

**UNITED AGAINST HUMAN TRAFFICKING**

**HARRIS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

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# TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS:	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7-9

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
United Against Human Trafficking  
Harris County, Texas

We have audited the accompanying financial statements of United Against Human Trafficking, (a nonprofit organization) which comprise the statement of financial position as of December 31, 2020, 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 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.

Board of Directors  
United Against Human Trafficking

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Against Human Trafficking as of December 31, 2020, 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.

*McCall Gibson Swedlund Barfoot PLLC*

McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

May 28, 2021

**UNITED AGAINST HUMAN TRAFFICKING**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**

<b>ASSETS</b>	<u>2020</u>
<b>Current Assets</b>	
Cash and Cash Equivalents Without Donor Restrictions	\$ 278,068
Contributions Receivable	130,516
Accounts Receivable	<u>1,188</u>
<b>Total Current Assets</b>	<u>\$ 409,772</u>
<b>Noncurrent Assets</b>	
Furniture and Equipment (Net of Accumulated Depreciation)	<u>\$ 1,987</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 411,759</u></u>
 <b>LIABILITIES AND NET ASSETS</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 35,536
Unearned in-kind revenue	<u>16,000</u>
<b>Total Current Liabilities</b>	<u>\$ 51,536</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 51,536</u>
<b>Net Assets</b>	
Without Donor Restrictions	\$ 237,208
With Donor Restrictions	<u>123,015</u>
<b>Total Net Assets</b>	<u>\$ 360,223</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 411,759</u></u>

The accompanying notes to the financial statements are an integral part of this report.

**UNITED AGAINST HUMAN TRAFFICKING**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>			
Grants			
Government Grants	\$	\$ 709,894	\$ 709,894
Foundation Grants	247,026	35,000	282,026
Contributions			
Individuals	113,757		113,757
Corporations	110,298		110,298
In-kind	<u>62,412</u>		<u>62,412</u>
<b>SUBTOTAL SUPPORT AND REVENUES</b>	<b>\$ 533,493</b>	<b>\$ 744,894</b>	<b>\$ 1,278,387</b>
Net Assets Released from Restrictions	<u>686,879</u>	<u>(686,879)</u>	
<b>TOTAL SUPPORT AND REVENUES</b>	<b><u>\$ 1,220,372</u></b>	<b><u>\$ 58,015</u></b>	<b><u>\$ 1,278,387</u></b>
<b>EXPENSES</b>			
Program Expenses	\$ 932,089	\$	\$ 932,089
Management and General	118,653		118,653
Fundraising	<u>156,664</u>		<u>156,664</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 1,207,406</u></b>	<b><u>\$ - 0 -</u></b>	<b><u>\$ 1,207,406</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 12,966</b>	<b>\$ 58,015</b>	<b>\$ 70,981</b>
<b>NET ASSETS - JANUARY 1, 2020</b>	<u>224,242</u>	<u>65,000</u>	<u>289,242</u>
<b>NET ASSETS - DECEMBER 31, 2020</b>	<b><u><u>\$ 237,208</u></u></b>	<b><u><u>\$ 123,015</u></u></b>	<b><u><u>\$ 360,223</u></u></b>

The accompanying notes to the financial statements are an integral part of this report.

**UNITED AGAINST HUMAN TRAFFICKING**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Supporting Services			Total
	Program Services	Management and General	Fundraising	
<b>Expenses</b>				
Consultants	\$ 35,767	\$ 7,948	\$	\$ 43,715
Communications IT	40,836	7,657	2,552	51,045
Depreciation		994		994
Insurance	2,077			2,077
Office expenses and supplies	63,450	15,862	505	79,817
Other	6,165	4,077	1,541	11,783
Salaries, taxes and benefits	717,814	74,601	150,835	943,250
Travel and entertainment	9,851	1,231	1,231	12,313
<b>Total Expenses</b>	<u>\$ 875,960</u>	<u>\$ 112,370</u>	<u>\$ 156,664</u>	<u>\$ 1,144,994</u>
<b>In Kind Expenses</b>				
Payroll related costs	\$ 56,129	\$	\$	\$ 56,129
Consultants		2,083		2,083
Office Space		4,200		4,200
<b>Total In Kind Expenses</b>	<u>\$ 56,129</u>	<u>\$ 6,283</u>	<u>\$ - 0 -</u>	<u>\$ 62,412</u>
<b>Total Expenses</b>	<u>\$ 932,089</u>	<u>\$ 118,653</u>	<u>\$ 156,664</u>	<u>\$ 1,207,406</u>

The accompanying notes to the financial statements are an integral part of this report.



