
**COALITION AGAINST TRAFFICKING
IN WOMEN**

Financial Statements

For the years ended December 31, 2016 and 2015

COALITION AGAINST TRAFFICKING IN WOMEN
Financial Statements
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December 31, 2016 and 2015

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Independent Auditor's Report

To the Board of Directors of
Coalition Against Trafficking in Women

We have audited the accompanying financial statements of Coalition Against Trafficking in Women, which comprise the statement of financial position as of December 31, 2016 and 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 audits. We conducted our audits 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 the 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, 2016 and 2015, 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.

NChing LLP

New York, New York
July 28, 2017

COALITION AGAINST TRAFFICKING IN WOMEN**Statements of Financial Position**

As of December 31,

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Cash	\$ 295,673	\$ 264,575
Contributions receivable	18,425	140,000
Prepaid expenses	7,612	10,171
Fixed assets, net of accumulated depreciation of \$32,448 (2016) and \$31,125 (2015)	10,126	10,961
Security deposit	<u>18,903</u>	<u>18,903</u>
Total assets	<u>\$ 350,739</u>	<u>\$ 444,610</u>
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts and accrued expenses payable	\$ 29,339	\$ 14,092
Obligation under capital lease – Note 8	<u>3,569</u>	<u>4,974</u>
Total liabilities	<u>32,908</u>	<u>19,066</u>
<u>Net assets</u>		
Unrestricted	241,197	163,669
Temporarily restricted – Note 9	<u>76,634</u>	<u>261,875</u>
Total net assets	<u>317,831</u>	<u>425,544</u>
Total liabilities and net assets	<u>\$ 350,739</u>	<u>\$ 444,610</u>

The accompanying notes are an integral part of these statements.

COALITION AGAINST TRAFFICKING IN WOMEN**Statement of Activities**

For the year ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
<u>Revenue and support</u>			
Contributions	\$ 221,912	\$ 283,395	\$ 505,307
Interest income	21		21
In-kind contributions – Note 4	34,253		34,253
Special events	182,884		182,884
Less: direct special events expenses	(75,688)		(75,688)
Net assets released from restrictions	<u>468,636</u>	<u>(468,636)</u>	
Total revenue and support	<u>832,018</u>	<u>(185,241)</u>	<u>646,777</u>
<u>Expenses</u>			
Program services			
	<u>621,313</u>		<u>621,313</u>
Supporting services			
Management and general	47,209		47,209
Fund raising	<u>85,968</u>		<u>85,968</u>
Total supporting services	<u>133,177</u>		<u>133,177</u>
Total expenses	<u>754,490</u>		<u>754,490</u>
Change in net assets	77,528	(185,241)	(107,713)
Net assets, beginning of year	<u>163,669</u>	<u>261,875</u>	<u>425,544</u>
Net assets, end of year	<u>\$ 241,197</u>	<u>\$ 76,634</u>	<u>\$ 317,831</u>

The accompanying notes are an integral part of these statements.

COALITION AGAINST TRAFFICKING IN WOMEN**Statement of Activities**

For the year ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
<u>Revenue and support</u>			
Contributions	\$ 186,097	\$ 548,633	\$ 734,730
Interest income	20		20
Net assets released from restrictions	<u>605,015</u>	<u>(605,015)</u>	<u>-</u>
Total revenue and support	<u>791,132</u>	<u>(56,382)</u>	<u>734,750</u>
<u>Expenses</u>			
Program services	<u>616,319</u>		<u>616,319</u>
Supporting services			
Management and general	89,778		89,778
Fund raising	<u>83,190</u>		<u>83,190</u>
Total supporting services	<u>172,968</u>		<u>172,968</u>
Total expenses	<u>789,287</u>		<u>789,287</u>
Change in net assets	1,845	(56,382)	(54,537)
Net assets, beginning of year	<u>161,824</u>	<u>318,257</u>	<u>480,081</u>
Net assets, end of year	<u>\$ 163,669</u>	<u>\$ 261,875</u>	<u>\$ 425,544</u>

The accompanying notes are an integral part of these statements.

