



FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S STATEMENTS

For the Years Ended December 31, 2021 and 2020

GATEWAY HUMAN TRAFFICKING
STATEMENT OF ASSETS, LIABILITIES, AND
NET ASSETS - MODIFIED CASH BASIS

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 110,722	\$ 69,602
Property and Equipment		
Equipment	970	970
Less - Accumulated depreciation	223	29
Net Property And Equipment	747	941
Total Assets	\$ 111,469	\$ 70,543
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Credit card payable	\$ 248	\$ 743
Cares Act PPP loan	-	10,800
Payroll taxes payable	896	510
Total Liabilities	1,144	12,053
Net Assets		
Without donor restrictions:		
Undesignated	110,325	58,490
Total Liabilities And Net Assets	\$ 111,469	\$ 70,543

**GATEWAY HUMAN TRAFFICKING
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - MODIFIED CASH BASIS**

	For The Years	
	Ended December 31	
	2021	2020
	Without Donor Restrictions	
REVENUES		
Contributions	\$ 14,169	\$ 11,503
Grants	111,223	50,579
Program service fees	5,294	7,416
Fundraising, net of direct expenses of \$3,458 in 2021 and \$0 in 2020	9,942	12,407
PPP loan forgiven	10,800	-
Miscellaneous income	248	-
Total Revenues	151,676	81,905
FUNCTIONAL EXPENSES		
Program services	79,287	56,241
Supporting services:		
Management and general	10,602	8,006
Fundraising	9,952	7,290
Total Supporting Services	20,554	15,296
Total Functional Expenses	99,841	71,537
CHANGE IN NET ASSETS	51,835	10,368
NET ASSETS, JANUARY 1	58,490	48,122
NET ASSETS, DECEMBER 31	\$ 110,325	\$ 58,490

GATEWAY HUMAN TRAFFICKING
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

For The Year Ended December 31, 2021

	Program Services		Supporting Services			Total
	Community Engagement	Management And General	Fundraising	Direct Benefits To Donors	Total Supporting Services	
Automobile	\$ 336	\$ 100	\$ 470	\$ -	\$ 570	\$ 906
Auction items	-	-	-	515	515	515
Awards	-	-	-	145	145	145
Bank fees and charges	-	214	214	51	479	479
Contract services	461	200	120	-	320	781
Depreciation	109	50	35	-	85	194
Educational conferences	685	-	-	-	-	685
Employee benefit insurance	5,174	646	646	-	1,292	6,466
Employment authorization	-	495	-	-	495	495
General liability insurance	1,000	87	-	-	87	1,087
Office and general administration	1,828	230	226	-	456	2,284
Payroll	58,000	7,250	7,250	-	14,500	72,500
Payroll taxes	4,470	559	559	-	1,118	5,588
Postage	-	339	-	-	339	339
Printing	-	-	-	523	523	523
Project Push Back Trafficking	471	-	-	-	-	471
Rent - office	3,120	390	390	-	780	3,900
Scholarship	500	-	-	-	-	500
Social media project	2,797	-	-	-	-	2,797
Telephone and tele-communications	336	42	42	-	84	420
Venue	-	-	-	2,224	2,224	2,224
Total Functional Expenses	79,287	10,602	9,952	3,458	24,012	103,299
Less - Expenses Included With Revenues On The Statement Of Activities	-	-	-	(3,458)	(3,458)	(3,458)
Total Expenses Included In The Expense Section On The Statement Of Activities	\$ 79,287	\$ 10,602	\$ 9,952	\$ -	\$ 20,554	\$ 99,841

