SEEJESUS

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

(See Independent Auditors' Report)

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BEE BERGVALL & CO.
Certified Public Accountants

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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, 2018, 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, 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.

Emphasis of Matter

The prior year balances were restated to recognize additional receivables and payables that existed for the fiscal year ending June 30, 2017. The additional amounts recognized were receivables of $12,579, payroll payable of $4,274, and compensated absences payable of $2,416. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the seeJesus's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 19, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bee, Bergvall & Co.

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

Warrington, PA
March 26, 2019

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Statements of Financial Position

June 30, 2018 and 2017

ASSETS	2018	Restated 2017
Current Assets		
Cash and Cash Equivalents	$ 476,442	$ 396,724
Accounts Receivable	15,233	12,579
Pledge Receivable	-	14,000
Inventory - Books and Videos	74,215	66,068
Total Current Assets	565,890	489,371
Property and Equipment, Net	25,760	2,818
TOTAL ASSETS	$ 591,650	$ 492,189
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	$ 477	$ 1,160
Payroll Payable	10,910	39,466
Compensated Absences	6,431	2,416
Royalty Advances	120,000	-
Total Current Liabilities	137,818	43,042
Net Assets		
Unrestricted	305,311	269,918
Temporarily Restricted	148,521	179,229
Total Net Assets	453,832	449,147
TOTAL LIABILITIES AND NET ASSETS	$ 591,650	$ 492,189

See independent auditors’ report and accompanying notes to the financial statements

Statements of Activities

For the Year Ended June 30, 2018
With Summarized Comparative Totals for the Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	2018	Restated 2017
Public Support and Revenue				
Contributions	$ 357,989	$ 676,350	$ 1,034,339	$ 980,894
Royalties	67,008	-	67,008	47,545
Seminars and Conferences	42,146	-	42,146	32,346
Speaking Fee Income	11,731	-	11,731	10,420
Investment Income	964	-	964	1,309
Miscellaneous Income	4,351	-	4,351	313
Net Product Sales	43,055	-	43,055	29,382
Net Assets Released from Restrictions	707,058	(707,058)	-	-
Total Public Support and Revenue	1,234,302	(30,708)	1,203,594	1,102,209
Expenses				
Program Services	982,726	-	982,726	931,237
Management and General	120,151	-	120,151	114,455
Fundraising	96,032	-	96,032	74,798
Total Expenses	1,198,909	-	1,198,909	1,120,490
Change in Net Assets	35,393	(30,708)	4,685	(18,281)
Net Assets, Beginning of Year	269,918	179,229	449,147	467,428
Net Assets, End of Year	$ 305,311	$ 148,521	$ 453,832	$ 449,147

See independent auditors’ report and accompanying notes to the financial statements

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Statements of Functional Expenses

For the Year Ended June 30, 2018
With Summarized Comparative Totals for the Year Ended June 30, 2017

	Program Services	Management and General	Fundraising	2018	Restated 2017
Payroll and Related Costs					
Salaries and Wages	$ 605,288	$ 76,382	$ 51,077	$ 732,747	$ 654,001
Employee Benefits	79,925	4,408	11,200	95,533	100,056
Pension	13,169	2,232	1,180	16,581	13,844
Payroll Taxes	32,057	5,772	2,785	40,614	36,359
Total Salary and Related Costs	730,439	88,794	66,242	885,475	804,260
Other Expenses					
Ministry Update Letter	8,449	-	939	9,388	21,781
Board of Directors	-	1,496	-	1,496	1,813
Communications	6,085	707	1,226	8,018	7,954
Depreciation	4,629	2,315	2,315	9,259	1,321
Development	14,593	-	8,985	23,578	25,040
Financial Services Fees	8,724	11,517	-	20,241	14,937
Insurance	2,487	3,318	-	5,805	4,816
Marketing	27,581	-	-	27,581	46,666
Miscellaneous	8,004	-	-	8,004	9,564
Office Supplies and Expense	20,993	10,498	10,500	41,991	50,610
Product Research	24,847	-	-	24,847	19,179
Product Gifts	6,399	-	-	6,399	5,539
Professional Fees	6,554	-	-	6,554	8,773
Seminars	65,657	-	1,419	67,076	50,137
Travel	38,727	1,506	4,406	44,639	34,913
Website	8,558	-	-	8,558	13,187
Total Other Expenses	252,287	31,357	29,790	313,434	316,230
Total Functional Expenses	$ 982,726	$ 120,151	$ 96,032	$ 1,198,909	$ 1,120,490

