

NEHEMIAH GATEWAY USA, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2021

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, 2021, 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, 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.

J.L.M. Financial Services, Inc.

Estes Park, Colorado

May 3, 2022

Nehemiah Gateway USA, Inc.
Statement of Financial Position
December 31, 2021

Assets

Cash and Cash Equivalents	75,991
Prepaid Expenses	<u>4,782</u>
Total Assets	<u><u>80,773</u></u>

Net assets

Net assets:	
Without restrictions:	30,855
With restrictions:	<u>49,918</u>
Total net assets	<u><u>80,773</u></u>

The accompanying notes are an integral
part of these financial statements

Nehemiah Gateway USA, Inc.
Statement of Activities
December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains and other support:			
Support:			
Contributions - Nehemiah Gateway Germany	113,306	-	113,306
Contributions - gifts in kind	1,500	-	1,500
Contributions - other	<u>43,057</u>	<u>153,110</u>	<u>196,167</u>
Total support	157,863	153,110	310,973
Investment return	178		178
Net assets released from restriction	<u>145,117</u>	<u>(145,117)</u>	<u>-</u>
Total revenues, gains and other support	303,158	7,993	311,151
Expenses:			
Program services	255,052		255,052
General and administrative	30,705		30,705
Fundraising	<u>54,305</u>		<u>54,305</u>
Total expenses	<u>340,062</u>	<u>-</u>	<u>340,062</u>
Increase in net assets	(36,904)	7,993	(28,911)
Net assets at beginning of year	<u>67,759</u>	<u>41,925</u>	<u>109,684</u>
Net assets at end of year	<u><u>30,855</u></u>	<u><u>49,918</u></u>	<u><u>80,773</u></u>

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Nehemiah Gateway USA, Inc.
Statement of Functional Expenses
December 31, 2021

	<u>Programs</u>	<u>G&A</u>	<u>Fundraising</u>	<u>Total</u>
Bank charges	856	1,463		2,319
Computer expenses	218	418	418	1,054
Contributions	85,211			85,211
Dues and subscriptions	15,438	1,001	761	17,200
Insurance		925		925
Licenses		344		344
Office supplies	762	181	877	1,820
Payroll expenses	89,857	19,070	47,359	156,286
Postage and delivery	2,106	1,053	1,053	4,212
Printing and reproduction	2,266	648	324	3,238
Professional fees	7,279	2,500	2,500	12,279
Relief and development	19,777			19,777
Rent	4,620	1,320	660	6,600
Scholarships	10,056			10,056
Small equipment	145	1,305		1,450
Telephone	866	248	124	1,238
Travel	15,366			15,366
Web presence	229	229	229	687
	<u>255,052</u>	<u>30,705</u>	<u>54,305</u>	<u>340,062</u>
Total expense	<u>255,052</u>	<u>30,705</u>	<u>54,305</u>	<u>340,062</u>

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part of these financial statements

Nehemiah Gateway USA, Inc.
Statement of Cash Flows
December 31, 2021

Cash flows from operating activities:	
Increase/(Decrease) In net assets	(28,911)
Adjustments to reconcile net assets to net cash provided by operating activities:	
(Increase)/Decrease in operating assets-	
Prepaid expenses	(401)
Increase/(Decrease) in operating liabilities-	
Payroll tax liabilities	<u>(1,033)</u>
Net Cash Provided by Operating Activities	<u>(30,345)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(30,345)
Cash and Cash Equivalents at Beginning of Year	<u>106,336</u>
Cash and Cash Equivalents at End of Year	<u><u>75,991</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, 2021

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 on 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, 2021 of \$75,991 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, 2021 are:

Cash and cash equivalents	\$75,991
Less financial assets with restrictions (note 5)	\$49,918
Amount available for general expenditures within one year	\$26,073

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 –

On January 1, 2020, the lease for the Estes Park office became month-to-month with a payment of \$550 per month due at the beginning of each month, extending the lease for that month. On January 1, 2022, the Company signed a lease for the Estes Park office for one year with a payment of \$550 per month due at the beginning of each month, for a total of \$6,600 for the fiscal year 2022.

Note 5 – Net Assets with Donor Restrictions:

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

Education and social projects:	\$49,918
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Note 6 – Subsequent Events:

Subsequent events have been evaluated through May 3, 2022, 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.