GATEWAY HUMAN TRAFFICKING
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

For The Year Ended December 31, 2020

	Program Services		Supporting Services		Total
	Community Engagement	Management And General	Fundraising	Total Supporting Services	
Automobile	\$ 300	\$ 113	\$ 829	\$ 942	\$ 1,242
Bank fees and charges	-	188	188	376	376
Contract services	3,300	-	-	-	3,300
Depreciation	-	29	-	29	29
Educational conferences	256	-	-	-	256
Employee benefit insurance	2,894	362	362	724	3,618
General liability insurance	175	275	-	275	450
Office and general administration	2,950	389	369	758	3,708
Payroll	38,400	4,800	4,800	9,600	48,000
Payroll taxes	2,948	369	369	738	3,686
Personal Protection Equipment (PPE) project	1,848	-	-	-	1,848
Postage	-	668	-	668	668
Rent - office	2,200	770	330	1,100	3,300
Social media project	400	-	-	-	400
Story telling night	228	-	-	-	228
Telephone and tele-communications	342	43	43	86	428
	<u>342</u>	<u>43</u>	<u>43</u>	<u>86</u>	<u>428</u>
Total Functional Expenses	<u>\$ 56,241</u>	<u>\$ 8,006</u>	<u>\$ 7,290</u>	<u>\$ 15,296</u>	<u>\$ 71,537</u>

GATEWAY HUMAN TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies consistently applied by **GATEWAY HUMAN TRAFFICKING** (the Organization) in the preparation of the accompanying financial statements are summarized below:

1. Nature of Operations

The Organization was established in 2014 to educate communities and inspire positive systemic change to end human trafficking. The Organization envisions creating a safe world for all children. The Organization's programs build a path to more equitable understanding of human trafficking as a multi-culture criminal activity. The Organization's goal is to empower communities through education about how to identify and report human trafficking to minimize victimization of vulnerable people. The Organization addresses human trafficking in the context of social justice education. The Organization's work philosophy focuses on following the paradigm of prosecution, protection, prevention, and partnership that continues to serve as the fundamental framework around the world including the United States to combat human trafficking.

2. Basis of Accounting

These financial statements are prepared on the modified cash basis of accounting. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (USGAAP). As a result of the use of this modified cash basis of accounting, certain assets and their related revenues and certain liabilities and their related expenses are not recorded in these financial statements. Revenues and expenses are recognized in the period in which they are received or paid. This differs from USGAAP where revenue is recognized when the performance obligations are met and expense is recognized when the obligation is incurred. The following modifications are variances from a pure cash basis of accounting: capitalization of property and equipment and related depreciation, plus the liabilities for credit card payables, Cares Act PPP loan, and payroll taxes payable. These financial statements, therefore, are not intended to present the Organization's financial position and results of operations in conformity with USGAAP.

3. Net Assets

Net assets, revenues, and functional expenses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions -- Net assets available for use in general operations and not subject to donor restrictions.

GATEWAY HUMAN TRAFFICKING
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Net Assets (Continued)

Net Assets With Donor Restrictions -- Net assets subject to donor-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. There are no restricted assets as of December 31, 2021 and 2020.

4. Cash and Cash Equivalents

The Organization considers all highly-liquid investments available for current use with an initial maturity of three months or less to be cash and cash equivalents.

Cash and cash equivalents consist of:

	December 31	
	2021	2020
Cash - checking	\$ 110,257	\$ 69,602
PayPal (not a bank and not FDIC insured)	<u>465</u>	<u>-</u>
	<u>\$ 110,722</u>	<u>\$ 69,602</u>

5. Property and Equipment

Property and equipment are carried at cost or, if donated, are recorded based on the estimated fair values of the assets at the time of donation. A capital asset is a unit of property with a useful life exceeding one year and a per unit acquisition cost exceeding \$500. Depreciation is calculated on a straight-line method over the estimated 5-year life of the assets.

6. Program Services - Media Costs

The internet and social media apps have dramatically affected how traffickers target, recruit, control, and sell victims online. Thus, the Organization has used social media as a way to reach out to community and build a social network that allows them to engage with each other, identify human trafficking, and learn how to report trafficking situations to save lives including vulnerable youth and children. Media campaign costs totaled \$2,797 and \$400 for the years ended December 31, 2021 and 2020, respectively.

GATEWAY HUMAN TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Income Taxes

The Organization is a public charity and qualifies as a not-for-profit organization under Internal Revenue Code Section 501(c)(3), therefore, it is exempt from federal and state income taxes, and no provision is reflected in the financial statements. The Organization is not classified as a private foundation.

