALITION TO ABOLISH
SLAVERY & TRAFFICKING**

SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2013

COALITION TO ABOLISH SLAVERY & TRAFFICKING

SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
Year Ended June 30, 2013

Agency - Program Grant Title	Contract Number	Federal CFDA Number	Governmental Revenue		Program Expenditures from Governmental Revenue
			Federal	Nonfederal	
FEDERAL AWARDS					
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	\$ 177,437	\$ -	\$ 177,437
U.S. Department of State					
Economic Support Funds	S-SGTIP-11-GR-0018	19.019	170,708	-	170,708
TOTAL MAJOR AWARDS			348,145	-	348,145
NON-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	112,662	-	112,662
California Emergency Management Agency					
Los Angeles Metro Task Force	C-117936	16.803	33,802	-	33,802
Anti-Human Trafficking Task Force	HF12017250	16.575	118,818	-	118,818
NON-FEDERAL AWARDS					
Consulate General of Mexico in Los Angeles			-	5,741	5,741
TOTAL NON-MAJOR AWARDS			265,282	5,741	271,023
TOTAL FEDERAL AND NON-FEDERAL AWARDS			\$ 613,427	\$ 5,741	\$ 619,168

See Independent Auditor's Report

COALITION TO ABOLISH SLAVERY & TRAFFICKING

**SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
Year Ended June 30, 2013**

	Contract Number	Federal CFDA Number	Term	Total Program Payments
PAYMENTS TO SUB-RECIPIENTS				
CEDHAPI	S-SGTIP-11-GR-0018	19.019	09/30/2011 - 09/30/2014	\$ 10,000
Centro de Derechos Humanos del Migrante	S-SGTIP-11-GR-0018	19.019	09/30/2011 - 09/30/2014	5,000
Decrechos de la Infancia Y la Adolescencia	S-SGTIP-11-GR-0018	19.019	09/30/2011 - 09/30/2014	1,500
Instituto Para Las Mujeres en la Migracion	S-SGTIP-11-GR-0018	19.019	09/30/2011 - 09/30/2014	30,000
Red Binacional De Corazones AC	S-SGTIP-11-GR-0018	19.019	09/30/2011 - 09/30/2014	7,000
RIRIKI Intervencion Social, S.C.	S-SGTIP-11-GR-0018	19.019	09/30/2011 - 09/30/2014	10,000
				<u>10,000</u>
TOTAL PAYMENTS TO SUB-RECIPIENTS				<u>\$ 63,500</u>

See Independent Auditor's Report