

NEHEMIAH GATEWAY USA, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2017

TOGETHER WITH REPORT OF INDEPENDENT ACCOUNTANTS

**JLM Financial Services, Inc.
Certified Public Accountants**

Independent Auditors Report

To the Board of Trustees
Nehemiah Gateway USA, Inc.
Boulder, CO

I have audited the accompanying financial statements of Nehemiah Gateway USA, Inc. (a non-profit corporation) which comprise the statement of financial position as of December 31, 2017, and the related statements of activities 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 the 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nehemiah Gateway USA, Inc. as of December 31, 2017, 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.

JLM Financial Services, Inc.

Estes Park, Colorado

Nehemiah Gateway USA, Inc.
Statement of Financial Position
December 31, 2017

Assets

Cash and Cash Equivalents	191,481
Prepaid Expenses	<u>7,253</u>
Total Assets	<u><u>198,734</u></u>

Liabilities and net assets

Payroll Tax Liabilities	<u>5,380</u>
Total Liabilities	<u>5,380</u>
Net assets:	
Unrestricted:	42,220
Restricted:	<u>151,134</u>
Total net assets	<u>193,354</u>
Total liabilities and net assets	<u><u>198,734</u></u>

The accompanying notes are an integral
part of these financial statements

Nehemiah Gateway USA, Inc.
Statement of Activities
December 31, 2017

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Revenues, gains and other support:			
Support:			
Contributions - Nehemiah Gateway Germany	213,822		213,822
Contributions - gifts in kind	5,000	17,110	22,110
Contributions - other		<u>215,681</u>	<u>215,681</u>
Total support	218,822	232,791	451,613
Investment return	115		115
Net assets released from restriction	<u>147,172</u>	<u>(147,172)</u>	<u>-</u>
Total revenues, gains and other support	366,109	85,619	451,728
Expenses:			
Program services	266,462		266,462
General and administrative	57,913		57,913
Fundraising	<u>30,599</u>		<u>30,599</u>
Total expenses	<u>354,974</u>	<u>-</u>	<u>354,974</u>
Increase in net assets	11,135	85,619	96,754
Net assets at beginning of year	<u>31,085</u>	<u>65,515</u>	<u>96,600</u>
Net assets at end of year	<u><u>42,220</u></u>	<u><u>151,134</u></u>	<u><u>193,354</u></u>

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part of these financial statements

Nehemiah Gateway USA, Inc.
Statement of Functional Expenses
December 31, 2017

	<u>Programs</u>	<u>G&A</u>	<u>Fundraising</u>	<u>Total</u>
Bank charges	185	2,165	-	2,350
Computer expenses	1,106	316	158	1,580
Conferences	500	-	-	500
Contract labor	-	420	1,680	2,100
Contributions	13,659	-	-	13,659
Development	3,650	20	79	3,749
Dues and subscriptions	9,890	499	378	10,767
Insurance	-	1,087	-	1,087
Lecturers	10,160	-	-	10,160
Licenses	-	372	-	372
Meetings	617	201	625	1,443
Office supplies	219	167	-	386
Payroll expenses	172,878	45,470	23,345	241,693
Postage and delivery	2,173	1,086	1,086	4,345
Printing and reproduction	3,762	869	752	5,383
Relief and development	1,043	-	-	1,043
Rent	4,620	1,320	660	6,600
Scholarships	21,517	-	-	21,517
Small equipment	73	-	-	73
Telephone	2,036	1,187	170	3,393
Travel	15,207	950	-	16,157
Website design & maintenance	1,667	1,667	1,666	5,000
Web presence	1,500	117	-	1,617
	<u>266,462</u>	<u>57,913</u>	<u>30,599</u>	<u>354,974</u>
Total expense	<u>266,462</u>	<u>57,913</u>	<u>30,599</u>	<u>354,974</u>

The accompanying notes are an integral
part of these financial statements

Nehemiah Gateway USA, Inc.
Statement of Cash Flows
December 31, 2017

Cash flows from operating activities:	
Increase/(Decrease) In net assets	96,755
Adjustments to reconcile net assets to net cash provided by operating activities:	
(Increase)/Decrease in operating assets-	
Prepaid expenses	(2,947)
Increase/(Decrease) in operating liabilities-	
Payroll tax liabilities	<u>327</u>
Net Cash Provided by Operating Activities	<u>94,135</u>
 Net Increase/(Decrease) in Cash and Cash Equivalents	 94,135
 Cash and Cash Equivalents at Beginning of Year	 <u>97,346</u>
 Cash and Cash Equivalents at End of Year	 <u><u>191,481</u></u>

The accompanying notes are an integral part of these financial statements

Nehemiah Gateway USA, Inc.
Notes to Financial Statements
As of December 31, 2017

Note 1 – Nature of Activities & Summary of Significant Accounting Policies

Nature of Activities

Nehemiah Gateway USA, Inc. (“the Corporation”) is a Florida non-stock, nonprofit corporation established in August 18, 2001 for the purpose of improving the lives and societies of people in need in a sustainable manner. Nehemiah Gateway USA, Inc. works to strengthen people’s dignity and independence by investing in educational training and local leadership creating sustainable and self-reliant enterprises throughout the world.

Basis of Accounting

The financial records of the Corporation are maintained on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Accounting Standards Codification (the “Codification or ASC”) Topic 958, Subtopic 205 (formerly Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations*). Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to two classes of net assets: restricted and unrestricted.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Acquisitions of property and equipment in excess of \$3,000 are capitalized. Property and equipment are carried at cost, or if donated, at the approximate fair value at the date of donation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

Revenue Recognition

Contributions received are recorded as unrestricted or restricted support depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or the purpose is accomplished), restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Services

The Corporation receives a substantial amount of donated services from unpaid volunteers who assist in special projects. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under ASC Topic 958, Subtopic 605 (formerly SFAS No 116, *Accounting for Contributions Received and Contributions Made*).

Donated services that are of the nature of highly skilled services are recorded as income and expense at the fair market value on the date of the service donated.

Income Taxes

The Corporation is exempt from federal and state income tax under Internal Revenue Code Section 501(c)(3). They are required to file an annual Form 990 Tax Return with the Internal Revenue Service.

Cash and Cash Equivalents

Cash and Cash equivalents includes all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those instruments.

Note 2 – Cash:

The total cash held by the Corporation at December 31, 2017 of \$191,481 is completely covered by insurance provided by the federal government.

Note 3 – Lease Commitments:

The Corporation entered into an office lease under the terms and conditions outlined below:

Office Lease –

Estes Park office, two years commencing January 1, 2017 and terminating on December 31, 2018, with monthly lease payments of \$550 for the length of the lease.

Note 4 – Restriction on Net Assets:

Restricted net assets are available for education and social projects as follows:

Education and social projects:	\$151,135
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