

FOR THE SILENT

Financial Statements

For the Year Ended December 31, 2021

FOR THE SILENT
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Board of Directors
For the Silent
Tyler, Texas

Opinion

We have audited the accompanying financial statements of For the Silent (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, statement of functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of For the Silent as of December 31, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of For the Silent and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about For the Silent's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 For the Silent's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about For the Silent's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Acker & Company

ACKER & COMPANY
Certified Public Accountants, PC
Tyler, Texas
September 17, 2022

**FOR THE SILENT
STATEMENT OF FINANCIAL POSITION
December 31, 2021**

	2021
Assets:	
Current Assets	
Cash and Cash Equivalents	\$ 306,374
Grants Receivable	12,001
Inventory	682
Total Current Assets	319,057
Property, Plant and Equipment	
Furniture and Equipment	11,402
Vehicles	27,941
Improvements	2,764
Total Property, Plant, & Equipment	42,107
Less: Accumulated Depreciation	(30,992)
Total Fixed Assets	11,115
Total Assets	\$ 330,172
Liabilities and Net Assets:	
Current Liabilities	
Accounts Payable	-
Notes Payable - Paycheck Protection Program	74,780
Total Current Liabilities	74,780
Net Assets:	
Without Donor Restrictions	255,392
With Donor Restrictions	-
Total Net Assets	255,392
Total Liabilities and Net Assets	\$ 330,172

See accompanying notes to financial statements.

**FOR THE SILENT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions	\$ 269,536	\$ -	\$ 269,536
In-Kind Contributions	38,928	-	38,928
Private Grants	27,000	-	27,000
Other	4,841	-	4,841
Program Services	-	-	-
Government Grants	-	93,285	93,285
Total Support and Revenue	340,305	93,285	433,590
Net Assets Released from Restrictions			
Total	93,285	(93,285)	-
Total	433,590	-	433,590
Functional Expenses			
Community Transformation	8,353	-	8,353
I Have a Voice	14,577	-	14,577
Survivor Care	153,614	-	153,614
VOCA	85,946	-	85,946
OVAG	17,142	-	17,142
OOG	-	-	-
Drop-in	1,545	-	1,545
Other	60	-	60
Total Program	281,237	-	281,237
Management & General	68,364	-	68,364
Fundraising Costs	29,168	-	29,168
Total Functional Expenses	378,769	-	378,769
Increase/(Decrease) in Net Assets	54,821	-	54,821
Net Assets at Beginning of Year	200,571	-	200,571
Net Assets at End of Year	\$ 255,392	\$ -	\$ 255,392

See accompanying notes to financial statements.

**FOR THE SILENT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets	\$ 54,821
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Depreciation	7,198
(Increase) Decrease in:	
Inventory	-
Grants Receivable	49,577
Increase (Decrease) in:	
Accounts Payable	74,780
Net Cash Provided (Used) by Operating Activities	186,376
 CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of Fixed Assets	4,880
Net Cash Used for Investing Activities	4,880
 NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	-
Net Increase (Decrease) in Cash and Cash Equivalents	191,256
Cash and Cash Equivalents at Beginning of Year	115,118
Cash and Cash Equivalents at End of Year	\$ 306,374
 Supplemental Schedule of Cash Flow Information:	
Cash Paid During the Period for:	
Interest	\$ -

See accompanying notes to financial statements.

FOR THE SILENT
Statement of Functional Expenses
For the Year Ended December 31, 2021

