



NEW HOPE UGANDA MINISTRIES, INC.

Financial Statements  
With Independent Auditors' Report

December 31, 2017 and 2016

# NEW HOPE UGANDA MINISTRIES, INC.

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
New Hope Uganda Ministries, Inc.  
Belle Fourche, South Dakota

We have audited the accompanying financial statements of New Hope Uganda Ministries, Inc. (NHUM), which comprise the statements of financial position as of December 31, 2017 and 2016, 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 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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 NHUM's preparation and fair presentation 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 NHUM's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
New Hope Uganda Ministries, Inc.  
Belle Fourche, South Dakota

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Hope Uganda Ministries, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Capin Crouse LLP*

Colorado Springs, Colorado  
May 10, 2018

# NEW HOPE UGANDA MINISTRIES, INC.

## Statements of Financial Position

	December 31,	
	<u>2017</u>	<u>2016</u>
ASSETS:		
Cash	\$ 659,039	\$ 501,844
Pledges receivable-net	17,547	18,645
Property and equipment	<u>3,333</u>	<u>5,000</u>
Total Assets	<u>\$ 679,919</u>	<u>\$ 525,489</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 184,602	\$ 95,520
Deferred revenue	<u>13,432</u>	<u>-</u>
	<u>198,034</u>	<u>95,520</u>
Net assets:		
Unrestricted	59,006	170,162
Temporarily restricted	<u>422,879</u>	<u>259,807</u>
	<u>481,885</u>	<u>429,969</u>
Total Liabilities and Net Assets	<u>\$ 679,919</u>	<u>\$ 525,489</u>

See notes to the financial statements

# NEW HOPE UGANDA MINISTRIES, INC.

## Statements of Activities

	Year Ended December 31,					
	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions	\$ 38,904	\$ 1,836,833	\$ 1,875,737	\$ 320,963	\$ 1,346,951	\$ 1,667,914
Program revenue	41,042	-	41,042	29,638	-	29,638
Other revenue	115	-	115	3,455	-	3,455
Total Support and Revenue	80,061	1,836,833	1,916,894	354,056	1,346,951	1,701,007
<b>NET ASSETS RELEASED:</b>						
Purpose restrictions	1,597,585	(1,597,585)	-	1,287,404	(1,287,404)	-
Administrative assessments	76,176	(76,176)	-	104,985	(104,985)	-
	1,673,761	(1,673,761)	-	1,392,389	(1,392,389)	-
<b>EXPENSES:</b>						
Program expenses	1,615,781	-	1,615,781	1,458,768	-	1,458,768
Administrative expenses	164,458	-	164,458	160,545	-	160,545
Fundraising expenses	84,739	-	84,739	80,091	-	80,091
Total Expenses	1,864,978	-	1,864,978	1,699,404	-	1,699,404
Change in Net Assets	(111,156)	163,072	51,916	47,041	(45,438)	1,603
Net Assets, Beginning of Year	170,162	259,807	429,969	123,121	305,245	428,366
Net Assets, End of Year	\$ 59,006	\$ 422,879	\$ 481,885	\$ 170,162	\$ 259,807	\$ 429,969

See notes to the financial statements

# NEW HOPE UGANDA MINISTRIES, INC.

## Statements of Cash Flows

	Year Ended December 31,	
	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 51,916	\$ 1,603
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	1,667	-
Changes in operating assets and liabilities:		
Pledges receivable	1,098	(1,210)
Accounts payable	89,082	(41,499)
Deferred revenue	13,432	-
Net Cash Provided (Used) by Operating Activities	157,195	(41,106)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	-	(5,000)
Net Cash Used by Investing Activities	-	(5,000)
Net Change in Cash	157,195	(46,106)
Cash, Beginning of Year	501,844	547,950
Cash, End of Year	\$ 659,039	\$ 501,844

See notes to the financial statements

# NEW HOPE UGANDA MINISTRIES, INC.

## Notes to Financial Statements

December 31, 2017 and 2016

### 1. NATURE OF ORGANIZATION:

New Hope Uganda Ministries, Inc. (NHUM) exists to work with this generation to bring the Fatherhood of God to the fatherless children of Uganda for generations to come. This is done by partnering with New Hope Uganda (NGO), a registered nongovernmental organization in Uganda, East Africa. NHUM's primary source of revenue includes voluntary contributions.

NHUM was incorporated in September 1995 as a nonprofit organization as described in section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal and comparable state law(s). However, NHUM is subject to federal income tax on any unrelated business taxable income. In addition NHUM is not classified as a private foundation within the meaning of Section 509(c) of the IRC.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

NHUM maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. 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 that affect the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### CASH

Cash consists of cash held in checking and savings accounts. At December 31, 2017 and 2016, NHUM's cash balances exceeded federally insured limits by \$409,039 and \$251,844, respectfully. NHUM does not believe these funds to be at substantial risk of loss due to the lack of federal insurance coverage.

#### PLEDGES RECEIVABLE–NET

Pledges receivable are unconditional promises to give and are recognized as assets and support in the period made. All pledges receivable are due within one year. An allowance for uncollectible amounts of \$14,801 and \$18,644 was recorded as of December 31, 2017 and 2016, respectively. Management's estimate of uncollectible amounts was based upon analysis of historical collections.

#### PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, or if donated, at fair value as of the date of the gift. NHUM capitalizes fixed assets greater than \$500. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets ranging from 3-10 years on furniture, fixtures, and office equipment.

# NEW HOPE UGANDA MINISTRIES, INC.

## Notes to Financial Statements

December 31, 2017 and 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### NET ASSETS

The net assets of NHUM are reported in the following categories:

*Unrestricted net assets* consist of resources available to support NHUM's operations.

*Temporarily restricted net assets* are those resources that are donor-restricted for the support of projects and ministries.

#### SUPPORT, REVENUE, AND EXPENSES

Contributions are recorded when made, which may be when cash or other assets are received or unconditionally promised. Contributions restricted by the donor for a specific purpose are recorded as temporarily restricted class of net assets until funds have been expended by NHUM for the purposes specified. Upon satisfaction of the restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Program and other revenue are recorded and recognized when earned.

Expenses are recognized when an obligation is incurred.

#### FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing program services, supporting activities and fundraising activities have been summarized on a functional basis on the statement of activities. Accordingly, certain costs, such as salaries, have been allocated among each of the functional categories.

# NEW HOPE UGANDA MINISTRIES, INC.

## Notes to Financial Statements

December 31, 2017 and 2016

3. TEMPORARILY RESTRICTED NET ASSETS:

As of December 31, 2017 and 2016, temporarily restricted net assets consist of:

	December 31,	
	2017	2016
Infrastructure	\$ 135,994	\$ 14,917
Missionaries	129,932	178,051
Kobwin water	62,454	20,716
NHUM marketing	34,069	-
Sponsorship	11,706	-
Eye clinic	10,568	6,068
Dakota project	10,077	6,800
Time restricted	17,547	18,645
Orphan care	5,126	7,180
Other program funds	5,406	7,430
	<u>\$ 422,879</u>	<u>\$ 259,807</u>

4. RELATED PARTY TRANSACTIONS:

NHUM's purpose is to support missionaries and send funds to New Hope Uganda (NGO) in Uganda, East Africa. NHUM and NGO share one board member. The total paid to NGO was approximately \$934,808 and \$701,700 during the years ended December 31, 2017 and 2016, respectively. NHUM's contribution represents a major portion of the funds received by NGO. If NGO was without the support of NHUM, there would be a going concern for NGO.

5. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the May 10, 2018, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.