COALITION AGAINST TRAFFICKING IN WOMEN
Statement of Functional Expenses
For the year ended December 31, 2016

	Program services	Management and general	Fund raising	Total
Salaries	\$ 172,932	\$ 23,085	\$ 42,039	\$ 238,056
Employee benefits	27,528	3,675	6,692	37,895
Payroll taxes	14,552	1,942	3,537	20,031
Total personnel costs	215,012	28,702	52,268	295,982
Coalition project support				
Latin America, Africa, South East				
Europe, Asia-Pacific and USA	222,639			222,639
Communications	5,542	740	1,347	7,629
Human rights advocacy	33,028			33,028
Insurance	4,232	565	1,029	5,826
Occupancy	44,755	5,974	10,880	61,609
Postage and shipping	620	83	151	854
Printing and publications	3,695	493	898	5,086
Professional services				
(In-kind \$34,253) – Note 4	61,554	8,217	14,963	84,734
Supplies	15,122	2,019	3,676	20,817
Travel	12,002			12,002
Website	149	20	36	205
Depreciation	2,963	396	720	4,079
Total expenses	\$ 621,313	\$ 47,209	\$ 85,968	\$ 754,490

The accompanying notes are an integral part of these statements.

COALITION AGAINST TRAFFICKING IN WOMEN
Statement of Functional Expenses
For the year ended December 31, 2015

	Program services	Management and general	Fund raising	Total
Salaries	\$ 174,340	\$ 35,831	\$ 40,511	\$ 250,682
Employee benefits	22,984	4,723	5,340	33,047
Payroll taxes	13,793	2,835	3,205	19,833
Total personnel costs	211,117	43,389	49,056	303,562
Coalition project support				
Latin America, Africa, South East				
Europe, Asia-Pacific and USA	178,136			178,136
Communications	3,794	780	882	5,456
Human rights advocacy	66,141			66,141
Board meeting		16,193		16,193
Insurance	3,268	672	759	4,699
Occupancy	40,652	8,356	9,446	58,454
Postage and shipping	769	158	179	1,106
Printing and publications	2,620	539	609	3,768
Professional services	59,621	12,255	13,853	85,729
Supplies	33,156	6,814	7,704	47,674
Travel	14,020			14,020
Website	428	88	99	615
Depreciation	2,597	534	603	3,734
Total expenses	\$ 616,319	\$ 89,778	\$ 83,190	\$ 789,287

The accompanying notes are an integral part of these statements.

COALITION AGAINST TRAFFICKING IN WOMEN**Statements of Cash Flows**

For the years ended December 31,

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	(\$ 107,713)	(\$ 54,537)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,079	3,734
Change in contributions receivables	121,575	105,750
Change in prepaid expense	2,559 (780)
Change in security deposit		(2,531)
Change in accounts and accrued expenses payable	<u>15,247</u>	<u>(13,903)</u>
Net cash provided by operating activities	<u>35,747</u>	<u>37,733</u>
Cash flows from investing activities		
Disposal of fixed assets		12,779
Purchase of fixed assets	(<u>3,244</u>)	<u> </u>
Net cash (used in)/ provided by investing activities	(<u>3,244</u>)	<u>12,779</u>
Cash flows from financing activities		
Payments on capital lease obligation	(<u>1,405</u>)	(<u>1,065</u>)
Net increase in cash	31,098	49,447
Cash, beginning of year	<u>264,575</u>	<u>215,128</u>
Cash, end of year	<u>\$ 295,673</u>	<u>\$ 264,575</u>
Supplemental disclosure of cash flow information		
Interest paid	<u>\$ 314</u>	<u>\$ 462</u>

The accompanying notes are an integral part of these statements.

COALITION AGAINST TRAFFICKING IN WOMEN

Notes to Financial Statements

December 31, 2016 and 2015

Note 1 Organization

Coalition Against Trafficking in Women (“CATW”) 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. CATW 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. CATW is supported primarily through grants from several foundations and the U.S. Department of State.

CATW is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as a publicly supported organization as described in Code section 509(a)(1) and 170(b)(A)(VI).

Note 2 Significant accounting policies

Basis of presentation. The financial statements of CATW has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial statement presentation. The financial statement presentation follows the accounting standards for not-for-profit organizations. Under these standards, an organization is required to report information regarding its financial position and activities according to three classes of net assets depending on the existence and/or nature of any donor restrictions as follows: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets consist of unrestricted contributions and other resources not subject to donor-imposed restrictions.

Temporarily restricted net assets consist of contributions and other inflow of assets whose use by the recipient is limited by donor-imposed stipulation. When donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, CATW reports that support as unrestricted.

Permanently restricted net assets consist of net assets that are limited by donors for investment in perpetuity.

Fixed assets. Equipment and leasehold improvements are stated at cost, less accumulated depreciation or amortization computed on the straight-line method. Equipment is depreciated over their estimated useful lives of 3 to 7 years. Leasehold improvements are amortized over the shorter of their useful lives or the remainder of the lease period.

COALITION AGAINST TRAFFICKING IN WOMEN

Notes to Financial Statements

December 31, 2016 and 2015

Note 2 Significant accounting policies - (continued)

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.

