

SEEJESUS
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017
(See Independent Auditors' Report)

TABLE OF CONTENTS

Independent Auditors' Report	3-4
Financial Statements	
Statements of Financial Position	5
Statements of Activities	6
Statements of Functional Expenses	7
Statements of Cash Flows	8
Notes to Financial Statements	9-14



936 Easton Rd., PO Box 754 Warrington, PA 18976 | 163 S. Broad St., Lansdale, PA 19446
252 W. Swamp Rd. Unit 9, Doylestown, PA 18901 | 130 Almshouse Rd., Suite 201A, Richboro, PA 18954
24 Arnett Ave. Suite 111, Lambertville, NJ 08530
215-343-2727 | www.bbco-cpa.com

Independent Auditors' Report

The Board of Directors
SeeJesus
Telford, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of SeeJesus (a non-profit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, 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 audit. 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 auditors' 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 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 the entity'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SeeJesus as of June 30, 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.

Report on Summarized Comparative Information

We have previously audited the SeeJesus's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bee, Bergvall & Co., P.C.
Certified Public Accountants

Warrington, PA
December 19, 2017

See Jesus

Statements of Financial Position

June 30, 2017 and 2016

	2017	2016
ASSETS	<u>Total</u>	<u>Total</u>
Current Assets		
Cash and Cash Equivalents	\$ 396,724	\$ 365,540
Accounts Receivable	-	585
Pledge Receivable	14,000	15,000
Inventory - Books and Videos	<u>66,068</u>	<u>55,355</u>
Total Current Assets	<u>476,792</u>	<u>436,480</u>
Pledge Receivable - Noncurrent	-	14,000
Property and Equipment, Net	<u>2,818</u>	<u>4,139</u>
TOTAL ASSETS	<u>\$ 479,610</u>	<u>\$ 454,619</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 1,013	\$ -
Payroll and Sales Tax Payable	<u>35,339</u>	<u>1,465</u>
Total Current Liabilities	<u>36,352</u>	<u>1,465</u>
Net Assets		
Unrestricted	264,029	259,290
Temporarily Restricted	<u>179,229</u>	<u>193,864</u>
Total Net Assets	<u>443,258</u>	<u>453,154</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 479,610</u>	<u>\$ 454,619</u>

SeeJesus

Statements of Activities

For the Year Ended June 30, 2017

With Summarized Comparative Totals for the Year Ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
Public Support and Revenue				
Contributions	\$ 363,019	\$ 617,875	\$ 980,894	\$ 817,291
Royalties	49,240	-	49,240	54,187
Seminars and Conferences	32,346	-	32,346	42,327
Speaking Fee Income	10,420	-	10,420	15,425
Investment Income	1,309	-	1,309	3,805
Miscellaneous Income	313	-	313	14
Net Product Sales	29,382	-	29,382	41,555
Net Assets Released from Restrictions	632,510	(632,510)	-	-
Total Public Support and Revenue	<u>1,118,539</u>	<u>(14,635)</u>	<u>1,103,904</u>	<u>974,604</u>
Expenses				
Program Services	924,547	-	924,547	813,350
Management and General	114,455	-	114,455	108,320
Fundraising	74,798	-	74,798	78,466
Total Expenses	<u>1,113,800</u>	<u>-</u>	<u>1,113,800</u>	<u>1,000,136</u>
Change in Net Assets	4,739	(14,635)	(9,896)	(25,532)
Net Assets, Beginning of Year	259,290	193,864	453,154	478,686
Net Assets, End of Year	<u>\$ 264,029</u>	<u>\$ 179,229</u>	<u>\$ 443,258</u>	<u>\$ 453,154</u>