8. Functional Allocation of Expenses

The costs of programs and supporting services activities have been summarized on a functional basis in the statement of revenues, expenses, and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. If costs are directly related to program services, they are classified as such. Other certain costs have been allocated among the program and supporting services benefited, based on time and effort tracked by management as follows:

<u>Expense Classification</u>	<u>Allocation Method</u>
Payroll, payroll taxes, and employee benefits	Time
Auto, rent, telephone, and bank fees	Usage

9. Use of Estimates

The preparation of financial statements on the modified cash basis of accounting requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GATEWAY HUMAN TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

NOTE B - REVENUE AND REVENUE RECOGNITION

Grants

Grant revenue is recognized when received and are nonexchange grants instead of when all conditions have been met under USGAAP.

The Organization received cost-reimbursable grants from Community and Children's Resource Board (CCRB) of St. Charles County of \$25,461 and \$20,658 during 2021 and 2020, respectively, that have been approved and reimbursed before year-end because qualifying educational sessions have been presented and reimbursement requests submitted. Additionally, the Organization received subsequent to year-end \$4,455 in reimbursements for services that were provided in December 2021 but were not received until January in accordance with the modified cash basis of accounting.

Contributions

Gifts of cash received without donor stipulations are reported as revenue and net assets without donor stipulations. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. However, if the donor stipulations are satisfied in the period the gift was received, the gifts are reported as revenue and net assets without donor restrictions. When a donor-stipulated time restriction or purpose restriction on a gift received in a prior fiscal year is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Program Service Fees

The Organization's program service fees consist primarily of fees for educational events and materials that are recognized when received instead of when performance obligations are met under USGAAP.

Fundraising

The Organization holds an annual event each year. The event in 2020 was virtual and the event in 2021 was held in-person. The event is supported by sponsorships and tickets that are recognized when received instead of when performance obligations are met under USGAAP. Direct benefits to donors are reported as a reduction of fundraising on the statement of activities.

Actual receipt of revenue maybe affected by economic factors including: 1) general economic conditions in the St. Louis Metropolitan area, 2) tax law charges, 3) overall health conditions of the general population, and 4) high levels of inflation in the post-covid era.

In accordance with the modified cash basis of accounting, all revenue is recognized when cash is received.

GATEWAY HUMAN TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

NOTE C - CONTRIBUTIONS FROM BOARD MEMBERS

Contributions from Board Members totaled \$5,515 and \$4,220 for the years ended December 31, 2021 and 2020, respectively.

NOTE D - IN-KIND SUPPORT AND DONATIONS

The Organization received in-kind support and donations from various community partners in its effort to combat human trafficking including 118 partners and 38 volunteers (individuals or agencies). In the light of COVID-19 pandemic, the Organization was able to offer its programs hybrid (both in-person and online) through in-kind support from the University of Missouri in St. Louis (UMSL) Sociology department; this helped the smooth transition and delivery of programs via online system to abide by the CDC guideline concerning social distancing during the pandemic and continue the functionality of the Organization. Additionally, the Organization is an Internship Site for the Schools of Social Work at the Washington University in St. Louis (WUSTL) Brown School and UMSL. This network provides the Organization with professional interns to assist with the programs while the Organization mentors these students throughout each academic year. In 2021, this network provided over 300 hours of professional interns' time to assist with programs of the Organization. The Organization also received pro bono legal and accounting services provided to the Organization by local attorneys and accountants. Furthermore, several anti-human trafficking experts from various government and nonprofit agencies collaborated with the Organization as speakers in delivering some programs. The Organization has not recorded these in-kind support and donations under the modified cash basis of accounting.

NOTE E - CARES ACT PPP LOAN

The Cares Act PPP loan in the amount of \$10,800 as of December 31, 2020 was secured from Commerce Bank under the Cares Act Paycheck Protection Program (PPP). The loan is forgivable under the program as administered by the U.S. Small Business Administration (SBA). The Organization applied for forgiveness of the PPP loan, and in April 2021, the SBA completed their determination of the Organization's PPP Loan Forgiveness Application. The Organization's loan was fully approved as forgiven and was recognized as revenue during the year ended December 31, 2021.

