

**SEEJESUS**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2019**

(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	9-15



936 Easton Rd., PO Box 754, Warrington, PA 18976 | 70 W. Oakland Ave., 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](http://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, 2019, 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, 2019, 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**

As discussed in Note 2 to the financial statements, the Organization adopted ASU 2016-14 (Topic 958) *Presentation of Financial Statements of Not-for-Profit Entities*. The implementation of this standard resulted in reclassification of net asset accounts as well as additional disclosures. The most significant changes are more fully discussed in Note 1.

**Report on Summarized Comparative Information**

We have previously audited the seeJesus's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 26, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, 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  
February 26, 2020

seeJesus

Statements of Financial Position

June 30, 2019 and 2018

<b>ASSETS</b>	<u>2019</u>	<u>2018</u>
Current Assets		
Cash and Cash Equivalents	\$ 566,857	\$ 476,442
Accounts Receivable	22,105	15,233
Pledge Receivable	15,000	-
Inventory - Books and Videos	<u>86,584</u>	<u>74,215</u>
Total Current Assets	<u>690,546</u>	<u>565,890</u>
Pledge Receivable - Noncurrent	15,000	-
Property and Equipment, Net	<u>25,500</u>	<u>25,760</u>
TOTAL ASSETS	<u>\$ 731,046</u>	<u>\$ 591,650</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts Payable	\$ 460	\$ 477
Payroll Payable	12,686	10,910
Compensated Absences	9,051	6,431
Royalty Advances	<u>120,000</u>	<u>120,000</u>
Total Current Liabilities	<u>142,197</u>	<u>137,818</u>
Net Assets		
Without Donor Restrictions	336,094	305,311
With Donor Restrictions: Purpose Restrictions	<u>252,755</u>	<u>148,521</u>
Total Net Assets	<u>588,849</u>	<u>453,832</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 731,046</u>	<u>\$ 591,650</u>

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

seeJesus

Statements of Activities

For the Year Ended June 30, 2019  
With Summarized Comparative Totals for the Year Ended June 30, 2018

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>2019</u>	<u>2018</u>
Public Support and Revenue				
Contributions	\$ 402,377	\$ 956,615	\$ 1,358,992	\$ 1,034,339
Royalties	68,405	-	68,405	67,008
Seminars and Conferences	66,411	-	66,411	42,146
Speaking Fee Income	7,575	-	7,575	11,731
Investment Income	1,068	-	1,068	964
Miscellaneous Income	8,567	-	8,567	4,351
Net Product Sales	58,133	-	58,133	43,055
Net Assets Released from Restrictions	<u>852,381</u>	<u>(852,381)</u>	<u>-</u>	<u>-</u>
Total Public Support and Revenue	<u>1,464,917</u>	<u>104,234</u>	<u>1,569,151</u>	<u>1,203,594</u>
Expenses				
Program Services	1,171,712	-	1,171,712	982,726
Management and General	141,649	-	141,649	120,151
Fundraising	<u>120,773</u>	<u>-</u>	<u>120,773</u>	<u>96,032</u>
Total Expenses	<u>1,434,134</u>	<u>-</u>	<u>1,434,134</u>	<u>1,198,909</u>
Change in Net Assets	30,783	104,234	135,017	4,685
Net Assets, Beginning of Year	<u>305,311</u>	<u>148,521</u>	<u>453,832</u>	<u>449,147</u>
Net Assets, End of Year	<u>\$ 336,094</u>	<u>\$ 252,755</u>	<u>\$ 588,849</u>	<u>\$ 453,832</u>