SeeJesus

Statements of Functional Expenses

For the Year Ended June 30, 2017

With Summarized Comparative Totals for the Year Ended June 30, 2016

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2017 Total</u>	<u>2016 Total</u>
Payroll and Related Costs					
Salaries and Wages	\$ 547,969	\$ 61,722	\$ 37,620	\$ 647,311	\$ 572,433
Employee Benefits	89,522	2,352	8,182	100,056	105,550
Pension	11,668	1,317	859	13,844	12,656
Payroll Taxes	29,978	4,691	1,690	36,359	32,306
Total Salary and Related Costs	<u>679,137</u>	<u>70,082</u>	<u>48,351</u>	<u>797,570</u>	<u>722,945</u>
Other Expenses					
Ministry Update Letter	17,425	-	4,356	21,781	25,364
Board of Directors	-	1,813	-	1,813	2,133
Communications	3,976	1,989	1,989	7,954	7,039
Depreciation	-	1,321	-	1,321	1,321
Development	16,566	-	8,474	25,040	26,351
Financial Services Fees	-	14,937	-	14,937	12,854
Insurance	1,996	2,820	-	4,816	4,429
Marketing	46,666	-	-	46,666	24,074
Miscellaneous	9,564	-	-	9,564	290
Office Supplies and Expense	23,387	20,818	6,405	50,610	29,074
Product Research	19,179	-	-	19,179	34,993
Product Gifts	5,539	-	-	5,539	5,901
Professional Fees	8,098	675	-	8,773	6,894
Seminars	50,137	-	-	50,137	51,914
Travel	29,690	-	5,223	34,913	32,941
Website	13,187	-	-	13,187	11,619
Total Other Expenses	<u>245,410</u>	<u>44,373</u>	<u>26,447</u>	<u>316,230</u>	<u>277,191</u>
Total Functional Expenses	<u>\$ 924,547</u>	<u>\$ 114,455</u>	<u>\$ 74,798</u>	<u>\$ 1,113,800</u>	<u>\$ 1,000,136</u>

See Jesus

Statements of Cash Flows

For the Year Ended June 30, 2017

With Summarized Comparative Totals for the Year Ended June 30, 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities		
Change in Net Assets:	\$ (9,896)	\$ (25,532)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities		
Depreciation	1,321	1,321
(Gains) Losses on Securities	-	544
(Increase) Decrease In:		
Accounts Receivable	585	(585)
Pledges Receivable	15,000	(29,000)
Inventory	(10,713)	(11,607)
Increase (Decrease) In:		
Accounts Payable	1,013	(740)
Payroll and Sales Tax Payable	<u>33,874</u>	<u>190</u>
Net Cash Provided by (Used In) Operating Activities	<u>31,184</u>	<u>(65,409)</u>
Cash Flows from Investing Activities		
Sale of Investments	-	215,432
Purchase of Equipment	<u>-</u>	<u>(1,060)</u>
Net Cash Provided by (Used In) Investing Activities	<u>-</u>	<u>214,372</u>
Net Increase (Decrease) in Cash and Cash Equivalents	31,184	148,963
Cash and Cash Equivalents - Beginning of Year	<u>365,540</u>	<u>216,577</u>
Cash and Cash Equivalents - End of Year	<u>\$ 396,724</u>	<u>\$ 365,540</u>

Notes to Financial Statements

For the Years Ended June 30, 2017 and 2016

NOTE 1. Summary of Significant Accounting Policies

Organization: SeeJesus (the Organization), was incorporated in the Commonwealth of Pennsylvania on April 30, 1999. The mission of the Organization is to help people see and reflect the life, death, and resurrection of Jesus through our discipleship resources and training.

The goal of the Organization is to conduct courses in order to reach a post-modern world with a relational, as opposed to a purely logical or theological, apologetic. Its long-term purpose is to design, write and market bible curriculum for small groups within the Church for both evangelism and discipleship that reaches a post-modern world that is increasingly secular and a Church that is increasingly untaught.

Accounting Basis and Presentation: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this basis, revenues are recognized when earned and expenses are recognized when incurred. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Unrestricted net assets-*Net assets that are not subject to donor-imposed stipulations. However, they may be designated for specific purposes by the Organization. The Organization's unrestricted net assets represent resources over which the Board of Directors has discretionary control and are used to carry out operations in accordance with the Organization's bylaws.

*Temporarily restricted net assets-*Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of activities as net assets released from restrictions.

Permanently restricted net assets- Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. There were no permanently restricted net assets as of June 30, 2017.

See Jesus

Notes to Financial Statements

For the Years Ended June 30, 2017 and 2016

NOTE 1. Summary of Significant Accounting Policies (Continued)

Comparative Information: The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting policies generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

Cash and Cash Equivalents: The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk: Financial instruments that potentially expose the Organization to concentrations of credit risk consist principally of cash and cash equivalents, and investments. The Organization principally utilizes a regional bank and investment companies to maintain its operating cash accounts and investments. At certain times, such instruments could be in excess of FDIC insurance limits. As of June 30, 2017 no amounts exceeded FDIC limits.

Investments: Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their quoted fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Donated investments are reflected as contributions at their market values at the date of receipt. Interest earnings, realized gains and losses, and unrealized gains and losses are reported as investment income. At June 30, 2017 all investment income was comprised of interest earnings.

Use of Estimates: 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 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.

