

COALITION AGAINST TRAFFICKING IN WOMEN  
New York, New York

FINANCIAL STATEMENTS

Years Ended  
December 31, 2013 and 2012

**MCGARRIGLE  
SHERBOW & DELISLE, P.C.**

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CERTIFIED PUBLIC ACCOUNTANTS

# MCGARRIGLE SHERBOW & DELISLE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

## 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 statements of financial position as of December 31, 2013 and 2012 and the related statements of activities, functional expenses and cash flows for the years 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 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 Coalition Against Trafficking in Women as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*McGuire, Sharrow & DeLoe, P.C.*

June 25, 2014

COALITION AGAINST TRAFFICKING IN WOMEN  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2013 AND 2012

ASSETS

	<u>2013</u>	<u>2012</u>
Current Assets		
Cash	\$ 93,359	\$127,343
Grant receivables	90,000	112,500
Prepaid expense	<u>          </u>	<u>13,283</u>
Total Current Assets	<u>183,359</u>	<u>253,126</u>
Property and Equipment	71,919	67,677
Less accumulated depreciation	<u>47,177</u>	<u>41,450</u>
Total Property and Equipment	<u>24,742</u>	<u>26,227</u>
Other Asset - Security deposit	<u>16,372</u>	<u>16,372</u>
 TOTAL ASSETS	 <u>\$224,473</u>	 <u>\$295,725</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 4,765	\$ 10,018
Accrued liabilities	<u>12,965</u>	<u>12,281</u>
Total Current Liabilities	<u>17,730</u>	<u>22,299</u>
Net Assets		
Temporarily restricted	90,000	107,500
Unrestricted	<u>116,743</u>	<u>165,926</u>
Total Net Assets	<u>206,743</u>	<u>273,426</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$224,473</u>	 <u>\$295,725</u>

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

COALITION AGAINST TRAFFICKING IN WOMEN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Income			
Public support			
Grants and contributions	\$ 799,816	\$ 107,500	\$ 907,316
Donated services	<u>124,189</u>	<u>          </u>	<u>124,189</u>
Total Public Support	924,005	107,500	1,031,505
Investment income	244		244
Net Assets Released from Restriction	<u>130,000</u>	<u>(130,000)</u>	<u>          </u>
Total Public Support and Income	<u>1,054,249</u>	<u>(22,500)</u>	<u>1,031,749</u>
Functional Expenses			
Program services	878,714		878,714
Management and general	104,524		104,524
Fundraising	<u>87,675</u>	<u>          </u>	<u>87,675</u>
Total Functional Expenses	<u>1,070,913</u>	<u>          </u>	<u>1,070,913</u>
Decrease in net assets	(16,664)	(22,500)	(39,164)
Net Assets - beginning of year	<u>182,590</u>	<u>130,000</u>	<u>312,590</u>
Net Assets - end of year	<u>\$ 165,926</u>	<u>\$ 107,500</u>	<u>\$ 273,426</u>

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

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>          </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>	<u>          </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>          </u>	<u>89,987</u>
Total Functional Expenses	<u>1,181,476</u>	<u>          </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>

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part of these financial statements.

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

	<u>Program Services</u>	<u>Manage- ment 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				
Compensation				
Human rights advocacy				
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  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2012

	<u>Program Services</u>	<u>Manage- ment and General</u>	<u>Fund- raising</u>	<u>Total</u>
Compensation and related				
Compensation	\$133,520	\$ 53,554	\$ 52,098	\$ 239,172
Employee benefits	24,870	8,562	7,339	40,771
Payroll taxes	12,361	4,255	3,648	20,264
Coalition project support				
Latin America, Africa, Asia-Pacific and United States	400,683			400,683
Communications	3,686	1,268	1,088	6,042
Depreciation	3,980	1,370	1,174	6,524
Human rights advocacy	91,480			91,480
Board meeting				
Insurance	3,122	1,075	921	5,118
Occupancy	31,704	10,915	9,355	51,974
Postage and shipping	401	138	118	657
Printing and publications	1,649	568	487	2,704
Professional services	20,554	2,793	6,024	29,371
Supplies	11,187	3,851	3,301	18,339
Travel	31,363			31,363
Website	<u>1,380</u>	<u>475</u>	<u>407</u>	<u>2,262</u>
Subtotal	<u>771,940</u>	<u>88,824</u>	<u>85,960</u>	<u>946,724</u>
Donated services				
Compensation	52,724	11,465	1,715	65,904
Human rights advocacy	39,175			39,175
Legal advocacy	12,075			12,075
Professional services	<u>2,800</u>	<u>4,235</u>		<u>7,035</u>
Subtotal	<u>106,774</u>	<u>15,700</u>	<u>1,715</u>	<u>124,189</u>
Total expenses	<u>\$878,714</u>	<u>\$104,524</u>	<u>\$ 87,675</u>	<u>\$1,070,913</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, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities		
Decrease in net assets	\$(66,683)	\$(39,164)
Adjustments to reconcile increase in net assets to net cash from operating activities		
Depreciation	5,727	6,524
Increase (Decrease) in operating assets and liabilities		
Grant receivables	22,500	17,500
Prepaid expense	13,283	3,810
Accounts payable	(5,253)	9,465
Accrued liabilities	<u>684</u>	<u>(1,425)</u>
Net Cash Used by Operating Activities	<u>(29,742)</u>	<u>(3,290)</u>
Cash Flows Used by Investing Activities		
Acquisition of property and equipment	<u>(4,242)</u>	<u>(3,585)</u>
Net Decrease in Cash	(33,984)	(6,875)
Cash - beginning of year	<u>127,343</u>	<u>134,218</u>
Cash - end of year	<u>\$ 93,359</u>	<u>\$127,343</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 2011, 2012 and 2013 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 2013 and 2012 were \$5,064 and \$7,389 respectively and these amounts have been included in fringe benefit expense category.

4. Donated Services

A summary of donated services by expense category follows:

	<u>2013</u>	<u>2012</u>
Compensation		\$ 65,904
Legal advocacy	\$179,534	12,075
Human rights advocacy		39,175
Professional services		
Publication design		2,800
Accounting services	<u>4,730</u>	<u>4,235</u>
	<u>\$184,264</u>	<u>\$124,189</u>

5. Concentrations

Public Support - The Organization received approximately 27% of its support in 2013 and 27% in 2012 from one foundation.

6. Related Party Transactions

The Organization paid a total of \$34,187 to three Directors of the Board in 2013 and \$30,000 to one Director of the Board in 2012 for consulting services. No amounts were due to related parties at December 31, 2013 and 2012.

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 \$3,658 commencing March 1, 2010 with monthly rent increases effective on the anniversary date, each year, until the expiration of the lease on February 28, 2015. 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 2009/2010 base year. Total rent paid for the year was \$54,233 and \$51,974 for 2013 and 2012 respectively.

COALITION AGAINST TRAFFICKING IN WOMAN  
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>	<u>2013</u>	<u>2012</u>
2013		\$ 47,788
2014	\$ 48,024	49,244
2015	<u>8,004</u>	<u>8,248</u>
	<u>\$ 56,028</u>	<u>\$105,280</u>

8. Reclassification

Certain amounts relating to the prior year have been reclassified to conform to the current year presentation. Those reclassifications have no effect on previously reported decrease in net assets.

9. Subsequent Events

Management has evaluated subsequent events through June 25, 2014, the date which the financial statements were available to be issued.