END HUMAN TRAFFICKING, INC.
FINANCIAL STATEMENTS

♦

For the Year Ended June 30, 2021 and
the Period August 21, 2019 (date of inception) through June 30, 2020

CARROLL and COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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FREDERICK CARROLL III
FOUNDER (RETIRED)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
End Human Trafficking, Inc.
Tallahassee, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of End Human Trafficking, Inc. (a non-profit organization) (the Organization) which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the year ended June 30, 2021 and the period August 21, 2019 (date of inception) through June 30, 2020, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 End Human Trafficking, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the year ended June 30, 2021 and the period August 21, 2019 (date of inception) through June 30, 2020 in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued a report dated February 8, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Carroll and Company

February 8, 2022

END HUMAN TRAFFICKING, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash	$ 67,290	$ 78,731
Contributions receivable	25,000	25,000
Prepaid expenses	4,489	3,907
TOTAL CURRENT ASSETS	96,779	107,638
PROPERTY AND EQUIPMENT, net	97,501	119,339
TOTAL ASSETS	$ 194,280	$ 226,977

LIABILITIES AND NET ASSETS

	2021	2020
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 189	$ -0-
TOTAL CURRENT LIABILITIES	189	-0-
NET ASSETS		
Without donor restrictions	194,091	226,977
TOTAL NET ASSETS	194,091	226,977
TOTAL LIABILITIES AND NET ASSETS	$ 194,280	$ 226,977

See accompanying notes.

END HUMAN TRAFFICKING, INC.
STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2021 and the Period August 21, 2019 (date of inception) through June 30, 2020

	2021	2020
REVENUE AND SUPPORT		
Contributions	$ 90,947	$ 50,000
State grant	-0-	249,854
TOTAL SUPPORT AND REVENUE	90,947	299,854
EXPENSES		
Program services	48,052	30,188
Supporting services:		
Management and general	34,973	33,126
Fundraising	40,808	9,563
TOTAL EXPENSES	123,833	72,877
CHANGE IN NET ASSETS	(32,886)	226,977
NET ASSETS, BEGINNING OF YEAR	226,977	-0-
NET ASSETS, END OF YEAR	$ 194,091	$ 226,977

See accompanying notes.

END HUMAN TRAFFICKING, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021 and
the Period August 21, 2019 (date of inception) through June 30, 2020

Year ended June 30, 2021

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Contract services - Executive Director	$ 15,750	$ 13,500	$ 15,750	$ 45,000
Depreciation	9,498	8,141	9,499	27,138
Payroll	7,000	6,000	7,000	20,000
Professional services	5,075	4,350	5,075	14,500
Training course	7,245	-0-	-0-	7,245
Advertising	1,076	922	1,076	3,074
Payroll taxes	602	515	602	1,719
Insurance	508	435	508	1,451
Software subscriptions	505	431	505	1,441
Cell phone	458	392	458	1,308
Office supplies	335	287	335	957
TOTAL	$ 48,052	$ 34,973	$ 40,808	$ 123,833

See accompanying notes.

END HUMAN TRAFFICKING, INC.
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
For the Year Ended June 30, 2021 and
the Period August 21, 2019 (date of inception) through June 30, 2020

Period August 21, 2019 (date of inception) through June 30, 2020

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Contract services - Executive Director	$ 15,750	$ 22,500	$ 6,750	$ 45,000
Depreciation	4,641	6,630	1,989	13,260
Training course	7,875	-0-	-0-	7,875
Travel	641	2,165	275	3,081
Software subscriptions	254	363	109	726
Advertising	252	361	108	721
Office supplies	249	356	107	712
Cell phone	231	329	99	659
Computer and internet	135	193	57	385
Training	105	150	45	300
Insurance	55	79	24	158
TOTAL	$ 30,188	$ 33,126	$ 9,563	$ 72,877

See accompanying notes.

END HUMAN TRAFFICKING, INC.
STATEMENTS OF CASH FLOWS
For the Year Ended June 30, 2021 and
the Period August 21, 2019 (date of inception) through June 30, 2020

	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	$ (32,886)	$ 226,977
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	27,138	13,260
(Increase) decrease in:		
Contributions receivable	-0-	(25,000)
Prepaid expenses	(582)	(3,907)
Increase (decrease) in:		
Accounts payable and accrued expenses	189	-0-
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(6,141)	211,330
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(5,300)	(132,599)
NET CASH USED IN INVESTING ACTIVITIES	(5,300)	(132,599)
NET (DECREASE) INCREASE IN CASH	(11,441)	78,731
CASH, BEGINNING OF YEAR	78,731	-0-
CASH, END OF YEAR	$ 67,290	$ 78,731

See accompanying notes.

