

# SAT-7 NORTH AMERICA AND SUBSIDIARY

Consolidated Financial Statements  
With Independent Auditors' Report

December 31, 2017 and 2016

# SAT-7 NORTH AMERICA AND SUBSIDIARY

## Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7
Consolidating Information	
Independent Auditors' Report on Consolidating Information	13
Consolidating Statement of Financial Position–2017	14
Consolidating Statement of Activities–2017	15

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
SAT-7 North America and Subsidiary  
Easton, Maryland

We have audited the accompanying consolidated financial statements of SAT-7 North America and Subsidiary, which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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  
SAT-7 North America and Subsidiary  
Easton, Maryland

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of SAT-7 North America and Subsidiary, as of December 31, 2017 and 2016, and the changes in its consolidated net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Capin Crouse LLP*

Lawrenceville, Georgia  
March 16, 2018

# SAT-7 NORTH AMERICA AND SUBSIDIARY

## Consolidated Statements of Financial Position

	December 31,	
	2017	2016
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 1,657,008	\$ 2,443,053
Prepaid expenses and other assets	58,147	81,498
Contributions receivable	1,540,523	687,414
Property and equipment	49,756	31,049
	<u>\$ 3,305,434</u>	<u>\$ 3,243,014</u>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable	\$ 41,597	\$ 31,840
Accrued expenses	70,636	64,051
Grant payable to SAT-7 International	1,800,085	1,611,315
	<u>1,912,318</u>	<u>1,707,206</u>
Net assets:		
Unrestricted	1,378,655	1,512,690
Temporarily restricted	14,461	23,118
	<u>1,393,116</u>	<u>1,535,808</u>
Total Liabilities and Net Assets	<u>\$ 3,305,434</u>	<u>\$ 3,243,014</u>

See notes to consolidated financial statements

## SAT-7 NORTH AMERICA AND SUBSIDIARY

### Consolidated Statements of Activities

	Year Ended December 31,					
	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions:						
Cash, non-cash, and new contributions receivable	\$ 191,780	\$ 8,832,657	\$ 9,024,437	\$ 200,030	\$ 7,216,693	\$ 7,416,723
Other income	1,911	-	1,911	10,686	-	10,686
	<u>193,691</u>	<u>8,832,657</u>	<u>9,026,348</u>	<u>210,716</u>	<u>7,216,693</u>	<u>7,427,409</u>
<b>RECLASSIFICATIONS:</b>						
Satisfaction of purpose restrictions	6,633,150	(6,633,150)	-	5,604,304	(5,604,304)	-
Administrative assessments	2,208,164	(2,208,164)	-	1,620,873	(1,620,873)	-
	<u>8,841,314</u>	<u>(8,841,314)</u>	<u>-</u>	<u>7,225,177</u>	<u>(7,225,177)</u>	<u>-</u>
<b>EXPENSES:</b>						
Program services	7,519,667	-	7,519,667	6,284,740	-	6,284,740
Supporting activities:						
Management and general	690,345	-	690,345	669,496	-	669,496
Fund-raising	959,028	-	959,028	1,000,647	-	1,000,647
	<u>9,169,040</u>	<u>-</u>	<u>9,169,040</u>	<u>7,954,883</u>	<u>-</u>	<u>7,954,883</u>
Change in Net Assets	(134,035)	(8,657)	(142,692)	(518,990)	(8,484)	(527,474)
Net Assets, Beginning of Year	<u>1,512,690</u>	<u>23,118</u>	<u>1,535,808</u>	<u>2,031,680</u>	<u>31,602</u>	<u>2,063,282</u>
Net Assets, End of Year	<u>\$ 1,378,655</u>	<u>\$ 14,461</u>	<u>\$ 1,393,116</u>	<u>\$ 1,512,690</u>	<u>\$ 23,118</u>	<u>\$ 1,535,808</u>