	Community Transformation	I Have a Voice	Survivor Care + Outreach Fund	Drop-In	Advocacy	Other Victim Assistance Grant (OVAG)	Other Programs	Total Program Expense	Management & General	Fundraising	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounting Fees	-	-	1	-	189	-	-	189	9,486	-	9,675
Bank & Credit Card Charges	-	-	-	-	-	-	-	1	6,201	-	6,202
Contract Labor	-	570	-	-	21,795	1,810	-	24,175	1,840	1,000	27,015
Depreciation	936	936	936	1,296	3,094	-	-	7,198	-	-	7,198
Food	49	20	1,935	-	-	-	48	2,052	469	-	2,521
Gas	-	-	186	-	547	-	-	733	20	-	753
Hope Gala Expenses	-	-	-	-	-	-	-	-	71	27,580	27,651
Insurance	-	1,572	1,572	-	1,051	-	-	4,195	2,654	-	6,849
Internet & Phone	195	586	1,020	-	2,885	-	-	4,686	586	-	5,272
Literature & Education Aides	-	-	100	-	-	-	-	100	-	-	100
Marketing	1,135	-	-	-	-	-	-	1,135	306	50	1,491
Meals & Entertainment	-	-	-	-	-	-	-	-	38	-	38
Merchandise Expense	-	-	-	-	-	-	-	-	529	-	529
Mileage Reimbursement	-	-	-	-	201	-	-	201	-	-	201
Miscellaneous	-	-	25	-	-	-	-	25	8	-	33
Office Equipment & Furniture	-	-	79	-	350	-	-	429	457	-	886
Office Supplies	50	-	-	11	-	-	-	61	538	-	599
Other	-	-	8,145	-	-	-	-	8,145	-	-	8,145
Participant Incentives	-	-	47	-	-	-	-	47	-	-	47
Payroll	3,759	7,912	122,005	-	42,442	13,377	-	189,495	38,211	-	227,706
Payroll Taxes	234	578	9,864	-	2,679	426	-	13,781	3,638	-	17,419
Postage & Shipping	-	-	122	-	-	-	-	122	235	464	821
Printing & Reproduction	-	-	200	-	-	-	-	200	-	74	274
Program Supplies	-	-	1,390	-	-	-	-	1,390	31	-	1,421
Rent	1,995	2,310	-	-	8,000	1,529	-	13,834	466	-	14,300
Sales Tax	-	(57)	-	-	-	-	-	(57)	-	-	(57)
Staff Development	-	150	2,625	-	-	-	-	2,775	1,503	-	4,278
Survivor Basic Needs	-	-	359	-	-	-	-	359	-	-	359
Survivor Licensed Counselor	-	-	1,870	-	-	-	-	1,870	-	-	1,870
Survivor Wellness	-	-	817	-	-	-	-	817	-	-	817
Technology & Software	-	-	-	-	1,860	-	12	1,872	221	-	2,093
Unemployment	-	-	-	-	-	-	-	-	388	-	388
Utilities	-	-	-	238	853	-	-	1,091	-	-	1,091
Vehicle Maintenance	-	-	316	-	-	-	-	316	-	-	316
Website	-	-	-	-	-	-	-	-	468	-	468
	<u>\$ 8,353</u>	<u>\$ 14,577</u>	<u>\$ 153,614</u>	<u>\$ 1,545</u>	<u>\$ 85,946</u>	<u>\$ 17,142</u>	<u>\$ 60</u>	<u>\$ 281,237</u>	<u>\$ 68,364</u>	<u>\$ 29,168</u>	<u>\$ 378,769</u>

See accompanying notes to financial statements

FOR THE SILENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 1 – Summary of Significant Accounting Policies

(a) Organization and Nature of Activities

For the Silent (the Organization), a not-for-profit organization, was established in 2006 under the laws of the state of Texas. The Organization's primary objective is through prevention, survivor care, and community transformation programs working to end sex trafficking and exploitation by empowering the voices of vulnerable and exploited youth. The Organization is governed by a board of directors.

(b) Basis of Accounting

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

(c) Financial Statement Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board applicable to Not-for-Profit Organizations. Accordingly, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Contributions received are recorded as support with or without donor restrictions, depending on the existence or nature of any donor restrictions. 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.

(d) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid accounts with an original maturity of three-months or less as cash equivalents.

(e) Accounts Receivable

Grants receivable represents grant expenditures made by the Organization for which they have submitted a request for reimbursement at year end. All amounts were collected in 2022.

**FOR THE SILENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 1 – Summary of Significant Accounting Policies (continued)

(f) Property and Equipment

Property and equipment are recorded at cost. Major additions and improvements are capitalized, while maintenance and repairs that do not extend the life of the respective asset are expensed when incurred. Donated property and equipment are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is computed over the estimated useful life of the assets, generally ranging between 5 and 30 years, using the straight-line method. The Organization capitalizes assets with useful lives greater than one year and a value of more than \$1,750. Upon sale or other retirement of depreciable property, the cost and accumulated depreciation are removed from the account and any gain or loss is reflected in income.

(g) 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 in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the revenues and expenses. Actual results could differ from those estimates.

(h) Inventory

Inventory consists of items for sale. Inventory is valued at the lower of cost or market.

(i) Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization received no cost-reimbursable grants that had not been recognized at December 31, 2021 because qualifying expenditures had not yet been incurred.