NOTE A – *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Nature of the Organization

End Human Trafficking, Inc., also known as Florida Alliance to End Human Trafficking, (the Organization) was created on August 21, 2019 by the authority of Section 16.618, *Florida Statutes* as a direct-support organization of the Statewide Council on Human Trafficking (the Council), in the State of Florida Department of Legal Affairs, to provide assistance, funding, and promotional support to the Council and to assist in the fulfillment of the Council's purposes as set forth in the statutes. The Organization is operated exclusively to conduct programs and activities; solicit funds; request and receive grants, gifts, and bequests of money; acquire, receive, hold, invest, and administer, in its own name, property and funds; and make expenditures to or for the direct or indirect benefit of the Council as permitted under the statutes. In accordance with the statutes, the State of Florida Department of Legal Affairs permits the use of property, facilities, and personnel to assist in the operation of the Organization. The Organization's mission is to provide funding, support, and assistance to the statewide effort to end human trafficking through the following programs and activities:

- Provide law enforcement and industry training and information that focuses on detecting human trafficking, best practices for reporting human trafficking, and the interventions and treatment for survivors of human trafficking;
- Form strategic partnerships to foster the development of community and private sector resources to advance the goals of the Council;
- Fund community and education-based statewide branding campaigns to raise awareness and to provide consistent messaging and branding throughout the state;
- Leverage emerging technology to assist law enforcement with research and data collection on human trafficking.

Basis of Accounting

The Organization's financial statements are presented on the accrual basis of accounting.

Basis of Presentation

In accordance with accounting principles generally accepted in the United States of America, the Organization is required to report information regarding its financial position and activities according to the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

NOTE A – *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES* *(Continued)*

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) 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. The Organization had no net assets with donor restrictions as of June 30, 2021 and 2020.

Revenue and Revenue Recognition

Unconditional contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Conditional grants and contributions are recognized as revenue when the conditions on which they depend have been substantially met. Amounts received in excess of revenue recognized under conditional grants and contributions are reflected as refundable advances in the accompanying statements of financial position.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is when a stipulated time restriction ends or 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.

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. Actual results may differ from those estimates.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been presented on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain expenses have been allocated among the programs and supporting services benefited, based on management's assessment of time.

NOTE A – *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

Contributions Receivable

Contributions receivable are stated at net realizable value, and accounts deemed uncollectible by management are expensed as bad debts. There is no material difference between the direct write-off method used by the Organization and the allowance method required by accounting principles generally accepted in the United States of America.

Property and Equipment

Property and equipment purchases are recorded at cost. Additions, improvements, and other capital outlays that exceed a threshold established by management and significantly extend the useful life of the asset are capitalized. Contributed assets are reported at fair market value as of the date received. If donors stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. All property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets.

Advertising

Advertising costs are expensed as incurred. Total advertising expense for the year ended June 30, 2021 and the period August 21, 2019 (date of inception) through June 30, 2020 was $3,074 and $721, respectively.

Income Taxes

The Organization is a not-for-profit tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and has been classified as an organization that is not a private foundation under Section 509(a). The Organization is exempt from income taxes, except on net income from unrelated business activities. There was no federal income tax expense on unrelated business income for the year ended June 30, 2021 and the period August 21, 2019 (date of inception) through June 30, 2020.

NOTE B – *FAIR VALUE MEASUREMENTS*

The Organization follows the provisions of the Financial Accounting Standards Board's Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a common definition for fair value to be applied to U.S. generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard establishes a fair value hierarchy about the assumptions used to measure fair value and clarifies assumptions about risk and the effect of a restriction on the sale or use of an asset. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (or exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. These include quoted prices of similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The fair value of financial instruments including cash, contributions receivable, prepaid expenses, and accounts payable and accrued expenses approximates carrying value, principally because of the short maturity of those items.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value as of the reporting date.

NOTE C – *LIQUIDITY AND AVAILABILTY*

Financial assets available for general expenses, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position, comprise the following as of June 30:

	2021	2020
Cash	$ 67,290	$ 78,731
Contributions receivable	25,000	25,000
Total financial assets available to meet cash needs for general expenses within one year	$ 92,290	$ 103,731

The Organization monitors cash availability on a regular basis prior to preparing its accounts payable disbursements.