See notes to consolidated financial statements

## SAT-7 NORTH AMERICA AND SUBSIDIARY

### Consolidated Statements of Functional Expenses

	Year Ended December 31,							
	2017			2016				
	Program Services	Management and General	Fund-raising	Total	Program Services	Management and General	Fund-raising	Total
Program funding to SAT-7 International	\$ 6,501,983	\$ -	\$ -	\$ 6,501,983	\$ 5,467,768	\$ -	\$ -	\$ 5,467,768
Salaries and related expenses:								
Management salaries	135,287	103,734	57,531	296,552	80,894	97,009	115,086	292,989
Other salaries and wages	405,091	267,599	145,958	818,648	296,269	263,764	153,017	713,050
Fringe benefits and related taxes	152,211	110,149	63,079	325,439	114,128	112,059	78,825	305,012
	<u>692,589</u>	<u>481,482</u>	<u>266,568</u>	<u>1,440,639</u>	<u>491,291</u>	<u>472,832</u>	<u>346,928</u>	<u>1,311,051</u>
Fund-raising and development (including new donor acquisition)	-	-	209,948	209,948	-	-	172,908	172,908
Other expenses:								
Professional fees	4,512	47,263	2,968	54,743	1,096	31,915	746	33,757
Charitable contributions	-	-	-	-	50,025	-	-	50,025
Board management	-	1,432	-	1,432	-	1,878	-	1,878
Communications	11,854	8,705	4,681	25,240	9,860	9,861	6,477	26,198
Conferences, travel, and meetings	156,947	50,119	114,391	321,457	153,898	57,214	143,338	354,450
Depreciation and amortization	5,674	3,692	4,044	13,410	11,029	5,273	10,611	26,913
Insurance	3,785	3,487	2,245	9,517	2,896	4,065	2,541	9,502
Printing, mailing, and postage	35,411	9,687	275,132	320,230	23,189	9,861	253,128	286,178
Occupancy	22,371	20,610	13,270	56,251	17,141	24,058	15,038	56,237
Software and office items	84,541	63,868	65,781	214,190	56,547	52,539	48,932	158,018
	<u>325,095</u>	<u>208,863</u>	<u>482,512</u>	<u>1,016,470</u>	<u>325,681</u>	<u>196,664</u>	<u>480,811</u>	<u>1,003,156</u>
<b>Total Expenses</b>	<u>\$ 7,519,667</u>	<u>\$ 690,345</u>	<u>\$ 959,028</u>	<u>\$ 9,169,040</u>	<u>\$ 6,284,740</u>	<u>\$ 669,496</u>	<u>\$ 1,000,647</u>	<u>\$ 7,954,883</u>

See notes to consolidated financial statements

# SAT-7 NORTH AMERICA AND SUBSIDIARY

## Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (142,692)	\$ (527,474)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	13,843	12,328
Disposition of property and equipment	-	-
Change in:		
Prepaid expenses and other assets	23,351	10,416
Contributions receivable	(853,109)	1,003,194
Accounts payable	9,757	(24,903)
Accrued expenses	6,585	4,414
Grant payable to SAT-7 International	188,770	(1,286,659)
Net Cash Used by Operating Activities	(753,495)	(808,684)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(32,550)	(8,723)
Net Cash Used by Investing Activities	(32,550)	(8,723)
Net Change in Cash and Cash Equivalents	(786,045)	(817,407)
Cash and Cash Equivalents, Beginning of Year	2,443,053	3,260,460
Cash and Cash Equivalents, End of Year	\$ 1,657,008	\$ 2,443,053

See notes to consolidated financial statements



# SAT-7 NORTH AMERICA AND SUBSIDIARY

## Notes to Consolidated Financial Statements

December 31, 2017 and 2016

1. NATURE OF ORGANIZATION:

SAT-7 North America (SAT-7) is a not-for-profit Pennsylvania Corporation exempt from income taxes under section 501(c)(3) of the United States Internal Revenue Code (Code). SAT-7 is not considered to be a private foundation under section 509 of the Code. The organization is affiliated, in mission, with SAT-7 International, an organization providing Christian television broadcasts to people in the Middle East and North Africa. SAT-7 provides resource development and ministry and managerial support throughout the United States in support of the mission of SAT-7 International.

Headquartered in Easton, Maryland, SAT-7 is funded through contributions and grants from over 9,000 individuals, foundations, and church organizations throughout North America. SAT-7 is a member of the Evangelical Council for Financial Accountability and Missio Nexus.

SAT-7 Education & Development (SAT-7 E&D) is a not-for-profit Maryland Corporation exempt from income taxes under section 501(c)(3) of the United States Internal Revenue Code (Code). SAT-7 E&D is not considered to be a private foundation under section 509 of the Code. SAT-7 E&D became a controlled subsidiary of SAT-7 in 2017, through SAT-7's abilities to appoint 60% of its directors and to ratify, alter, or repeal any amendments to its articles of incorporation or bylaws. SAT-7 E&D supports educational media projects that encourage social development, particularly among the people in North Africa and the Middle East.

The consolidated information presented in the notes will be referred to as SAT-7.

