

SAT-7 NORTH AMERICA AND SUBSIDIARY

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2018 and 2017

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	14
Consolidating Statement of Financial Position	15
Consolidating Statement of Activities–2018	16
Consolidating Statement of Activities–2017	17

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, 2018 and 2017, 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, 2018 and 2017, 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.

Emphasis of Matter

SAT-7 North America and Subsidiary has adopted Financial Accounting Standards Board (FASB) Accounting Standards Updates (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* as described in Note 2. ASU No. 2016-14 had a material effect on the presentation of the December 31, 2018 and 2017 financial statements.

Capin Crouse LLP

Lawrenceville, Georgia
March 5, 2019

SAT-7 NORTH AMERICA AND SUBSIDIARY

Consolidated Statements of Financial Position

	December 31,	
	2018	2017
ASSETS:		
Cash and cash equivalents	\$ 2,461,170	\$ 1,657,008
Prepaid expenses and other assets	53,221	58,147
Contributions receivable	399,326	1,540,523
Property and equipment	52,468	49,756
	<u>\$ 2,966,185</u>	<u>\$ 3,305,434</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 22,731	\$ 41,597
Accrued expenses	82,774	70,636
Grant payable to SAT-7 International	1,469,867	1,800,085
	<u>1,575,372</u>	<u>1,912,318</u>
Net assets:		
Without restrictions	1,390,813	1,378,655
With donor restrictions	-	14,461
	<u>1,390,813</u>	<u>1,393,116</u>
Total Liabilities and Net Assets	<u>\$ 2,966,185</u>	<u>\$ 3,305,434</u>

See notes to consolidated financial statements

SAT-7 NORTH AMERICA AND SUBSIDIARY

Consolidated Statements of Activities

	Year Ended December 31,					
	2018			2017		
	Without Restrictions	With Donor Restrictions	Total	Without Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions:						
Cash, non-cash, and new contributions receivable	\$ 170,099	\$ 8,424,987	\$ 8,595,086	\$ 191,780	\$ 8,832,657	\$ 9,024,437
Other income	5,591	-	5,591	1,911	-	1,911
	<u>175,690</u>	<u>8,424,987</u>	<u>8,600,677</u>	<u>193,691</u>	<u>8,832,657</u>	<u>9,026,348</u>
RECLASSIFICATIONS:						
Satisfaction of purpose restrictions	6,339,769	(6,339,769)	-	6,633,150	(6,633,150)	-
Administrative assessments	2,099,679	(2,099,679)	-	2,208,164	(2,208,164)	-
	<u>8,439,448</u>	<u>(8,439,448)</u>	<u>-</u>	<u>8,841,314</u>	<u>(8,841,314)</u>	<u>-</u>
EXPENSES:						
Program services	7,028,538	-	7,028,538	7,519,667	-	7,519,667
Supporting activities:						
Management and general	701,842	-	701,842	690,345	-	690,345
Fund-raising	872,600	-	872,600	959,028	-	959,028
	<u>8,602,980</u>	<u>-</u>	<u>8,602,980</u>	<u>9,169,040</u>	<u>-</u>	<u>9,169,040</u>
Change in Net Assets	12,158	(14,461)	(2,303)	(134,035)	(8,657)	(142,692)
Net Assets, Beginning 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>
Net Assets, End of Year	<u>\$ 1,390,813</u>	<u>\$ -</u>	<u>\$ 1,390,813</u>	<u>\$ 1,378,655</u>	<u>\$ 14,461</u>	<u>\$ 1,393,116</u>