NOTE D – *PROPERTY AND EQUIPMENT*

Property and equipment consisted of the following as of June 30:

	Estimated Useful Lives	2021	2020
Online training course	5 years	$ 131,500	$ 131,500
Website	5 years	5,300	-0-
Computers and equipment	3 – 10 years	1,099	1,099
		137,899	**132,599**
Less: Accumulated depreciation		(40,398)	(13,260)
TOTAL		**$ 97,501**	**$ 119,339**

NOTE E – *CONCENTRATIONS OF CREDIT RISK*

During the year ended June 30, 2021, the Organization received a substantial amount of its funding directly from the Focus for Health Foundation. This revenue represents fifty-five percent (55%) of total revenues for the year. During the period August 21, 2019 (date of inception) through June 30, 2020, the Organization received a substantial amount of its funding directly from the State of Florida. This revenue represents eighty-three percent (83%) of total revenues for the period. The State funds may be awarded on an annual basis, but the level of funding is not guaranteed. The Organization did not receive funding from the State of Florida during the year ended June 30, 2021.

NOTE E – *CONCENTRATIONS OF CREDIT RISK* (*Continued*)

The Organization maintains its cash balance at one financial institution. The balance is insured by the Federal Deposit Insurance Corporation up to $250,000. There were no uninsured bank balances as of June 30, 2021 and 2020.

NOTE F – *RELATED PARTY TRANSACTIONS*

During year ended June 30, 2021 and the period August 21, 2019 (date of inception) through June 30, 2020, respectively, the Organization received $15,000 and $-0- in donations from board members.

NOTE G – *UNCERTAIN TAX POSITIONS*

Management is not aware of any activities that would jeopardize the Organization's tax-exempt status, and believes it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements for the year ended June 30, 2021 and the period ended June 30, 2020.

The Organization is subject to routine audits by taxing jurisdictions. There are currently no audits in progress for any tax periods.

NOTE H – *SUBSEQUENT EVENTS*

The Organization has evaluated subsequent events through February 8, 2022, the date which the financial statements were available to be issued.

As a result of the COVID-19 pandemic, economic uncertainties have arisen which are likely to negatively impact revenues. In July 2020, the Organization's State appropriation for fiscal year 2020 – 2021 was not approved. The Organization is developing a fundraising strategy and investigating other possible sources of funding, such as private grants and contributions, in addition to working to decrease expenses in order to preserve cash available for operations. Other financial impacts could occur, though such potential impacts are unknown at this time.

NOTE I – *CHANGE IN ACCOUNTING PRINCIPLE*

In November 2017, the Financial Accounting Standards Board (FASB) issued ASU 2017-14, *Income Statement – Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606)*, which sets out to clarify the principles of recognizing revenue and to develop a common revenue standard. This ASU amends ASU 2014-09 and ASU 2015-14, which are not yet effective. The new

NOTE I – *CHANGE IN ACCOUNTING PRINCIPLE (Continued)*

standard applies to entities that enter into contracts with customers to transfer goods or services, except for contracts that are within the scope of other standards. The Organization implemented ASU 2017-14 during the year ended June 30, 2021. The implementation of this standard had no effect on the Organization's recognition of revenues in these financial statements.

In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement.* The update modifies the disclosure requirements for fair value measurements. The Organization implemented ASU 2018-13 during the year ended June 30, 2021. The implementation of this standard had no effect on the Organization's disclosure of fair value measurements in these financial statements.

In January 2016, the FASB issued Accounting Standards Update (ASU) 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities,* which updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. The Organization implemented ASU 2016-01 during the period ended June 30, 2020, and adjusted the presentation in the financial statements accordingly.

In August 2016, the FASB, issued ASU 2016-15, *Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments,* which is intended to reduce the diversity in practice in how certain transactions are classified in the statement of cash flows. In addition, in November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash,* which provides additional guidance related to transfers between cash and restricted cash and how entities present the cash receipts and cash payments that directly affect the restricted cash accounts in the statement of cash flows. The Organization implemented ASU 2016-15 and ASU 2016-18 during the period ended June 30, 2020. The implementation of these standards had no effect on the Organization's presentation of cash and cash equivalents in these financial statements.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made,* which sets out to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of *Topic 958, Not-for-Profit Entities,* or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Organization implemented ASU 2018-08 during the period ended June 30, 2020. The implementation of this standard had no effect on the Organization's recognition of contribution revenues in these financial statements.

NOTE J – *RECENT ACCOUNTING PRONOUNCEMENTS*

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842),* which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. In June 2020, the FASB extended the effective implementation date of the ASU to fiscal years beginning after December 15, 2021. The Organization is currently evaluating the impact of the adoption of ASU 2016-02 on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets,* which is intended to improve transparency by requiring organizations to provide additional disclosures about contributions of nonfinancial assets. ASU 2020-07 will be effective for the Organization for fiscal years beginning after June 15, 2021. The Organization is currently evaluating the impact of the adoption of ASU 2020-07 on its financial statements.