2. SIGNIFICANT ACCOUNTING POLICIES:

**BASIS OF ACCOUNTING**

The consolidated financial statements have been prepared on the accrual basis of accounting. The preparation of consolidated 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 and disclosures. Actual amounts could differ from these estimates. The significant accounting policies followed are described below.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consists of checking and savings accounts. These accounts may, from time to time, exceed federally insured limits; however, SAT-7 has not experienced any losses on these accounts and does not believe it is exposed to any significant risk.

At December 31, 2017 and 2016, respectively, \$612,656 and \$364,461 related to contributions received after year-end, but dated and postmarked prior to year-end, are included in cash and cash equivalents.

# SAT-7 NORTH AMERICA AND SUBSIDIARY

## Notes to Consolidated Financial Statements

December 31, 2017 and 2016

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### PROPERTY AND EQUIPMENT

Expenditures exceeding \$1,000 for property, equipment, and items that substantially increase the useful lives of existing assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to seven years.

#### GRANT PAYABLE TO SAT-7 INTERNATIONAL

See related party footnote for more information.

#### CLASSES OF NET ASSETS

The consolidated financial statements report amounts separately by classes of net assets according to the presence or absence of donor-imposed stipulations. The net asset classes are as follows:

*Unrestricted net assets* are those currently available for ministry purposes under the direction of the board of directors, those designated by the board for a specific use, and those invested in property and equipment.

*Temporarily restricted net assets* are those contributed with donor stipulations for specific operating purposes or programs. They are not currently available for ministry use until commitments regarding their use have been fulfilled. When a purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Temporarily restricted net assets are available for staff support.

#### SUPPORT, REVENUES AND EXPENSES

Support is recognized when contributions are made, which may be when cash is received, unconditional promises to give are made, or ownership of other assets is transferred. During 2017, one donor contributed 6% of total contributions. During 2016, the top four donors contributed 18% of total contributions. Revenue is recognized when earned. Expenses are recorded when costs are incurred. SAT-7 reports gifts of materials and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, SAT-7 reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

#### DONATED SERVICES

SAT-7 recognizes donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the years ended herein, SAT-7 did not record any donated services.

# SAT-7 NORTH AMERICA AND SUBSIDIARY

## Notes to Consolidated Financial Statements

December 31, 2017 and 2016

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### DONATED SERVICES, continued

Significant contributions of personnel and time are provided to SAT-7 by individuals as a means of accomplishing its goals. Without these contributions, the ministry would not be as effective. It is SAT-7's policy not to record these contributions in the consolidated financial statements because they do not meet the criteria of skilled services required to be recorded under existing technical standards.

#### FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited based on estimated time of personnel and usage of services and supplies. All SAT-7 expenses are allocated based on specifically identifiable criteria. Therefore, there are no joint cost allocations to disclose.

#### UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the consolidated financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the consolidated statements of activities. As of December 31, 2017, SAT-7 had no uncertain tax positions that qualify for recognition or disclosure in the consolidated financial statements. SAT-7 files information tax returns in the U.S. and various states. SAT-7 is generally no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2014.

### 3. RELATED PARTY TRANSACTIONS:

As stated in note 1, SAT-7 is affiliated, in mission, with SAT-7 International, an organization providing Christian television broadcasts to people in the Middle East and North Africa. SAT-7 International is headquartered in Cyprus, where it develops, produces, and broadcasts television programs, via satellite, into regions of North Africa and the Middle East. SAT-7 provides resource development and ministry and managerial support throughout the United States in support of the mission of SAT-7 International through a joint ministries agreement (JMA). The JMA defines the relationship between SAT-7 International and SAT-7. The JMA gives SAT-7 International the ability to suspend or eliminate SAT-7's use of the name "SAT-7," including SAT-7 International's intellectual property related to the logo and brand.

The president of SAT-7 International is an ex-officio, non-voting member of the SAT-7 board of directors.

# SAT-7 NORTH AMERICA AND SUBSIDIARY

## Notes to Consolidated Financial Statements

December 31, 2017 and 2016

3. RELATED PARTY TRANSACTIONS, continued:

As noted, SAT-7 provides resource development and ministry and managerial support to SAT-7 International. SAT-7 provided the following for the years shown:

	Year ending December 31,	
	2017	2016
Grants expense to SAT-7 International	\$ 6,052,825	\$ 5,221,449
Expenses paid by SAT-7 on behalf of SAT-7 International	449,158	246,319
	<u>\$ 6,501,983</u>	<u>\$ 5,467,768</u>
Program funding to SAT-7 International per the consolidated statement of functional expenses	<u>\$ 6,501,983</u>	<u>\$ 5,467,768</u>

Grant payable to SAT-7 International represents a promise made prior to year-end to distribute funds to SAT-7 International during the subsequent fiscal year. This promise is communicated directly to SAT-7 International by SAT-7 management and board members.

