
**COALITION AGAINST TRAFFICKING
IN WOMEN**

Financial Statements

For the years ended December 31, 2020 and 2019

COALITION AGAINST TRAFFICKING IN WOMEN

Financial Statements

December 31, 2020 and 2019

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Independent Auditors' 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 (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, 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.

Auditors' 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 auditors' 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, 2020 and 2019, 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.

New York, New York,
December 21, 2021

NChing LLP



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

As of December 31,

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Cash	\$ 744,253	\$ 635,794
Investments	22,020	10,000
Contributions receivable	72,311	71,978
Prepaid expenses	1,811	2,930
Fixed assets, net	2,473	3,813
Security deposit	<u>19,507</u>	<u>19,507</u>
Total assets	<u><u>\$ 862,375</u></u>	<u><u>\$ 744,022</u></u>
<u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts payable and accrued expenses	\$ 50,825	\$ 26,127
Obligation under capital lease	-	626
Loan payable	<u>57,967</u>	<u>-</u>
Total liabilities	<u><u>108,792</u></u>	<u><u>26,753</u></u>
<u>Net assets</u>		
Without donor restrictions	753,583	677,269
With donor restrictions	<u>-</u>	<u>40,000</u>
Total net assets	<u><u>753,583</u></u>	<u><u>717,269</u></u>
Total liabilities and net assets	<u><u>\$ 862,375</u></u>	<u><u>\$ 744,022</u></u>

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

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

For the year ended December 31, 2020

	Without donor restrictions	With donor restrictions	Total
<u>Revenue and support</u>			
Contributions	\$ 624,315	\$ -	\$ 624,315
In-kind contribution	46,889	-	46,889
Special event, net	75,765	-	75,765
Investment income	2,224	-	2,224
Net assets released from restrictions	40,000	(40,000)	-
Total revenues	789,193	(40,000)	749,193
<u>Expenses</u>			
Program services	494,399	-	494,399
<u>Supporting services</u>			
Management and general	88,579	-	88,579
Fund raising	129,901	-	129,901
Total supporting services	218,480	-	218,480
Total program and supporting services expense	712,879	-	712,879
Change in net assets	76,314	(40,000)	36,314
Net assets, beginning of year	677,269	40,000	717,269
Net assets, end of year	\$ 753,583	\$ -	\$ 753,583

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

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

For the year ended December 31, 2019

	Without donor restrictions	With donor restrictions	Total
<u>Revenue and support</u>			
Contributions	\$ 532,791	\$ 80,000	\$ 612,791
Net assets released from restrictions	242,000	(242,000)	-
Total revenues	774,791	(162,000)	612,791
<u>Expenses</u>			
Program services	426,161	-	426,161
Supporting services			
Management and general	85,274	-	85,274
Fund raising	159,911	-	159,911
Total supporting services	245,185	-	245,185
Total program and supporting services expense	671,346	-	671,346
Change in net assets	103,445	(162,000)	(58,555)
Net assets, beginning of year	573,824	202,000	775,824
Net assets, end of year	<u>\$ 677,269</u>	<u>\$ 40,000</u>	<u>\$ 717,269</u>

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

COALITION AGAINST TRAFFICKING IN WOMEN**Statement of Functional Expenses**

For the year ended December 31, 2020

	Program services	Management and general	Fund raising	Total
Salaries	\$ 231,207	\$ 48,438	\$ 71,034	\$ 350,679
Employee benefits	33,790	7,079	10,382	51,251
Payroll taxes	17,594	3,686	5,405	26,685
Total personnel costs	282,591	59,203	86,821	428,615
Coalition project support grants	9,150	-	-	9,150
Communications	3,967	831	1,219	6,017
Human rights advocacy	52,743	-	-	52,743
Insurance	2,964	621	911	4,496
Occupancy	42,600	8,925	13,088	64,613
Postage and shipping	1,191	249	366	1,806
Printing and publications	42	9	13	64
Professional services	63,994	13,407	19,661	97,062
Office expenses	24,575	5,149	7,550	37,274
Travel	9,699	-	-	9,699
Depreciation	883	185	272	1,340
Total expenses	<u>\$ 494,399</u>	<u>\$ 88,579</u>	<u>\$ 129,901</u>	<u>\$ 712,879</u>