See notes to consolidated financial statements

SAT-7 NORTH AMERICA AND SUBSIDIARY

Consolidated Statements of Functional Expenses

	Year Ended December 31,							
	2018				2017			
	Program Services	Management and General	Fund-raising	Total	Program Services	Management and General	Fund-raising	Total
Program funding to SAT-7 International	\$ 6,028,668	\$ -	\$ -	\$ 6,028,668	\$ 6,501,983	\$ -	\$ -	\$ 6,501,983
Salaries and related expenses:								
Management salaries	137,924	105,756	58,652	302,332	135,287	103,734	57,531	296,552
Other salaries and wages	437,050	282,989	152,157	872,196	405,091	267,599	145,958	818,648
Fringe benefits and related taxes	145,637	105,569	60,720	311,926	152,211	110,149	63,079	325,439
	720,611	494,314	271,529	1,486,454	692,589	481,482	266,568	1,440,639
Fund-raising and development (including new donor acquisition)	-	-	185,925	185,925	-	-	209,948	209,948
Other expenses:								
Professional fees	5,884	55,184	3,870	64,938	4,512	47,263	2,968	54,743
Board management	-	3,392	-	3,392	-	1,432	-	1,432
Communications	10,441	7,237	4,051	21,729	11,854	8,705	4,681	25,240
Conferences, travel, and meetings	154,117	62,892	99,800	316,809	156,947	50,119	114,391	321,457
Depreciation and amortization	7,227	5,123	6,152	18,502	5,674	3,692	4,477	13,843
Insurance	3,220	2,967	1,910	8,097	3,785	3,487	1,812	9,084
Printing, mailing, and postage	25,159	7,319	250,890	283,368	35,411	9,687	275,132	320,230
Occupancy	23,429	21,585	13,897	58,911	22,371	20,610	13,270	56,251
Software and office items	49,782	41,829	34,576	126,187	84,541	63,868	65,781	214,190
	279,259	207,528	415,146	901,933	325,095	208,863	482,512	1,016,470
Total Expenses	\$ 7,028,538	\$ 701,842	\$ 872,600	\$ 8,602,980	\$ 7,519,667	\$ 690,345	\$ 959,028	\$ 9,169,040

See notes to consolidated financial statements

SAT-7 NORTH AMERICA AND SUBSIDIARY

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (2,303)	\$ (142,692)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	18,502	13,843
Change in:		
Prepaid expenses and other assets	4,926	23,351
Contributions receivable	1,141,197	(853,109)
Accounts payable	(18,866)	9,757
Accrued expenses	12,138	6,585
Grant payable to SAT-7 International	(330,218)	188,770
Net Cash Provided (Used) by Operating Activities	825,376	(753,495)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(21,214)	(32,550)
Net Cash Used by Investing Activities	(21,214)	(32,550)
Net Change in Cash and Cash Equivalents	804,162	(786,045)
Cash and Cash Equivalents, Beginning of Year	1,657,008	2,443,053
Cash and Cash Equivalents, End of Year	\$ 2,461,170	\$ 1,657,008

See notes to consolidated financial statements

SAT-7 NORTH AMERICA AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

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, 2018 and 2017, respectively, \$273,312 and \$612,656 related to contributions received after year-end, but dated and postmarked prior to year-end, are included in cash and cash equivalents.

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.

SAT-7 NORTH AMERICA AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

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:

Without restrictions 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.

With donor restrictions 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, restricted net assets are reclassified to those without restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Net assets with donor restrictions 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 2018, one donor contributed 12% of total contributions. During 2017, one donor contributed 6% of total contributions. Revenue is recognized when earned. Expenses are recorded when costs are incurred. SAT-7 reports gifts of materials and equipment as support without restrictions 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.

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.

SAT-7 NORTH AMERICA AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

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, 2018, 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 2015.

RECENTLY ISSUED ACCOUNTING STANDARDS

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. SAT-7 adopted the provisions of this new standard during the year ended December 31, 2018. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources (Note 3).