REPORT REQUIRED UNDER
GOVERNMENT AUDITING STANDARDS

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FREDERICK CARROLL III
FOUNDER (RETIRED)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
End Human Trafficking, Inc.
Tallahassee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of End Human Trafficking, Inc. (a non-profit organization) (the Organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 8, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Board of Directors
End Human Trafficking, Inc.
Page Two

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, which is described below, that we consider to be a significant deficiency:

Bank Reconciliations

Observation/Recommendation

During the audit, we noted that, while the Board Treasurer received the bank statements for review each month, bank reconciliations were not being performed on a monthly basis.

We recommend that bank reconciliations be prepared in a timely manner each month. Unreconciled differences should be promptly investigated and adjusted, if necessary. In addition, the Board Treasurer should review the monthly bank reconciliations and document the review by initialing the documents or by e-mail confirmation.

Management's Response

Bank reconciliations will be completed each month by the Executive Director within one week of receiving the bank statements, and the Treasurer will review the bank reconciliations and bank statements on a monthly basis.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carroll and Company

February 8, 2022

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FREDERICK CARROLL III
FOUNDER (RETIRED)

February 8, 2022

To the Board of Directors
End Human Trafficking, Inc.
Tallahassee, Florida

We have audited the financial statements of End Human Trafficking, Inc. (a non-profit organization) (the Organization) for the years ended June 30, 2021 and 2020, and have issued our report thereon dated February 8, 2022. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated July 23, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free from material misstatement.

As part of our audit, we considered the internal control of the Organization. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of the Organization's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note A to the financial statements.

As described in Note I to the financial statements, the Organization implemented the provisions of Financial Accounting Standards Boards (FASB) Accounting Standards Update (ASU) 2017-14, *Income Statement – Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606)* and ASU 2018-13, *Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement* during 2021.

We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was management's estimate of the useful life of the online training program. We evaluated key factors and assumptions used to develop the estimated useful life in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes material misstatements detected as a result of audit procedures that have been corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 8, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of End Human Trafficking, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Carroll and Company

Client: END HUMAN TRAFFICKING, INC.
Report: Adjusting Journal Entries
Year Ended: June 30, 2021

Account	Description	Debit	Credit	Net Income Effect
AJE01				
To adjust beginning net assets.				
1100	Grant Receivable	25,000.00	0.00	
1200	Prepaid Expenses	3,907.34	0.00	
1300	Computers & Equipment	1,098.64	0.00	
1301	Online Training Course	131,500.00	0.00	
1305	Accumulated Depreciation	0.00	13,259.86	
1500	Retained Earnings	0.00	148,246.12	
Total		**161,505.98**	**161,505.98**	**0.00**
AJE02				
To reverse PY accounts receivable.				
2002	Sales:Foundation Contribution	25,000.00	0.00	
1100	Grant Receivable	0.00	25,000.00	
Total		**25,000.00**	**25,000.00**	**(25,000.00)**
AJE03				
To properly state cash and expenses at 6/30/2021.				
1000	Business Advantage Chk - 9455 (9455)	767.92	0.00	
3050	Taxes & Licenses	0.00	767.92	
Total		**767.92**	**767.92**	**767.92**
AJE04				
To adjust prepaid expenses at 6/30/2021.				
3005	Contractors: Training Course	2,625.00	0.00	
3006	Insurance	1,282.34	0.00	
1200	Prepaid Expenses	581.26	0.00	
3001.1	Advertising & Marketing: 2021 Fundraiser Expenses	0.00	3,084.00	
3003	Cell Phone	0.00	107.14	
3006	Insurance	0.00	1,297.46	
Total		**4,488.60**	**4,488.60**	**581.26**
AJE05				
To capitalize website development costs.				
1302	Website	5,300.00	0.00	
3001	Advertising & Marketing	0.00	5,300.00	
Total		**5,300.00**	**5,300.00**	**5,300.00**
AJE06				
To record current year depreciation expense.				
3018	Depreciation Expense	27,138.06	0.00	
1305	Accumulated Depreciation	0.00	27,138.06	
Total		**27,138.06**	**27,138.06**	**(27,138.06)**
AJE07				
To properly record grant receivable for Focus for Health Foundation grant.				
1100	Grant Receivable	25,000.00	0.00	
2002	Sales:Foundation Contribution	0.00	25,000.00	
Total		**25,000.00**	**25,000.00**	**25,000.00**
GRAND TOTAL		**249,200.56**	**249,200.56**	**(20,488.88)**