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

COALITION AGAINST TRAFFICKING IN WOMEN**Statement of Functional Expenses**

For the year ended December 31, 2019

	Program services	Management and general	Fund raising	Total
Salaries	\$ 214,061	\$ 48,908	\$ 42,168	\$ 305,137
Employee benefits	34,332	7,844	6,763	48,939
Payroll taxes	15,505	3,543	3,054	22,102
Total personnel costs	263,898	60,295	51,985	376,178
Coalition project support grants	5,711	-	-	5,711
Communications	5,994	1,370	1,181	8,545
Human rights advocacy	31,231	-	-	31,231
Insurance	4,837	1,105	953	6,895
Occupancy	44,322	10,127	8,731	63,180
Postage and shipping	1,877	429	370	2,676
Printing and publications	1,958	447	386	2,791
Professional services	35,095	8,018	6,913	50,026
Office expenses	13,500	3,084	2,659	19,243
Travel	15,807	-	-	15,807
Anniversary conference expense	-	-	85,997	85,997
Depreciation	1,931	399	736	3,066
Total expenses	<u>\$ 426,161</u>	<u>\$ 85,274</u>	<u>\$ 159,911</u>	<u>\$ 671,346</u>

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

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

For the year ended December 31,

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 36,314	\$ (58,555)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,340	3,066
Change in contributions receivables	(333)	183,467
Change in prepaid expense	1,119	5,568
Change in accounts and accrued expenses payable	24,698	(42,137)
Change in security deposit	<u>-</u>	<u>(603)</u>
Net cash provided by operating activities	<u>63,138</u>	<u>90,806</u>
Cash flows from investing activities		
Investments	(12,020)	-
Purchase of fixed assets	<u>-</u>	<u>(10,000)</u>
Net cash used in investing activities	<u>(12,020)</u>	<u>(10,000)</u>
Cash flows from financing activities		
Proceeds from loan payable	57,967	-
Payments on capital lease obligation	<u>(626)</u>	<u>(500)</u>
Net cash provided by/(used in) financing activities	<u>57,341</u>	<u>(500)</u>
Net change in cash	108,459	80,306
Cash - beginning of year	<u>635,794</u>	<u>555,488</u>
Cash - end of year	<u><u>\$ 744,253</u></u>	<u><u>\$ 635,794</u></u>

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

COALITION AGAINST TRAFFICKING IN WOMEN

Notes to the Financial Statements

December 31, 2020 and 2019

Note 1 Organization

Coalition Against Trafficking in Women (“CATW”) is a not-for-profit organization that works to end the trafficking and sexual exploitation of women and girls worldwide. CATW testifies before national congresses, parliaments, and the United Nations and its agencies, and serves as a clearing house of information and documentation on violations of the human rights of women and girls, educating the public and participating in international conferences and networks. CATW is supported primarily through grants and contributions from several foundations and individual donors.

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 have 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 two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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 the Financial Statements

December 31, 2020 and 2019

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.

Contributions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions 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 net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements 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. Significant expenses are allocated as follows:

Salaries and benefits
Occupancy

Time and effort
Space

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, 2017 and subsequent remain subject to examination by the taxing authorities.

COALITION AGAINST TRAFFICKING IN WOMEN

Notes to the Financial Statements

December 31, 2020 and 2019

Note 2 Summary of significant accounting policies - (continued)

Concentrations of credit and market risk. CATW maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limit. CATW has not experienced any losses in such accounts. CATW believes it is not exposed to any significant credit risk on cash.

CATW has an investment account which is held by a financial institution in a brokerage account. The brokerage account is protected by the Securities Investor Protection Corporation ("SIPC") which offers limited coverage up to a ceiling of \$500,000 (including a maximum of \$250,000 for claims of uninvested cash). The SIPC insurance does not protect against market losses on investments.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, and the level of uncertainty related to changes in fair value of investment securities, it is at least reasonably possible that changes in the near term could materially affect the amounts reported in the accompanying financial statements.

Investments. Investments are recorded at fair value in the statements of financial position, as determined by reference to quoted market prices. Investments consist of amounts held in money market funds and exchange-traded funds. Investment income is included in unrestricted support and revenue, unless restricted by donor or law.

Fair value of investments. The fair value hierarchy of Fair Value Measurements defines fair value, establishes a consistent framework for measuring fair value, and expands the disclosure requirements of fair value measurements. Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability, or, in the absence of a principal market, the most advantageous market.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities CATW has the ability to access.

Level 2: inputs are inputs (other than quoted prices included within Level I) that are observable for the asset or liability, either directly or indirectly.