4. CONTRIBUTIONS RECEIVABLE:

SAT-7 regularly receives promises and intentions to give from its constituents. Promises to give are due to be collected in subsequent fiscal years and are reported as contributions receivable in the consolidated statements of financial position as an asset and recognized as temporarily restricted contributions in the consolidated statements of activities. The promises to give are reflected at the present value of estimated future cash flows using a discount rate of 1%.

Due to the unknown factors which may affect individual donors' future cash flows, it is reasonably possible that the estimated future cash flows of contributions receivable could increase or decrease by a material amount in the near term. Management believes that the asset value reflected in the consolidated statements of financial position approximates fair value.

Contributions receivable are expected to mature as follows:

	December 31,	
	2017	2016
Amounts due in:		
Less than one year	\$ 1,366,350	\$ 685,101
One year to five years	185,000	36,333
More than five years	-	-
	<u>1,551,350</u>	<u>721,434</u>
Less discount for present value of future cash flows	(2,427)	(8,954)
Less allowance for uncollectibility	(8,400)	(25,066)
	<u>\$ 1,540,523</u>	<u>\$ 687,414</u>

# SAT-7 NORTH AMERICA AND SUBSIDIARY

## Notes to Consolidated Financial Statements

December 31, 2017 and 2016

4. CONTRIBUTIONS RECEIVABLE, continued:

At December 31, 2017, three pledges comprised 86% of the gross contributions receivable balance. At December 31, 2016, four pledges comprised 81% of the gross contributions receivable balance.

5. PROPERTY AND EQUIPMENT:

Property and equipment consists of:

	December 31,	
	2017	2016
Office and computer equipment	\$ 76,407	\$ 66,457
Computer software	110,266	87,667
Office furniture	17,716	17,716
Leasehold improvements	6,738	6,738
	211,127	178,578
Accumulated depreciation	(161,371)	(147,529)
	\$ 49,756	\$ 31,049

6. NET ASSETS:

Net assets consist of:

	December 31,	
	2017	2016
Unrestricted:		
Undesignated	\$ 699,462	\$ 768,555
Board designated for:		
Endowment	629,437	713,086
Net investment in property and equipment	49,756	31,049
	1,378,655	1,512,690
Temporarily restricted for staff support	14,461	23,118
	\$ 1,393,116	\$ 1,535,808
Activity in the board designated endowment:		
Opening balance	\$ 713,086	\$ 624,350
Designation of balances	34,780	131,636
Appropriated for use	(120,682)	(50,000)
Interest and dividend income	1,873	5,347
Net realized and unrealized gains	380	1,753
	\$ 629,437	\$ 713,086

# SAT-7 NORTH AMERICA AND SUBSIDIARY

## Notes to Consolidated Financial Statements

December 31, 2017 and 2016

6. NET ASSETS, continued:

Assets funding the board designated endowment are held in cash and cash equivalents at December 31, 2017 and 2016. The board has not approved a formal spending policy for these funds, but rather makes appropriations as it deems necessary.

7. RETIREMENT PLAN:

SAT-7 sponsors a 401(k) retirement program covering all employees. SAT-7 matches employee contributions up to 5%. Employees are eligible for the match immediately, with vesting occurring 20% per year for each year of service. SAT-7 contributed \$46,066 and \$42,212 to the plan during 2017 and 2016, respectively.

8. LEASE COMMITMENTS:

SAT-7 relocated its office space during 2015, signing a new lease effective May 1, 2015, for three years. Minimum payments were \$40,000 per year for the first two years of the lease agreement, with an automatic 3% increase in year three. In addition to the minimum rental expense, SAT-7 must also pay its pro-rata share of property taxes and common area maintenance charges. In December 2017, this lease was extended for an additional three year term, beginning May 1, 2018. Minimum rental expense will be \$42,436 in year one, \$43,709 in year two, and \$45,020 in year three. Total rental expense under this lease during 2017 and 2016, respectively, was \$46,810 and \$46,258.

SAT-7 also leases photocopiers and postage machines under noncancellable operating leases that expire through 2020. Total minimum monthly payments under these three leases are approximately \$921. Total rental expense under these leases during 2017 and 2016, respectively, was \$10,892 and \$11,245.