NOTE F - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	<u>\$ 110,722</u>	<u>\$ 69,602</u>

Available resources approximate 12 months of operating expenses.

GATEWAY HUMAN TRAFFICKING

NOTES TO FINANCIAL STATEMENTS

NOTE G - RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts, claims, and errors and omissions for which the Organization carries for Board directors and officers and general liability coverage. There have been no reductions in coverage from the prior year and settlements have not exceeded coverage.

NOTE H - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 2, 2022, the date which the financial statements were available to be issued, and determined that there were no significant nonrecognized subsequent events through that date.

SUPPLEMENTAL INFORMATION SECTION

**GATEWAY HUMAN TRAFFICKING
SUPPLEMENTAL INFORMATION - SCHEDULE OF
PROGRAM EXPENSES/UNIT COST CALCULATIONS
FOR THE YEAR ENDED DECEMBER 31 , 2021**

	<u>CCRB Programs</u>	<u>Other Programs</u>	<u>Total</u>
Direct Program Service Expenses			
Automobile	\$ 336	\$ -	\$ 336
Contract services	125	336	461
Depreciation	-	109	109
Educational conferences	-	685	685
Employee benefit insurance	3,000	2,174	5,174
Insurance	500	500	1,000
Office and general administration	500	1,328	1,828
Payroll	18,000	40,000	58,000
Payroll taxes	1,500	2,970	4,470
Project Push Back Trafficking	-	471	471
Rent - office	1,500	1,620	3,120
Scholarship	-	500	500
Social media project	-	2,797	2,797
Telephone and telecommunications	-	336	336
Total Direct Program Expenses	<u>25,461</u>	<u>53,826</u>	<u>79,287</u>
Indirect General and Administrative Expense Allocation			
	<u>500</u>	<u>10,102</u>	<u>10,602</u>
Total Programming Eligible Costs	<u>\$ 25,961</u>	<u>\$ 63,928</u>	<u>\$ 89,889</u>
Unit Cost - CCRB Funding			
Community Presentations:			
Grant - 100%	<u>\$ 18,200</u> *		
Program cost	<u>\$ 25,961</u>		
Units funded	<u>131.60</u>		
Unit cost	<u>\$ 197.27</u>		

*Note: Due to the modified cash basis of accounting, the grant revenue reported here does not include \$4,455 which was received after year-end; however the program costs associated with those funds are included on this schedule.

**GATEWAY HUMAN TRAFFICKING
SUPPLEMENTAL INFORMATION - SCHEDULE OF
PROGRAM EXPENSES/UNIT COST CALCULATIONS
FOR THE YEAR ENDED DECEMBER 31 , 2020**

	CCRB Programs	Other Programs	Total
Direct Program Service Expenses			
Automobile	\$ 300	\$ -	\$ 300
Contract services	125	3,175	3,300
Educational conferences	-	256	256
Employee benefit insurance	1,414	1,480	2,894
Insurance	175	-	175
Office and general administration	1,153	1,797	2,950
Payroll	15,003	23,397	38,400
Payroll taxes	1,166	1,782	2,948
Personal protection equipment project	-	1,848	1,848
Rent - office	860	1,340	2,200
Social media project	-	400	400
Story telling night	-	228	228
Telephone and telecommunications	134	208	342
Total Direct Program Expenses	20,330	35,911	56,241
Indirect General and Administrative Expense Allocation			
	2,894	5,112	8,006
Total Programming Eligible Costs	\$ 23,224	\$ 41,023	\$ 64,247
Unit Cost - CCRB Funding			
Community Professionals:			
Grant - 62%	\$ 12,856		
Program cost	\$ 14,399		
Units funded	200		
Unit cost	\$ 72.00		
Parents/Caregivers:			
Grant - 38%	\$ 7,802		
Program cost	\$ 8,825		
Units funded	100		
Unit cost	\$ 88.25		