**FOR THE SILENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 1 – Summary of Significant Accounting Policies (continued)

(j) In-Kind Donations and Contributed Services

Many volunteers have donated time and services to advance the Organization’s programs and objectives. The values of these services have not been recorded in the financial statements because they do not meet the definition for recognition under accounting principles generally accepted in the U.S. Other non-cash donations received and recognized as revenue during 2021 in accordance with accounting principles generally accepted in the United States of America are discussed further in Note 4.

(k) Functional Expenses

The Organization allocated its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Various expenses have been allocated to management and general or fundraising based on management’s best estimate of time spent in each area. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Office Salaries	Time and effort
Office Supplies	Percentage
Postage	Percentage

(l) Income Taxes

The Organization is exempt from federal income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activity. For the year ended December 31, 2021, the Organization has no tax due on unrelated business income.

The Organization has evaluated its uncertain tax positions and has not identified any material uncertain tax positions that would not be sustained in a federal or state income tax examination or that require disclosure. Accordingly, no provision for uncertainties in income taxes has been made in the accompanying financial statements. As of December 31, 2021, the tax returns for the current and three prior years are open to examination by the Internal Revenue Service.

**FOR THE SILENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 1 – Summary of Significant Accounting Policies (continued)

(m) New Accounting Pronouncement

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605) as management believes the standards improve the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

In May 2014, the FASB issued Accounting Standards Update 2014-09, Revenue Recognition (Topic 606): Revenue from Contracts with Customers. This ASU introduces a new five-step revenue recognition model in which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those good or services. The Organization implemented ASU 2014-09 effective January 1, 2020. The adoption of this accounting standard did not have an impact on the Organization's financial position or changes in its net assets.

(n) Rent

The Organization rents its offices on a month-to-month basis. Total rental expense for 2021 was \$14,300.

**FOR THE SILENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 2 –Fixed Assets

Fixed assets and related accumulated depreciation at December 31, 2021 are summarized as follows:

	<u>2021</u>
Furniture & Fixtures	\$ 11,402
Vehicles	27,941
Improvements	<u>2,764</u>
	42,107
Accumulated Depreciation	<u>(30,992)</u>
Total Fixed Assets	<u><u>\$ 11,115</u></u>

Depreciation expense for the year ended December 31, 2021 was \$7,198.

Note 3 – Concentration of Credit Risk

The cash balances of the Organization are held in various financial institutions. If cash balances exceed the amounts covered by insurance provided by the Federal Deposit Insurance Corporation (“FDIC”), the excess balances could be at risk of loss. As of December 31, 2021, there was a balance of \$56,174 which was not covered by FDIC Insurance in one of the Organization’s bank accounts. The Organization believes the bank is a high quality financial institution and no substantial risk of loss exists.

Note 4 – In-Kind Donations

The following is a summary of non-cash donations of materials, services, and equipment received during the year ended December 31, 2021:

	<u>2021</u>
Silent Auction Items	<u><u>\$ 38,928</u></u>

Note 5 – Date of Management’s Review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 17, 2022, the date that the financial statements were available to be issued.

Note 6 – Net Assets with Donor Restrictions

The Organization has no net assets with donor restrictions at December 31, 2021.

**FOR THE SILENT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 7 – Availability and Liquidity

The Organization regularly monitors liquidity required to meet its operating needs. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents.

In addition to financial assets available to meet general expenditures over the next twelve months, the Organization anticipates collecting sufficient contributions to cover general expenditures.

The following represents the Organization’s financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures:

	2021
Financial Assets at Year-End:	
Cash and Cash Equivalents	\$ 306,374
Grants Receivable	12,001
Total Financial Assets	\$ 318,375
Less Amounts Not Available to be Used Within One Year:	
Net assets With Donor Restrictions	-
	-
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 318,375

Note 8 – COVID 19

Covid 19: In preparing the financial statements, For the Silent has evaluated the expected effects of the COVID 19 pandemic for potential recognition or disclosure. There are no effects of the pandemic, that management believes require disclosure.

Note 9 – Newly Issued Accounting Standards

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2020-07, Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities. Accounting Standards Update 2020-07 is effective for fiscal years that begin after June 15, 2021. This update will require the Organization to provide disclosures related to contributions of nonfinancial assets recognized in the statement of activities. The Organization will disclose each type of contributed nonfinancial assets, qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period, if they were utilized, a description of the programs or other activities in which those assets were used, a policy (if any) on liquidating rather than using contributed nonfinancial assets, a description of any donor-imposed restrictions associated with the contributed nonfinancial assets, and the valuation techniques and inputs used to arrive at a fair value measure.