**UNITED AGAINST HUMAN TRAFFICKING**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ 70,981
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	994
Unearned In Kind Contributions	16,000
(Increase) Decrease in Operating Assets:	
Contributions Receivable	(2,174)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	(2,251)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 83,550</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 83,550</b>
<b>CASH AND CASH EQUIVALENTS - JANUARY 1</b>	<b>194,518</b>
<b>CASH AND CASH EQUIVALENTS - DECEMBER 31</b>	<b>\$ 278,068</b>

The accompanying notes to the financial  
statements are an integral part of this report.

**UNITED AGAINST HUMAN TRAFFICKING**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1. CREATION OF CORPORATION**

United Against Human Trafficking (“the Organization” or “UAHT”) is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a public charity.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Financial Accounting Standards Board and the audit and accounting guide, “Not-For-Profit Organizations” published by the American Institute of Certified Public Accountants.

**Basis of Accounting** - The financial statements were prepared using the accrual basis of accounting. Under this method, revenues were recorded in the period earned and when the amount and timing of the revenue could be reasonably determined. Expenses were recognized at the time the liability arose which was normally at the time title passes or a service is received.

Fund-raising activities that have direct benefits to the donors are presented as net of direct expenses and for the other fund-raising events the revenues and expenses are reported as gross.

**Basis of Presentation** - The financial statements are presented on the basis of net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. Assets and contributions with donor restrictions are shown as restricted in the period earned and reclassified to net assets without donor restrictions when the restrictions has been removed by time or actions of the board.

**Cash and Cash Equivalents** - The Organization considers demand deposit accounts and all highly liquid financial instruments with an original maturity of 12 months or less to be cash and cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. The Organization was exposed to \$17,555 in custodial credit risk as of year-end.

**Contributions** - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

**UNITED AGAINST HUMAN TRAFFICKING**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contributions Receivable** – Contributions are unconditional promises to give that are due within one year and recorded at net realizable value. Amounts due in more than one year are discounted to estimate the present value of future cash flows. All contributions receivable at year-end are expected to be collected within one year.

**Donated Goods and Services** – The Organization receives donated facilities including office space, furniture and equipment for use for Organization activities. These facilities would need to be leased if they were not donated and are recognized in the financial statements as in-kind support. Contributions of donated services are recorded at their fair values in the period received if the services received: (1) create or enhance nonfinancial assets or (2) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services that do not meet the above criteria are not recorded.

**Functional Expenses** - The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses are allocated on the basis of estimates of time and effort.

**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 effect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Subsequent Events** – In preparing these financial statements, management has evaluated and disclosed all material subsequent events through May 28, 2021, which is the date these statements were available to be issued.

**NOTE 3. LIQUIDITY AND AVAILABILITY OF RESOURCES**

At December 31, 2020, the Organization had cash and cash equivalents without donor restrictions of \$278,068. The Organization has existing grant programs from governments, corporations and foundations with continued funding into the next fiscal year of approximately \$855,000. The 2021 budget reflects cash and cash equivalents available for general expenditures totaling approximately \$1,133,000.

**UNITED AGAINST HUMAN TRAFFICKING**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 4. PROPERTY AND EQUIPMENT**

Property and equipment are recorded at actual cost, including delivery and setup costs. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method. Property and Equipment consist of the following as of December 31, 2020:

	January 1, 2020	Increases	Decreases	December 31, 2020
<b>Capital Assets Subject to Depreciation</b>				
Furniture and Equipment	\$ 13,250	\$ 1,961	\$ - 0 -	\$ 15,211
<b>Accumulated Depreciation</b>				
Furniture and Equipment	\$ 12,230	\$ 994	\$ - 0 -	\$ 13,224
<b>Total Property and Equipment, Net of Accumulated Depreciation</b>	<u>\$ 1,020</u>	<u>\$ 967</u>	<u>\$ - 0 -</u>	<u>\$ 1,987</u>

**NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are established by donor-imposed restrictions. The Organization receives donations and grants for specific programs. As the donor-specified purpose is satisfied, the amounts are released from restriction. Program activity is detailed below:

Description	January 1, 2020	Additions	Released	December 31, 2020
Government Grants	\$	\$ 709,894	(650,680)	\$ 59,214
Corporations and Foundations	65,000	35,000	(36,199)	63,801
	<u>\$ 65,000</u>	<u>\$ 744,894</u>	<u>\$ (686,879)</u>	<u>\$ 123,015</u>

**NOTE 6. CONTINGENCIES**

The Organization participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. Therefore, to the extent that the Organization has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the Organization, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants. Therefore, no provision has been recorded in the accompanying financial statements for such contingencies.