COALITION AGAINST TRAFFICKING IN WOMEN

Notes to the Financial Statements

December 31, 2020 and 2019

Note 2 Summary of significant accounting policies - (continued)

Level 3: inputs are unobservable inputs for the asset or liability, and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs are developed based on the best information available in the circumstances and may include CATW's own data.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while CATW believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

CATW has investments in money market funds and exchange-traded funds which are reported at market value based on quoted prices. Unrealized and realized gains and losses in these investments are recorded as unrestricted support and revenue, unless restricted by donor or law.

The following table set forth by level, within the fair value hierarchy, CATW's investments which have been accounted for at fair value on a recurring basis as of December 31, 2020 and 2019.

	As of December 31, 2020	
	Level 1	Total
Money market funds	\$ 10,804	\$ 10,804
Exchange-traded funds	11,216	11,216
Total investments	<u>\$ 22,020</u>	<u>\$ 22,020</u>

	As of December 31, 2019	
	Level 1	Total
Exchange-traded funds	<u>\$ 10,000</u>	<u>\$ 10,000</u>

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, 2020 and 2019. 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.

COALITION AGAINST TRAFFICKING IN WOMEN

Notes to the Financial Statements

December 31, 2020 and 2019

Note 2 Summary of significant accounting policies - (continued)

Operating risk. The coronavirus outbreak may have an adverse effect on the results of operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, the CATW cannot reasonably estimate the impact to future results of operations.

Note 3 Investments

The following summarizes CATW's investments measured at fair value as of December 31, 2020 and 2019:

	As of December 31, 2020	
	Cost	Fair value
Money market funds	\$ 10,804	\$ 10,804
Exchange-traded funds	4,678	11,216
Total investments	<u>\$ 15,482</u>	<u>\$ 22,020</u>

	As of December 31, 2019	
	Cost	Fair value
Exchange-traded funds	<u>\$ 4,990</u>	<u>\$ 10,000</u>

Note 4 Liquidity and availability

Financial assets available for general expenditure, that is, without donor, or other restrictions limiting their use, within one year of the balance sheet date, comprise the following as of December 31:

	2020	2019
Cash and cash equivalents	\$ 744,253	\$ 635,794
Investments	22,020	10,000
Contributions receivable	72,311	71,978
Less: net assets with donor restrictions	-	(40,000)
Total available to use within one year	<u>\$ 838,584</u>	<u>\$ 677,772</u>

COALITION AGAINST TRAFFICKING IN WOMEN

Notes to the Financial Statements

December 31, 2020 and 2019

Note 5 Loan payable

In May 2020, CATW received a Paycheck Protection Program (“PPP”) loan in the amount of \$57,967 under the Coronavirus Aid, Relief, and Economic Security Act. The PPP loan bears interest at 1% per annum and will mature in May 2022. The PPP loan and accrued interest allow for forgiveness based on the bank’s evaluation of CATW’s use of such proceeds. The balance of the PPP loan at December 31, 2020 was \$57,967. The PPP loan was forgiven in July 2021.

Note 6 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 2020 and 2019 were \$7,527 and \$6,224 respectively.

Note 7 Commitments

CATW has a five-year lease for office space in New York. 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, 2021. The lease was extended to May 31, 2024. The lease also includes a real estate tax escalation charge. Rental expense for the years ended December 31, 2020 and 2019 was \$62,938 and \$56,348, respectively, and is included in occupancy on the accompanying statements of functional expenses.

The minimum future lease obligation is as following:

2021	\$ 57,387
2022	54,945
2023	56,594
2024	23,870
	<hr/>
	\$ 192,796

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

December 31, 2020 and 2019

Note 8 Net assets with donor restrictions

Net assets with donor restrictions as of December 31, 2020 consist of the following:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending Balance</u>
Human rights advocacy	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ (40,000)</u>	<u>\$ -</u>

Net assets with donor restrictions as of December 31, 2019 consist of the following:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending Balance</u>
Human rights advocacy	<u>\$ 202,000</u>	<u>\$ 80,000</u>	<u>\$ (242,000)</u>	<u>\$ 40,000</u>

Note 9 Subsequent events

CATW has evaluated events and transactions for potential recognition or disclosure through December 21, 2021, which is the date the financial statements were available to be issued, and has concluded that except as set forth below, no subsequent events occurred that requires an adjustment or disclosure to the financial statements.