

COALITION AGAINST TRAFFICKING IN WOMEN  
New York, New York

FINANCIAL STATEMENTS

Years Ended  
December 31, 2014 and 2013



2014  
2013

2014  
2013

Management's  
Discussion and  
Analysis  
of Financial  
Condition and  
Results of  
Operations

Notes to  
Financial  
Statements

Supplemental  
Information

COALITION AGAINST TRAFFICKING IN WOMEN  
New York, New York

FINANCIAL STATEMENTS

Years Ended  
December 31, 2014 and 2013

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Coalition Against Trafficking in Women  
New York, New York

We have audited the accompanying financial statements of Coalition Against Trafficking in Women (a not-for-profit organization), which comprise the statement of financial position as of December 31, 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. 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 organization'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 Coalition Against Trafficking in Women as of December 31, 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.

**Other Matters**

The 2013 financial statements of Coalition Against Trafficking in Women were audited by other accountants, whose report dated June 25, 2014 stated that the financial statements present fairly, in all material respects, the financial position of Coalition Against Trafficking in Women as of December 31, 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.

*Diller & Associates LLC*

West Springfield, MA  
June 30, 2015

COALITION AGAINST TRAFFICKING IN WOMEN  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2014 AND 2013

	<u>ASSETS</u>		<u>2014</u>	<u>2013</u>
Current Assets				
Cash		\$215,128	\$ 93,359	
Grant receivables		245,750	90,000	
Prepaid expense		<u>9,391</u>	<u>          </u>	
Total Current Assets		470,269	183,359	
Property and Equipment		80,321	71,919	
Less accumulated depreciation		<u>52,847</u>	<u>47,177</u>	
Total Property and Equipment		<u>27,474</u>	<u>24,742</u>	
Other Asset - Security deposit		<u>16,372</u>	<u>16,372</u>	
<b>TOTAL ASSETS</b>		<u>\$514,115</u>	<u>\$224,473</u>	
	<u>LIABILITIES AND NET ASSETS</u>			
Current Liabilities				
Accounts payable		\$ 14,076	\$ 4,765	
Accrued liabilities		13,919	12,965	
Obligation on capital lease - short term		<u>1,195</u>	<u>          </u>	
Total Current Liabilities		<u>29,190</u>	<u>17,730</u>	
Long-Term Liabilities				
Obligation on capital lease - long-term		<u>4,844</u>	<u>          </u>	
Total Liabilities		<u>34,034</u>	<u>17,730</u>	
Net Assets				
Temporarily restricted		318,257	90,000	
Unrestricted		<u>161,824</u>	<u>116,743</u>	
Total Net Assets		<u>480,081</u>	<u>206,743</u>	
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u>\$514,115</u>	<u>\$224,473</u>	

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

COALITION AGAINST TRAFFICKING IN WOMEN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Income			
Public support			
Grants and contributions	\$ 609,198	\$ 462,620	\$1,071,818
Donated services	<u>123,468</u>	<u>          </u>	<u>123,468</u>
Total Public Support	732,666	462,620	1,195,286
Investment income	18		18
Net Assets Released from Restriction	<u>234,363</u>	<u>(234,363)</u>	<u>          </u>
Total Public Support and Income	<u>967,047</u>	<u>228,257</u>	<u>1,195,304</u>
Functional Expenses			
Program services	774,741		774,741
Management and general	70,126		70,126
Fundraising	<u>77,099</u>	<u>          </u>	<u>77,099</u>
Total Functional Expenses	<u>921,966</u>	<u>          </u>	<u>921,966</u>
Increase in net assets	45,081	228,257	273,338
Net Assets - beginning of year	<u>116,743</u>	<u>90,000</u>	<u>206,743</u>
Net Assets - end of year	<u>\$ 161,824</u>	<u>\$ 318,257</u>	<u>\$ 480,081</u>