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

seeJesus

Statements of Functional Expenses

For the Year Ended June 30, 2019

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

	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Fundraising</u>	<u>2019</u>	<u>2018</u>
Payroll and Related Costs					
Salaries and Wages	\$ 730,933	\$ 92,686	\$ 65,956	\$ 889,575	\$ 732,747
Employee Benefits	73,127	2,869	6,480	82,476	95,533
Pension	14,577	2,633	1,500	18,710	16,581
Payroll Taxes	39,539	7,056	2,625	49,220	40,614
Total Salary and Related Costs	<u>858,176</u>	<u>105,244</u>	<u>76,561</u>	<u>1,039,981</u>	<u>885,475</u>
Other Expenses					
Ministry Update Letter	11,697	-	1,300	12,997	9,388
Board of Directors	-	2,100	-	2,100	1,496
Communications	7,151	926	1,515	9,592	8,018
Depreciation	3,992	1,996	1,996	7,984	9,259
Development	22,883	-	16,097	38,980	23,578
Financial Services Fees	10,241	12,363	-	22,604	20,241
Insurance	3,934	2,116	-	6,050	5,805
Marketing	28,200	-	-	28,200	27,581
Miscellaneous	16,037	-	-	16,037	8,004
Office Supplies and Expense	30,887	15,442	15,443	61,772	41,991
Product Research	18,724	-	-	18,724	24,847
Product Gifts	6,443	-	-	6,443	6,399
Professional Fees	4,518	-	3,450	7,968	6,554
Seminars	101,902	-	901	102,803	67,076
Travel	43,407	1,462	3,510	48,379	44,639
Website	3,520	-	-	3,520	8,558
Total Other Expenses	<u>313,536</u>	<u>36,405</u>	<u>44,212</u>	<u>394,153</u>	<u>313,434</u>
Total Functional Expenses	<u>\$1,171,712</u>	<u>\$ 141,649</u>	<u>\$ 120,773</u>	<u>\$ 1,434,134</u>	<u>\$ 1,198,909</u>

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



seeJesus

Statements of Cash Flows

For the Year Ended June 30, 2019  
With Summarized Comparative Totals for the Year Ended June 30, 2018

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities		
Change in Net Assets:	\$ 135,017	\$ 4,685
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities		
Depreciation	7,984	9,259
(Increase) Decrease In:		
Accounts Receivable	(6,872)	(2,654)
Pledges Receivable	(30,000)	14,000
Inventory	(12,369)	(8,147)
Increase (Decrease) In:		
Accounts Payable	(17)	(683)
Payroll Payable	1,776	(28,556)
Compensated Absences	2,620	4,015
Royalty Advances	<u>-</u>	<u>120,000</u>
Net Cash Provided by (Used In) Operating Activities	<u>98,139</u>	<u>111,919</u>
Cash Flows from Investing Activities		
Purchase of Equipment	<u>(7,724)</u>	<u>(32,201)</u>
Net Cash Provided by (Used In) Investing Activities	<u>(7,724)</u>	<u>(32,201)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	90,415	79,718
Cash and Cash Equivalents - Beginning of Year	<u>476,442</u>	<u>396,724</u>
Cash and Cash Equivalents - End of Year	<u>\$ 566,857</u>	<u>\$ 476,442</u>

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

seeJesus

Notes to Financial Statements

For the Years Ended June 30, 2019

**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:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and are not subject to donor restrictions.

*Net Assets With Donor Restrictions* - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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, 2018, from which the summarized information was derived.

seeJesus

Notes to Financial Statements

For the Years Ended June 30, 2019

**NOTE 1. Summary of Significant Accounting Policies (Continued)**

*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, 2016 - 2018.

*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, 2019 amounts exceeded FDIC insurance limits by \$114,841.

*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 include royalties receivable.

seeJesus

Notes to Financial Statements

For the Years Ended June 30, 2019

**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. For the year ended June 30, 2019 pledges receivable consisted of:

Receivable in less than one year	\$ 15,000
Receivable in one to five years	<u>15,000</u>
Total unconditional pledges receivable	<u>\$ 30,000</u>

*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, 2019 property and equipment consisted of the following:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Office Furniture & Equipment	<u>\$ 39,925</u>	<u>\$ (14,425)</u>	<u>\$ 25,500</u>

*Contributions:* Contributions received are recorded as restricted support, depending on the existence or nature of any donor restriction. Donor-restricted support is reported as an increase in 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), the restricted net assets are reclassified to net assets without donor restrictions 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.

see Jesus

Notes to Financial Statements

For the Years Ended June 30, 2019

**NOTE 1. Summary of Significant Accounting Policies (Continued)**

*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.