See independent auditors’ report and accompanying notes to the financial statements

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Statements of Cash Flows

For the Year Ended June 30, 2018
With Summarized Comparative Totals for the Year Ended June 30, 2017

	2018	2017
Cash Flows from Operating Activities		
Change in Net Assets:	$ 4,685	$ (18,281)
Adjustments to Reconcile Change in Net Assets		
to Net Cash Provided by (Used In) Operating Activities		
Depreciation	9,259	1,321
(Increase) Decrease In:		
Accounts Receivable	(2,654)	2,280
Pledges Receivable	14,000	15,000
Inventory	(8,147)	(10,713)
Increase (Decrease) In:		
Accounts Payable	(683)	1,013
Payroll Payable	(28,556)	38,148
Compensated Absences	4,015	2,416
Royalty Advances	120,000	-
Net Cash Provided by (Used In) Operating Activities	111,919	31,184
Cash Flows from Investing Activities		
Purchase of Equipment	(32,201)	-
Net Cash Provided by (Used In) Investing Activities	(32,201)	-
Net Increase (Decrease) in Cash and Cash Equivalents	79,718	31,184
Cash and Cash Equivalents - Beginning of Year	396,724	365,540
Cash and Cash Equivalents - End of Year	$ 476,442	$ 396,724

See independent auditors' report and accompanying notes to the financial statements

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, 2018.

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, 2017, 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, 2018 no amounts exceeded FDIC limits.

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.

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

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. Amounts recorded as receivable also includes royalties receivable.

NOTE 1. Summary of Significant Accounting Policies (Continued)

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.

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 $8,556. Capital items are recorded as fixed assets when their cost, or donated value, exceeds $2,500. At June 30, 2018 property and equipment consisted of the following:

	Cost	Accumulated Depreciation	Net
Office Furniture & Equipment	$ 32,200	$ (6,440)	$ 25,760

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.

Compensated Absences: The Organization allows employees to carry over certain paid time off. Upon separation, for employees in good standing, the accumulated paid time off will be paid for any current year accrued PTO not yet taken.

NOTE 1. Summary of Significant Accounting Policies (Continued)

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. The Organization's federal tax returns are subject to audit by taxing authorities. The Organization's returns open audit periods are for the fiscal years ending June 30, 2015 – 2017.

Restated Prior Year: The prior year balances were restated to recognize additional receivables and payables that existed for that year. The additional amounts recognized were receivables of $12,579, payroll payable of $4,274, and compensated absences payable of $2,416.

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.

New Accounting Pronouncements **-** *ASU No. 2016-14 (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*: This Statement is effective for fiscal years beginning after December 15, 2017. The objective of this Statement is to improve the information presented in the financial statements and notes about a not-for-profit entity's net asset classifications, liquidity, financial performance, and cash flows. The provision of the pronouncement reduces the three classes of net assets on the statement of financial position and the statement of activities down to two classes of net assets. It also enhances footnote disclosure for any governing board designations, restrictions on net assets, and qualitative and quantitative disclosures on liquidity. This Statement will be implemented for the fiscal year ended June 30, 2019.

NOTE 2. Net Product Sales

Net product sales consisted of:

Sales:		
Product Sales	$	93,939
Shipping		4,978
Total Sales		98,917
Cost of Sales:		
Cost of Goods Sold		23,038
Book Selling Expense		32,824
Total Cost of Sales		55,862
Net Product Sales	$	43,055

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, 2018 to December 31, 2020. The rate is $1,000 per month in 2018, $1,150 per month in 2019, and $1,300 per month in 2020. Either party may terminate the lease by giving the other party 6 months written notice. For the year ended June 30, 2018 the lease expenses was $11,330.

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, 2018 was $16,581.

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	$ 121,955
POJ International	84,614
Latin America Coordinator	84,301
Women's Ministries	11,160
European Coordinator	2
West Coast	121,496
seeJesus Trainer	23,658
Adults with Disabilities	120,811
Arabic Project	16,990
Special Projects	19,918
Writing Projects	100,614
5 Year Capital Campaign	1,539
Total Net Assets Released	$ 707,058

NOTE 7. Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes:

POJ International	$ 13,039
Latin america Coordinator	4,750
Central America Coordinator	700
European Coordinator	23,475
West Coast	20,177
seeJesus Trainer	9,532
Adults with Disabilities	19,156
Arabic Project	25,490
Special Projects	14,679
Writing Projects	17,523
Temporarily Restricted Net Assets	$ 148,521