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

COALITION AGAINST TRAFFICKING IN WOMEN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
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COALITION AGAINST TRAFFICKING IN WOMEN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Income			
Public support			
Grants and contributions	\$ 840,450	\$ 90,000	\$ 930,450
Donated services	<u>184,264</u>		<u>184,264</u>
Total Public Support	1,024,714	90,000	1,114,714
Investment income	79		79
Net Assets Released from Restriction	<u>107,500</u>	<u>(107,500)</u>	
Total Public Support and Income	<u>1,132,293</u>	<u>(17,500)</u>	<u>1,114,793</u>
Functional Expenses			
Program services	969,268		969,268
Management and general	122,221		122,221
Fundraising	<u>89,987</u>		<u>89,987</u>
Total Functional Expenses	<u>1,181,476</u>		<u>1,181,476</u>
Decrease in net assets	(49,183)	(17,500)	(66,683)
Net Assets - beginning of year	<u>165,926</u>	<u>107,500</u>	<u>273,426</u>
Net Assets - end of year	<u>\$ 116,743</u>	<u>\$ 90,000</u>	<u>\$ 206,743</u>

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

COALITION AGAINST TRAFFICKING IN WOMEN  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities		
Increase (Decrease) in net assets	\$ 273,338	\$ (66,683)
Adjustments to reconcile increase in net assets to net cash from operating activities		
Depreciation	5,670	5,727
Increase (Decrease) in operating assets and liabilities		
Grant receivables	(155,750)	22,500
Prepaid expense	(9,391)	13,283
Accounts payable	9,311	(5,253)
Accrued liabilities	<u>954</u>	<u>684</u>
Net Cash provided (Used) by Operating Activities	<u>124,132</u>	<u>(29,742)</u>
Cash Flows Used by Investing Activities		
Acquisition of property and equipment	<u>(1,787)</u>	<u>(4,242)</u>
Cash Flows Used in Financing Activities		
Payments on capital lease obligation	<u>(576)</u>	<u>          </u>
Net Increase (Decrease) in Cash	121,769	(33,984)
Cash - beginning of year	<u>93,359</u>	<u>127,343</u>
Cash - end of year	<u>\$ 215,128</u>	<u>\$ 93,359</u>
Supplemental data for noncash financing activities		
Acquisition of equipment	\$ 6,615	
Capital lease obligation	\$ (6,615)	
Supplemental disclosure of cash flow information		
Interest paid	\$ (950)	

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



COALITION AGAINST TRAFFICKING IN WOMEN

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2014

	<u>Program Services</u>	Manage- ment and <u>General</u>	<u>Fund- raising</u>	<u>Total</u>
Compensation and related				
Compensation	\$159,248	\$37,618	\$45,963	\$242,829
Employee benefits	18,049	4,264	5,209	27,522
Payroll taxes	11,962	2,826	3,452	18,240
Coalition project support				
Latin America, Africa, South East Europe, Asia - Pacific and USA	293,933			293,933
Staff Development		2,620		2,620
Communications	5,095	1,204	1,471	7,770
Depreciation	3,719	878	1,073	5,670
Human rights advocacy	69,649			69,649
Insurance	2,190	517	632	3,340
Occupancy	37,176	8,782	10,730	56,688
Postage and shipping	962	227	278	1,467
Printing and publications	9,885	390	477	10,752
Professional services	30,993	1,028	4,623	36,644
Supplies	13,056	2,612	3,191	18,858
Travel	2,516			2,516
Website				
Subtotal	<u>658,433</u>	<u>62,966</u>	<u>77,099</u>	<u>798,498</u>
Donated Services				
Legal advocacy	116,308			116,308
Professional services		7,160		7,160
Subtotal	<u>116,308</u>	<u>7,160</u>		<u>123,468</u>
Total expenses	<u>\$774,741</u>	<u>\$70,126</u>	<u>\$77,099</u>	<u>\$921,966</u>

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

COALITION AGAINST TRAFFICKING IN WOMEN  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2014