*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. Salaries and related expenses are allocated based on estimates of time and effort. Office and related expenses are allocated based on use of space.

*New Accounting Pronouncements:* The Organization adopted ASU No. 2016-14 (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. The effective date of the Standard is for the fiscal year ending June 30, 2019. The prior period statements have been reclassified in accordance with this Standard. Temporarily and Permanently Restricted Net Assets have been renamed Net Assets with Donor Restrictions, and a new liquidly footnote has been added.

*ASU No. 2014-09 (Topic 606): Revenue From Contracts With Customers:* This Statement is effective for fiscal years beginning after December 15, 2018. The objective of this Statement is to provide a more robust framework for addressing revenue issues, to improve comparability of revenue recognition standards across entities, and provide more useful information to the users of the financial statements through improved disclosure requirements. This Statement will be implemented in the fiscal year ended June 30, 2020.

*ASU 2016-02, Leases (Topic 842):* ASU 2016-02 substantially changes current accounting procedures regarding lease accounting and offers specific accounting guidance for lessees, lessors and sale-leaseback transactions. ASU 2016-02 establishes a right-of-use (“ROU”) model that requires lessees to record a ROU asset and lease liability in the statement of financial position for all leases with terms longer than 12 months (the standard may optionally be applied to leases with term of 12 months or less). Leases will be classified as either finance leases or operating leases depending on the characteristics of the lease; consistent with current accounting procedures, the recognition, measurement and presentation of expenses and cash flows arising from the lease will depend on the lease classification. This Statement is expected to have an implementation date for fiscal years beginning after December 15, 2019 for nonpublic entities.

seeJesus

Notes to Financial Statements

For the Years Ended June 30, 2019

**NOTE 1. Summary of Significant Accounting Policies (Continued)**

*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.

**NOTE 2. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Financial assets at year end:	
Cash and cash equivalents	\$ 566,857
Accounts receivable	22,105
Pledges receivable	<u>30,000</u>
Total financial assets	<u>618,962</u>
Less amounts not available to be used within one year	
Long term pledges	<u>(15,000)</u>
Financial assets not available to used within one year	<u>(15,000)</u>
Financial asset available to meet general expenditures	<u>\$ 603,962</u>

As part of our liquidity management plan, we invest cash in excess of daily requirements in checking and savings accounts.

**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, 2019 the lease expenses was \$ 12,900.

seeJesus

Notes to Financial Statements

For the Years Ended June 30, 2019

**NOTE 4. Net Product Sales**

Net product sales consisted of:

Sales:	
Product Sales	\$ 101,643
Shipping	<u>3,842</u>
Total Sales	<u>105,485</u>
Cost of Sales:	
Cost of Goods Sold	22,227
Book Selling Expense	<u>25,125</u>
Total Cost of Sales	<u>47,352</u>
Net Product Sales	<u>\$ 58,133</u>

**NOTE 5. 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 6% at year end. There was no outstanding balance due on this line of credit at year end.

**NOTE 6. 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, 2019 was \$ 18,710.

seeJesus

Notes to Financial Statements

For the Years Ended June 30, 2019

**NOTE 7. 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	\$ 106,614
POJ International	98,294
Latin America Coordinator	103,899
Central America Coordinator	15,647
Student Ministries Coordinator	38,661
West Coast	140,148
seeJesus Trainer	43,534
Adults with Disabilities	138,026
Arabic Project	43,447
Special Projects	8,653
Writing Projects	<u>115,458</u>
Total Net Assets Released	<u>\$ 852,381</u>

**NOTE 8. Net Assets With Donor Restrictions**

Net assets with donor restrictions were available for the following purposes:

POJ International	\$ 6,596
Latin America Coordinator	1,357
Central America Coordinator	18,633
European Coordinator	23,475
Student Ministries Coordinator	70,358
West Coast	28,184
seeJesus Trainer	4,120
Adults with Disabilities	17,959
Arabic Project	30,937
Special Projects	13,021
Writing Projects	<u>38,115</u>
Net Assets With Donor Restrictions	<u>\$ 252,755</u>