The future minimum rental payments required under operating leases are as follows:

Year ending December 31,

2018	\$	52,244
2019		50,837
2020		48,365
2021		15,007
		<hr/>
	\$	166,453
		<hr/> <hr/>

9. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through March 16, 2018, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

**INDEPENDENT AUDITORS' REPORT  
ON CONSOLIDATING INFORMATION**

Board of Directors  
SAT-7 North America and Subsidiary  
Easton, Maryland

We have audited the consolidated financial statements of SAT-7 North America and Subsidiary as of and for the year ended December 31, 2017, and our report thereon, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on the following pages is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Capin Crouse LLP*

Lawrenceville, Georgia  
March 16, 2018

# SAT-7 NORTH AMERICA AND SUBSIDIARY

## Consolidating Statements of Financial Position

	December 31, 2017			
	SAT-7 NA	SAT-7 E&D	Eliminations	Total
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 1,637,801	\$ 19,207	\$ -	\$ 1,657,008
Prepaid expenses and other assets	83,147	-	(25,000)	58,147
Contributions receivable	1,540,523	-	-	1,540,523
Property and equipment	49,756	-	-	49,756
	<u>\$ 3,311,227</u>	<u>\$ 19,207</u>	<u>\$ (25,000)</u>	<u>\$ 3,305,434</u>
<b>LIABILITIES AND NET ASSETS:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 39,917	\$ 26,680	\$ (25,000)	\$ 41,597
Accrued expenses	70,636	-	-	70,636
Grant payable to SAT-7 International	1,800,085	-	-	1,800,085
	<u>1,910,638</u>	<u>26,680</u>	<u>(25,000)</u>	<u>1,912,318</u>
<b>Net assets:</b>				
Unrestricted	1,386,128	(7,473)	-	1,378,655
Temporarily restricted	14,461	-	-	14,461
	<u>1,400,589</u>	<u>(7,473)</u>	<u>-</u>	<u>1,393,116</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 3,311,227</u>	<u>\$ 19,207</u>	<u>\$ (25,000)</u>	<u>\$ 3,305,434</u>

See notes to consolidated financial statements



# SAT-7 NORTH AMERICA AND SUBSIDIARY

## Consolidating Statements of Activities

	Year Ended December 31, 2017									
	SAT-7 NA			SAT-7 E&D			Eliminations	Total		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE:</b>										
Contributions:										
Cash, non-cash, and new contributions receivable										
	\$ 160,376	\$ 8,832,657	\$ 8,993,033	\$ 50,404	\$ -	\$ 50,404	\$ (19,000)	\$ 191,780	\$ 8,832,657	\$ 9,024,437
Other income	1,893	-	1,893	18	-	18	-	1,911	-	1,911
	<u>162,269</u>	<u>8,832,657</u>	<u>8,994,926</u>	<u>50,422</u>	<u>-</u>	<u>50,422</u>	<u>(19,000)</u>	<u>193,691</u>	<u>8,832,657</u>	<u>9,026,348</u>
<b>RECLASSIFICATIONS:</b>										
Satisfaction of purpose restrictions										
	6,633,150	(6,633,150)	-	-	-	-	-	6,633,150	(6,633,150)	-
Administrative assessments	2,208,164	(2,208,164)	-	-	-	-	-	2,208,164	(2,208,164)	-
	<u>8,841,314</u>	<u>(8,841,314)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,841,314</u>	<u>(8,841,314)</u>	<u>-</u>
<b>EXPENSES:</b>										
Program services	7,523,020	-	7,523,020	6,647	-	6,647	(10,000)	7,519,667	-	7,519,667
Supporting activities:										
Management and general	683,097	-	683,097	16,248	-	16,248	(9,000)	690,345	-	690,345
Fund-raising	924,028	-	924,028	35,000	-	35,000	-	959,028	-	959,028
	<u>9,130,145</u>	<u>-</u>	<u>9,130,145</u>	<u>57,895</u>	<u>-</u>	<u>57,895</u>	<u>(19,000)</u>	<u>9,169,040</u>	<u>-</u>	<u>9,169,040</u>
Change in Net Assets	(126,562)	(8,657)	(135,219)	(7,473)	-	(7,473)	-	(134,035)	(8,657)	(142,692)
Net Assets, Beginning of Year	1,512,690	23,118	1,535,808	-	-	-	-	1,512,690	23,118	1,535,808
Net Assets, End of Year	<u>\$ 1,386,128</u>	<u>\$ 14,461</u>	<u>\$ 1,400,589</u>	<u>\$ (7,473)</u>	<u>\$ -</u>	<u>\$ (7,473)</u>	<u>\$ -</u>	<u>\$ 1,378,655</u>	<u>\$ 14,461</u>	<u>\$ 1,393,116</u>

See notes to consolidated financial statements