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total</u>
Compensation and related				
Compensation	\$159,248	\$37,618	\$45,963	\$242,829
Employee benefits	18,049	4,264	5,209	27,522
Payroll taxes	11,962	2,826	3,452	18,240
Coalition project support				
Latin America, Africa, South East Europe, Asia - Pacific and USA	293,933			293,933
Staff Development		2,620		2,620
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Depreciation	3,719	878	1,073	5,670
Human rights advocacy	69,649			69,649
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Printing and publications	9,885	390	477	10,752
Professional services	30,993	1,028	4,623	36,644
Supplies	13,056	2,612	3,191	18,858
Travel	2,516			2,516
Website				
Subtotal	<u>658,433</u>	<u>62,966</u>	<u>77,099</u>	<u>798,498</u>
Donated Services				
Legal advocacy	116,308			116,308
Professional services		7,160		7,160
Subtotal	<u>116,308</u>	<u>7,160</u>		<u>123,468</u>
Total expenses	<u>\$774,741</u>	<u>\$70,126</u>	<u>\$77,099</u>	<u>\$921,966</u>

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

COALITION AGAINST TRAFFICKING IN WOMEN  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2013

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total</u>
Compensation and related				
Compensation	\$131,753	\$ 59,293	\$50,808	\$ 241,854
Employee benefits	27,835	12,527	10,734	51,096
Payroll taxes	9,898	4,454	3,817	18,169
Coalition project support				
Latin America, Africa, Asia-Pacific and United States	420,735			420,735
Communications	5,351	2,408	2,064	9,823
Depreciation	3,120	1,404	1,203	5,727
Human rights advocacy	121,576			121,576
Board meeting		12,475		12,475
Insurance	1,624	731	626	2,981
Occupancy	29,544	13,296	11,393	54,233
Postage and shipping	340	153	131	624
Printing and publications	982	442	379	1,803
Professional services	14,307	6,439	5,517	26,263
Supplies	7,387	3,325	2,849	13,561
Travel	14,074			14,074
Website	1,208	544	466	2,218
Subtotal	<u>789,734</u>	<u>117,491</u>	<u>89,987</u>	<u>997,212</u>
Donated Services				
Legal advocacy	179,534			179,534
Professional services		4,730		4,730
Subtotal	<u>179,534</u>	<u>4,730</u>		<u>184,264</u>
Total expenses	<u>\$969,268</u>	<u>\$122,221</u>	<u>\$89,987</u>	<u>\$1,181,476</u>

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

COALITION AGAINST TRAFFICKING IN WOMEN

NOTES TO FINANCIAL STATEMENTS

1. Nature of Organization

Coalition Against Trafficking in Women (the Organization) is a not-for-profit organization that promotes human rights by working internationally to combat sexual exploitation in all its forms, especially prostitution and trafficking in women and children. The Organization testifies before national congresses, parliaments, and United Nations committees and serves as a clearing house of information and documentation on violations of women's human rights, educating the public and participating in international conferences and networks. The Organization is supported primarily through grants from several foundations and the U.S. Department of State.

2. Summary of Significant Accounting Policies

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - For the purposes of the statements of financial position and the statements of cash flows, the Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Property, Equipment and Depreciation - Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Maintenance and repairs are charged to income as incurred and expenditures generally in excess of \$500 for equipment and improvements are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Donated Assets - Donated assets are recorded as contributions at their estimated fair values at the date of donation.

Donated Services - Donated services represent the estimated value of program and management services provided by individuals. These services are reflected in the financial statements because they create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

COALITION AGAINST TRAFFICKING IN WOMEN  
NOTES TO FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (continued)

Financial Statement Presentation - The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Promises to Give - Unconditional promises to give are recognized as support in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met and the promises become unconditional.

Restricted and Unrestricted Revenue - Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or the purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Expense Allocation - The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes - The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made. Donations to the Organization are deductible by donors for income tax purposes, subject to certain limitations.

The Organization's Form 990, Return of Organizations Exempt from Income tax for the years ended 2012, 2013 and 2014 are subject to examination by the Internal Revenue Service generally for three years after they were filed.

