

**NEHEMIAH GATEWAY USA, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2018**

**TOGETHER WITH REPORT OF INDEPENDENT ACCOUNTANTS**

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



## **Financial Services, Inc.**

### 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, 2018, 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, 2018, 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

April 22, 2019

**Nehemiah Gateway USA, Inc.**  
**Statement of Financial Position**  
**December 31, 2018**

**Assets**

Cash and Cash Equivalents	150,251
Prepaid Expenses	<u>7,538</u>
Total Assets	<u><u>157,789</u></u>

**Liabilities and net assets**

Payroll Tax Liabilities	<u>5,991</u>
Total Liabilities	<u>5,991</u>
Net assets:	
Without restrictions:	97,692
With restrictions:	<u>54,106</u>
Total net assets	<u>151,798</u>
Total liabilities and net assets	<u><u>157,789</u></u>

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The accompanying notes are an integral  
part of these financial statements

**Nehemiah Gateway USA, Inc.**  
**Statement of Activities**  
**December 31, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues, gains and other support:</b>			
Support:			
Contributions - Nehemiah Gateway Germany	191,427	77,622	269,049
Contributions - gifts in kind		13,550	13,550
Contributions - other		<u>136,493</u>	<u>136,493</u>
Total support	191,427	227,665	419,092
Investment return	347		347
Net assets released from restriction	<u>324,693</u>	<u>(324,693)</u>	<u>-</u>
Total revenues, gains and other support	516,467	(97,028)	419,439
<b>Expenses:</b>			
Program services	365,115		365,115
General and administrative	60,987		60,987
Fundraising	<u>34,893</u>		<u>34,893</u>
Total expenses	<u>460,995</u>	<u>-</u>	<u>460,995</u>
<b>Increase in net assets</b>	55,472	(97,028)	(41,556)
<b>Net assets at beginning of year</b>	<u>42,220</u>	<u>151,134</u>	<u>193,354</u>
<b>Net assets at end of year</b>	<u><u>97,692</u></u>	<u><u>54,106</u></u>	<u><u>151,798</u></u>

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**Nehemiah Gateway USA, Inc.**  
**Statement of Functional Expenses**  
**December 31, 2018**

	<u>Programs</u>	<u>G&amp;A</u>	<u>Fundraising</u>	<u>Total</u>
Bank charges	653	1,414		2,067
Computer expenses	546	156	78	780
Conferences		99		99
Contract labor	11,615	520	520	12,655
Contributions	113,345			113,345
Development	2,100		2,100	4,200
Dues and subscriptions		582	222	804
Education services	1,850		-	1,850
Insurance		1,087		1,087
Lecturers				-
Licenses		446		446
Meetings	1,130	759	491	2,380
Office supplies	100	41	31	172
Payroll expenses	171,411	48,190	26,104	245,705
Postage and delivery	2,084	992	992	4,068
Printing and reproduction	4,003	1,144	572	5,719
Professional fees	13,452	2,750	2,750	18,952
Relief and development	764			764
Rent	4,620	1,320	660	6,600
Scholarships	23,671			23,671
Small equipment				-
Telephone	2,055	1,199	171	3,425
Travel	11,514	86		11,600
Website design & maintenance				-
Web presence	202	202	202	606
<b>Total expense</b>	<u><u>365,115</u></u>	<u><u>60,987</u></u>	<u><u>34,893</u></u>	<u><u>460,995</u></u>

The accompanying notes are an integral  
part of these financial statements

**Nehemiah Gateway USA, Inc.**  
**Statement of Cash Flows**  
**December 31, 2018**

<b>Cash flows from operating activities:</b>	
Increase/(Decrease) In net assets	(41,556)
Adjustments to reconcile net assets to net cash provided by operating activities:	
(Increase)/Decrease in operating assets-	
Prepaid expenses	(285)
Increase/(Decrease) in operating liabilities-	
Payroll tax liabilities	611
Net Cash Provided by Operating Activities	<u>(41,230)</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	(41,230)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>191,481</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>150,251</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, 2018**

**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 September 25, 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.

### **Net Assets**

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

#### **Net Assets Without Restrictions**

Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations

#### **Net Assets With Restrictions**

Net assets with restrictions are resources whose use by the organization is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time

## Classification of Transactions

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses are reported as decreases in unrestricted net assets

### Prepaid Expenses

Prepaid expenses are payroll checks that are deposited with a payroll service for future payroll to be run at the beginning of the next year.

#### **Note 2 – Cash:**

The total cash held by the Corporation at December 31, 2018 of \$150,251 is completely covered by insurance provided by the federal government.

#### **Note 3 – Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2018 are:

Cash and cash equivalents	\$150,251
Less financial assets with restrictions (note 5)	\$54,106
Amount available for general expenditures within one year	\$97,692

As part of the Company's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. General expenditures are funded by donations from Nehemiah Gateway Germany as agreed to on a budgetary basis.

#### **Note 4 – 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. On January 1, 2019, the lease became month-to-month with a payment of \$550 per month due at the beginning of each month, extending the lease for that month.

#### **Note 5 – Net Assets with Donor Restrictions:**

Net assets with restrictions are available for education and social projects as follows:

Education and social projects:	\$54,106
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**Note 6 – Subsequent Events:**

Subsequent events have been evaluated through April 22, 2019, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.