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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
B. 46992

FEB 25 2019

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Washington, DC Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2018 AND ENDING 12/31/2018  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: GATEWAY FINANCIAL AGENCY CORPORATION

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1576 NW PINE CREEK AVE

(No. and Street)

ARCADIA

(City)

FL

(State)

34266

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

SUSAN NECULAE 863-993-2682

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

ANDREW J HIGGINBOTHAM

(Name - if individual, state last, first, middle name)

1466 W. WASHINGTON AVE

(Address)

(City)

LABELLE FL

(State)

33935

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (11-05)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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OATH OR AFFIRMATION

I, SUSAN NECUAE, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GATEWAY FINANCIAL AGENCY CORPORATION, as of DECEMBER 31, 2018, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

NONE

Susan Neucuae

Signature

TREASURER

Title

Kaitlin Brew  
Notary Public



Kaitlin Brew  
Notary Public  
State of Florida

My Commission Expires 3/6/2020  
Commission No. GC 212b

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

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FEB 25 2019

Washington, DC

# **ANDREW J. HIGGINBOTHAM, CPA**

**P. O. BOX 1466**

**LABELLE, FL. 33975**

**863-675-3903**

Gateway Financial Agency Corporation  
1576 NW Pine Creek Ave.  
Arcadia, Fl. 34266

I have reviewed management's statements included in the accompanying Rule 15c3-3 Exemption Report for the year ended December 31, 2018 in which Gateway Financial Agency Corporation identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Gateway Financial Agency Corporation claimed an exemption from 17 C.F.R. § 240.15c3-3: (k) (1) The exemption provision and Gateway Financial Agency Corporation stated that Gateway Financial Agency Corporation met the identified exemption provisions throughout the most recent fiscal without exception. Gateway Financial Agency Corporation management is responsible for compliance with the exemption provisions and its statements.

My review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Gateway Financial Agency Corporation compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the conditions set forth in paragraph (k), (1), of Rule 15c3-3 under the Securities Exchange Act of 1934.



Andrew J. Higginbotham, CPA,  
Labelle, Florida

February 18, 2019

# Gateway Financial Agency Corporation

## Member FINRA

Rule 15c3-3 Exemption Report for the Year Ended December 31, 2018

To the best of my knowledge and belief Gateway Financial Agency Corporation, Broker/Dealer;

1. Operated under the (k)(1) exemption during the previous calendar year
2. Met the provisions of the exemption throughout the calendar year in that it limited it's business activities to the sale of securities of Registered Investment Companies (Mutual Funds) without exception.

Signed by: Susan Neculae FINOP  
Susan Neculae

Date: 12/31/2018

15c3-3 Exemption

**GATEWAY FINANCIAL AGENCY  
CORPORATION  
FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**ANDREW J. HIGGINBOTHAM**  
**Certified Public Accountant**

**Report of Independent Registered Public Accounting Firm**

To the shareholders and the board of directors of Gateway Financial Agency Corporation

**Opinion on the Financial Statements:**

We have audited the accompanying balance sheet of Gateway Financial Agency Corporation (the "Corporation") as of December 31, 2018. The related statements of income, stockholders' equity, changes in stockholders' equity, and cash flows for the year ended December 31, 2018, and the related notes collectively referred to as the "financial statements." In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2018, and the results of its operations and its cash flow for the year ended December 31, 2018, in conformity with the accounting principles generally accepted in the United State of America.

**Basis for Opinion:**

These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Corporation's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board ("PCAOB") and are required to be independent with respect to the Corporation in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Supplemental Information:**

The Net Capital Requirement (Note 2) and the Additional Requirements (Note 3) have been subjected to audit procedures performed in conjunction with the audit of Gateway Financial Agency Corporation's financial statements. The Net Capital Requirements (Note 2) and the Additional Requirements (Note 3) are the responsibility of Gateway Financial Agency Corporation management. Our audit procedures included determining whether the Net Capital Requirements (Note 2) and Additional Requirements (Note 3) reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the Net Capital Requirements (Note 2) and the Additional Requirements (Note 3). In forming our opinion on the Net Capital Requirements (Note 2) and the Additional Requirements (Note 3), we evaluated whether the Net Capital Requirements (Note 2) and the Additional Requirements (Note 3), including its form and content is presented in conformity with 17 C.F.R § 240.17 a-5. In our opinion, the Net Capital Requirements (Note 2) and the Additional Requirements (Note 3) is fairly stated, in all material respects, in relation to the financial statements as a whole.

Sincerely,

A handwritten signature in black ink that reads "Andrew J. Higginbotham, CPA". The signature is written in a cursive style.

Andrew J. Higginbotham  
Certified Public Accountant

We have served as the Corporation's auditor since 1994.