COALITION AGAINST TRAFFICKING IN WOMEN  
NOTES TO FINANCIAL STATEMENTS (Continued)

3. Retirement Plan

The Organization has a retirement plan for all employees who meet the qualifications. The Organization is required to make a matching contribution in an amount equal to the employee's elective deferral, but not to exceed 3% of the employee's compensation. The employer matching contributions for 2014 and 2013 were \$3,492 and \$5,064 respectively and these amounts have been included in the employee benefits expense category.

4. Donated Services

A summary of donated services by expense category follows:

	<u>2014</u>	<u>2013</u>
Legal advocacy	\$116,308	\$179,534
Professional services		
Publication design	2,750	
Accounting services	<u>4,410</u>	<u>4,730</u>
	<u>\$123,468</u>	<u>\$184,264</u>

5. Concentrations

Public Support - The Organization received approximately 26% of its support in 2014 and 27% in 2013 from one foundation.

6. Related Party Transactions

The Organization paid a total of \$8,423 to one Director of the Board in 2014 and \$34,187 to three Directors of the Board in 2013 for consulting services. No amounts were due to related parties at December 31, 2014 and 2013.

7. Commitments and Contingencies

The Organization entered into a lease for office space in New York under an operating lease for a five year commitment. Lease terms include a monthly base rent of \$4,600 commencing June 1, 2015 with monthly rent increases effective on the anniversary date, each year, until the expiration of the lease on May 31, 2020. The lease also includes a real estate tax escalation charge for each subsequent year of the lease based on the Organization's share of the excess of real estate taxes over the 2015/2016 base year. Total rent paid for the year was \$56,688 and \$54,233 for 2014 and 2013 respectively.

COALITION AGAINST TRAFFICKING IN WOMEN  
NOTES TO FINANCIAL STATEMENTS (Continued)

7. Commitments and Contingencies (Continued)

The following is a schedule of future minimum base rental payments required under the operating lease:

<u>Years Ending</u> <u>December 31,</u>	
2015	\$ 53,885
2016	56,166
2017	57,850
2018	59,589
2019	61,374
2020	<u>25,885</u>
	<u>\$314,749</u>

8. Obligations Under Capital Leases

The organization acquired office equipment under capital financing lease. The lease was secured by the equipment with monthly payments of \$129, and an approximated interest rate of 6.50%. The lease matures in June 2019. As of December 31, 2014, the capitalized cost, related accumulated depreciation, and net carrying value of the equipment under the capital lease is as follows:

	<u>2014</u>
Office Equipment	\$6,615
Less: accumulated depreciation	<u>662</u>
	<u>\$5,953</u>

The following is a schedule of future minimum lease payments under the capital lease:

Total payments - December 31,

2015	\$ 1,553
2016	1,553
2017	1,553
2018	1,553
2019	<u>777</u>

Total required minimum lease payments	6,989
Less: amount representing interest	<u>(950)</u>
Present value of minimum lease payments	6,039
Less: current portion	<u>(1,195)</u>
Long-term capital lease obligation	<u>\$ 4,844</u>

COALITION AGAINST TRAFFICKING IN WOMEN  
NOTES TO FINANCIAL STATEMENTS (Continued)

9. Temporarily Restricted Net Assets

Temporarily Restricted Net Assets are available for the following purposes at December 31:

	<u>2014</u>	<u>2013</u>
Human Rights Advocacy	\$211,647	
Red Alert System	15,000	\$90,000
Field Building Convener	91,610	
	<u>\$318,257</u>	<u>\$90,000</u>

10. Net Assets Released From Restrictions

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes of by the occurrence of other events specified by the donors. The temporarily restricted net assets released from restriction during 2014 related to the following:

	<u>2014</u>	<u>2013</u>
Human Rights Advocacy	\$200,973	\$107,500
Field Building Convener	33,390	
	<u>\$234,363</u>	<u>\$107,500</u>

11. Subsequent Events

In June 2015, the Coalition entered into a new operating lease for their administrative offices for a five year lease with one option to renew for an additional five years. The future commitments for the minimum operating lease payments are summarized in Note 7.

Management has evaluated subsequent events through June 30, 2015, the date which the financial statements were available to be issued.