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.

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.

Functional allocation of expenses. The costs of providing various programs and 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. CATW is exempt from income taxes under 501(c)(3) of the Internal Revenue Code. CATW has analyzed tax positions taken for filing with the Internal Revenue Service and state jurisdictions where it operates. CATW does not anticipate any significant uncertain tax positions that would require recognition in the financial statements. Periods ending December 31, 2013 and subsequent remain subject to examination by the taxing authorities.

COALITION AGAINST TRAFFICKING IN WOMEN

Notes to Financial Statements

December 31, 2016 and 2015

Note 2 Summary of significant accounting policies - (continued)

Concentrations of credit risk. Financial instruments, which potentially subject CATW to concentrations of credit risk include cash, investments, and contributions receivable. CATW maintains cash in bank deposits which, at times, may exceed the current insured amount under the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2016 and 2015, CATW's cash balance exceeded the current insured amount under FDIC by approximately \$45,673 and \$2,270, respectively. CATW has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk therein.

Allowance for doubtful accounts. Management has determined that no allowance for uncollectible accounts for accounts receivable or contributions receivable is necessary as of December 31, 2016 and 2015. Such determination is based on management's assessments of the creditworthiness of its donors, the age of its receivables, as well as current economic conditions and historical information.

Note 3 Employee benefit plan

CATW has a defined contribution salary deferral 403(b) plan ("the Plan") covering all eligible employees. CATW 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 2016 and 2015 were \$5,364 and \$5,989 respectively.

Note 4 In-kind contributions

In-kind contributions represent services provided to the programs of CATW. Donated services are recorded at fair value, which is the amount that would have been charged to CATW to purchase the service. In-kind contributions consisted of:

	2016	2015
Legal advocacy	\$ 33,428	\$ -
Professional services – publication design	825	-
	<u>\$ 34,253</u>	<u>\$ -</u>

Note 5 Concentrations

Public Support - CATW received approximately 34% of its support in 2016 and 30% in 2015 from one foundation.

COALITION AGAINST TRAFFICKING IN WOMEN

Notes to Financial Statements

December 31, 2016 and 2015

Note 6 Related party transactions

As of December 31, 2016 and 2015, Board of Directors were not compensated for consulting services.

Note 7 Commitments

CATW 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 CATW's share of the excess of real estate taxes over the 2015/2016 base year. As of December 31, 2016 and 2015 rent and related occupancy costs were \$57,446 and \$55,030, respectively.

The minimum future rental commitments are as follows:

Year ending December 31,

2017	\$ 57,850
2018	59,589
2019	61,374
2020	25,885
	<u>\$ 204,698</u>

Note 8 Obligations under capital leases

CATW 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, 2016 and 2015, the capitalized costs, related accumulated depreciation, and net carrying value of the equipment under the capital lease are as follows:

	<u>2016</u>	<u>2015</u>
Office equipment	\$ 6,615	\$ 6,615
Less: accumulated depreciation	<u>2,646</u>	<u>1,323</u>
	<u>\$ 3,969</u>	<u>\$ 5,292</u>

COALITION AGAINST TRAFFICKING IN WOMEN**Notes to Financial Statements**

December 31, 2016 and 2015

Note 8 Obligations under capital leases - (continued)

The future minimum lease payments are as follows:

Year ending December 31,

2017	\$	1,553
2018		1,553
2019		<u>777</u>
Total		3,883
Less: amount representing interest		<u>314</u>
Present value of minimum lease payments	\$	<u>3,569</u>

Note 9 Temporarily restricted net assets

The changes in temporarily restricted net assets as of December 31, 2016 are as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending balance</u>
Human rights advocacy	\$ 246,875	\$ 283,395	\$ 453,636	\$ 76,634
Red alert system	<u>15,000</u>		<u>15,000</u>	
Total	<u>\$ 261,875</u>	<u>\$ 283,395</u>	<u>\$ 468,636</u>	<u>\$ 76,634</u>

The changes in temporarily restricted net assets as of December 31, 2015 are as follow:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending balance</u>
Human rights advocacy	\$ 211,647	\$ 548,633	\$ 513,405	\$ 246,875
Red alert system	15,000			15,000
Field building convener	<u>91,610</u>		<u>91,610</u>	
Total	<u>\$ 318,257</u>	<u>\$ 548,633</u>	<u>\$ 605,015</u>	<u>\$ 261,875</u>

Note 10 Subsequent events

CATW has evaluated events and transactions for potential recognition or disclosure through July 28, 2017, which is the date the financial statements were available to be issued. There were no subsequent events requiring adjustment to the financial statements or disclosures.