Labelle, Florida

February 18, 2019

# GATEWAY FINANCIAL AGENCY CORPORATION

## BALANCE SHEET DECEMBER 31, 2018

### ASSETS

#### Current Assets

Cash	\$ 17,977
Prepaid Expenses	1,482
Commission Receivable	<u>3,500</u>

Total Assets \$ 22,959

### LIABILITIES AND STOCKHOLDERS' EQUITY

#### Current Liabilities

Accounts Payable	\$ 610
Finra Assessment Payable	<u>1,000</u>

Total Liabilities 1,610

#### Stockholders' Equity

Common Stock, 1,500 Shares Authorized, 200 Shares Outstanding, No Par Value	7,282
Additional Paid-In Capital	2,809
Retained Earnings	<u>11,258</u>
Total Stockholders' Equity	<u>21,349</u>

Total Liabilities & Stockholders' Equity \$ 22,959

**GATEWAY FINANCIAL AGENCY CORPORATION**  
**STATEMENT OF INCOME AND RETAINED EARNINGS,**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Revenue**

Commissions From Securities Sales \$ 56,623

Agents' Commission Expense 44,910

Gross Profit 11,713

**Operating Expenses**

General and Administrative 9,650

Profit From Operations 2,063

**Retained Earnings**

Balance, January 1, 2018 9,195

Balance, December 31, 2018 \$ 11,258

**GATEWAY FINANCIAL AGENCY CORPORATION**  
**STATEMENT OF CASH FLOWS - INDIRECT METHOD**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Operations:**

Net Income	\$ 2,063
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**Adjustments:**

Increase in Prepaid Expense	(380)
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Increase in Commission Receivable	(3,500)
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Decrease in Accounts Payable	235
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Cash Used by Operations	<u>(1,582)</u>
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Cash at January 1, 2018	<u>19,559</u>
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Cash at December 31, 2018	<u><u>\$ 17,977</u></u>
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**GATEWAY FINANCIAL AGENCY CORPORATION**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**DECEMBER 31, 2018**

	<u>Common Stock</u>	<u>Additional Paid - In Capital</u>	<u>Retained Earnings</u>	<u>Total Stockholders' Equity</u>
Balance, December 31, 2017	\$ 7,282	\$ 2,809	\$ 9,195	\$ 19,286
Net Income	<u>0</u>	<u>0</u>	<u>2,063</u>	<u>2,063</u>
Balance, December 31, 2018	<u>\$ 7,282</u>	<u>\$ 2,809</u>	<u>\$ 11,258</u>	<u>\$ 21,349</u>

**GATEWAY FINANCIAL AGENCY CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 1 - Nature of Business and Summary of Significant Accounting Policies**

**Date of Management Review**

Management has evaluated subsequent events through February 18, 2019, the date on which the financial statements were available to be issued.

**Nature of Business**

Gateway Financial Agency Corporation (the "Company") operates a Broker/Dealer Securities Agency. Commissions are earned by selling securities to clients.

**Income Taxes**

The Company has elected to be treated as an "S" Corporation whereby the individual stockholders are taxed on their share of the Company's taxable income. Therefore, no provisions for income taxes or credits are included on these financial statements. Tax returns for the period 2014-2018 are open to examination by the Internal Revenue Service.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

**Note 2 - Net Capital Requirement**

Under SEC requirement 15c3-1, the Company has maintained seven thousand seven hundred sixty - four dollars (\$7,764) in a separate account at Wells Fargo in fulfillment of the net capital requirement. As of December 31, 2018, the net capital of the Company is nineteen thousand eight hundred sixty - seven dollars (\$19,867) which is fourteen thousand eight hundred sixty - seven dollars (\$14,867) in excess of it's net capital requirement of five thousand dollars (\$5,000).

The net capital of the Company is calculated as follows:

**Assets**

Cash in Bank	\$ 17,977
Prepaid Expense and Commissions Receiv	4,982
Total Assets	<u>22,959</u>
Less: Total Liabilities	<u>(1,610)</u>
Total Net Worth	21,349
Less: Deduction for Non-Allowable Asset	<u>(1,482)</u>
Total Net Capital	19,867
Net Capital Requirement	<u>(5,000)</u>
Capital In Excess of Net Capital Requirement	<u><u>\$ 14,867</u></u>

**Read Independent Auditors' Report**

**GATEWAY FINANCIAL AGENCY CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

(Continued)

**Liabilities**

Total Aggregate Indebtedness	\$ 1,610
Percentage of Aggregate Indebtedness to Net Capital	8.10%

**Note 3 - Additional Requirements**

The Company submitted a Net Capital calculation, computation of aggregate indebtedness and the ratio of aggregate indebtedness to Net Capital, with the 2018 Focus Report. There is no material difference between the audited computation and the un-audited computation that was filed on Part II A of that report.

The Company operates under an exemption (k) (1) of Sec Rule 15c3-3 resource requirements.

**Note 4 - Related Party Transactions**

The Company's owners provide office space to the corporation at no charge.

Included in The Financial Statements are the following amounts that have been paid to related parties.

Agents' Commission Expense Paid to Owner	\$ 44,910
Office Supply Reimbursement	1,925
Telephone Reimbursement	1,100

**Note 5 - Subordinated Liabilities**

The Company has no liabilities subordinated to general creditors during the current or prior years.