Notes to Financial Statements

For the Years Ended June 30, 2017 and 2016

NOTE 1. Summary of Significant Accounting Policies (Continued)

Inventory: Inventory consists of books, CD's, DVD's, manuals, discussion guides and binders. Inventory is recorded using the average cost method.

Property and Equipment: Property and equipment are recorded at cost if purchased and fair value if donated. Depreciation has been calculated on the straight-line method over the estimated useful lives of the assets of the related assets, which is five years. Depreciation expense for the year was \$1,321. Capital items are recorded as fixed assets when their cost, or donated value, exceeds \$1,000. At June 30, 2017 property and equipment consisted of the following:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Office Furniture & Equipment	\$ 6,607	\$ (3,789)	\$ 2,818

Receivables: Receivables are stated as the amount management expects to collect from outstanding balances so as to provide a measure of credit losses and doubtful accounts. Management provides for probably uncollectible amounts through a provision for bad debt expenses and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable receivable account. Balances are considered past due one day after due date.

Pledges Receivable: Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Promises to give are recorded at fair value, which is estimated as net realizable value if expected to be collected in one year and discounted future cash flows if expected to be collected in more than one year. No allowance for uncollectible amounts was deemed necessary. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Receivable in less than one year	\$ 14,000
Receivable in one to five years	-
Total unconditional pledges receivable	<u>\$ 14,000</u>

See Jesus

Notes to Financial Statements

For the Years Ended June 30, 2017 and 2016

NOTE 1. Summary of Significant Accounting Policies (Continued)

Contributions: Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restriction. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or when the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Donated Services: Volunteers periodically donate their time to the Organization's program services and fundraising activities. An amount has not been recognized in the accompanying statements of activities for these volunteer efforts because they did not meet the requirements for recognition.

Allocation of Functional Expense: Allocation of expenses to program, fundraising, and management and general expense is done by the direct assignment to programs using these costs under the supervision of management. Expenses that are incurred for more than one function, such as a program service, is allocated based on content of the program by function.

Income Tax Status: The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for federal or state income taxes is included in the accompanying financial statements. The Organization is not classified as a private foundation.

Subsequent Events: The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through the date of this report, which is the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

Notes to Financial Statements

For the Years Ended June 30, 2017 and 2016

NOTE 2. Net Product Sales

Net product sales consisted of:

Sales:	
Product Sales	\$ 69,967
Shipping	<u>4,037</u>
Total Sales	<u>74,004</u>
Cost of Sales:	
Cost of Goods Sold	20,627
Book Selling Expense	<u>23,995</u>
Total Cost of Sales	<u>44,622</u>
Net Product Sales	<u>\$ 29,382</u>

NOTE 3. Office Lease

The Organization currently leases space for its administrative offices from a church. The lease term is for 3 years from January 1, 2015 to December 31, 2017. The rate is \$850 per month. Either party may terminate the lease by giving the other party 6 months written notice. For the year ended June 30, 2017 the lease expenses was \$10,200.

NOTE 4. Line of Credit

The Organization has established a line of credit with a bank in the amount of \$40,000 collateralized by all corporate assets. The line of credit is payable on demand and currently carries an annual interest rate of 4.25% at year end. There was no outstanding balance due on this line of credit at year end.

NOTE 5. Retirement Plan

The Organization funded a simplified employee pension plan in order to provide retirement benefits for all employees. The Organization contributes up to a 3% match for qualified participants. Contributions to the retirement accounts for the year ended June 30, 2017 was \$13,844

SeeJesus

Notes to Financial Statements

For the Years Ended June 30, 2017 and 2016

NOTE 6. Net Assets Released from Restriction

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by donors. Purpose for which restrictions were accomplished:

A Praying Life	\$ 111,860
POJ International	94,142
Latin America Coordinator	63,623
Women's Ministries	27,759
European	8,499
West Coast	125,808
SeeJesus Trainer	22,590
Adults with Disabilities	40,135
Special Projects	19,681
Writing Projects	84,353
5 Year Capital Campaign	<u>34,060</u>
Total Net Assets Released	<u>\$ 632,510</u>

NOTE 7. Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes:

	<u>Temporarily Restricted</u>
POJ International	\$ 24,212
European	22,877
West Coast	27,337
SeeJesus Trainer	4,695
Adults with Disabilities	14,422
Special Projects	32,760
Writing Projects	51,387
5 Year Capital Campaign	<u>1,539</u>
Temporarily Restricted Net Assets	<u>\$ 179,229</u>