SAT-7 NORTH AMERICA AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

3. LIQUIDITY:

As part of SAT-7's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following reflects SAT-7's financial assets as December 31, 2018, that are available to meet general expenditures within one year of the statement of financial position date:

Financial assets available to meet general expenditures over the next 12 months:

Cash and cash equivalents	\$	2,461,170
Contributions receivable:		
Due in less than one year		385,000
Less allowance for uncollectibility		(8,400)
Less amount designated by the board for endowment		(204,771)
		\$ 2,632,999

4. 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. 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,	
	2018	2017
Grants expense to SAT-7 International	\$ 5,532,939	\$ 6,052,825
Expenses paid by SAT-7 on behalf of SAT-7 International	495,729	449,158
Program funding to SAT-7 International per the consolidated statement of functional expenses	\$ 6,028,668	\$ 6,501,983

SAT-7 NORTH AMERICA AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

4. RELATED PARTY TRANSACTIONS, continued:

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.

During 2018, SAT-7 agreed to loan up to \$677,000 to SAT-7 International at 0%. There were no loans outstanding at December 31, 2018, and this loan commitment expired on February 28, 2019.

5. 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 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,	
	2018	2017
Amounts due in:		
Less than one year	\$ 385,000	\$ 1,366,350
One year to five years	25,000	185,000
More than five years	-	-
	<u>410,000</u>	<u>1,551,350</u>
Less discount for present value of future cash flows	(2,274)	(2,427)
Less allowance for uncollectibility	<u>(8,400)</u>	<u>(8,400)</u>
	<u>\$ 399,326</u>	<u>\$ 1,540,523</u>

At December 31, 2018, one pledge comprised 65% of the contributions receivable balance. At December 31, 2017, three pledges comprised 65% of the contributions receivable balance.

SAT-7 NORTH AMERICA AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

6. PROPERTY AND EQUIPMENT:
Property and equipment consists of:

	December 31,	
	2018	2017
Office and computer equipment	\$ 97,621	\$ 76,407
Computer software	110,266	110,266
Office furniture	17,716	17,716
Leasehold improvements	6,738	6,738
	232,341	211,127
Accumulated depreciation	(179,873)	(161,371)
	\$ 52,468	\$ 49,756

7. NET ASSETS:
Net assets consist of:

	December 31,	
	2018	2017
Without restrictions:		
Undesignated	\$ 1,133,574	\$ 699,462
Board designated for:		
Endowment	204,771	629,437
Net investment in property and equipment	52,468	49,756
	1,390,813	1,378,655
Donor restricted for staff support	-	14,461
	\$ 1,390,813	\$ 1,393,116
Activity in the board designated endowment:		
Opening balance	\$ 629,437	\$ 713,086
Designation of balances	167,738	34,780
Appropriated for use	(592,723)	(120,682)
Interest and dividend income	2,401	1,873
Net realized and unrealized gains (losses)	(2,082)	380
	\$ 204,771	\$ 629,437

SAT-7 NORTH AMERICA AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

7. NET ASSETS, continued:

Assets funding the board designated endowment are held in cash and cash equivalents at December 31, 2018 and 2017. The board has not approved a formal spending policy for these funds, but rather makes appropriations as it deems necessary.

8. 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 \$50,207 and \$46,066 to the plan during 2018 and 2017, respectively.

9. 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 2018 and 2017, respectively, was \$48,013 and \$46,810.

SAT-7 also leases photocopiers and postage machines under noncancellable operating leases that expire through 2024. Total minimum monthly payments under these three leases are approximately \$1,077. Total rental expense under these leases during 2018 and 2017, respectively, was \$11,053 and \$10,892.

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

Year ending December 31,

2019	\$	52,601
2020		55,563
2021		22,205
2022		7,198
2023		7,198
2024		6,598
		<hr/>
	\$	<u>151,363</u>

10. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through March 5, 2019, 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 years ended December 31, 2018 and 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 5, 2019

SAT-7 NORTH AMERICA AND SUBSIDIARY

Consolidating Statements of Financial Position

	December 31,							
	2018				2017			
	SAT-7 NA	SAT-7 E&D	Eliminations	Total	SAT-7 NA	SAT-7 E&D	Eliminations	Total
ASSETS:								
Cash and cash equivalents	\$ 2,426,824	\$ 34,346	\$ -	\$ 2,461,170	\$ 1,637,801	\$ 19,207	\$ -	\$ 1,657,008
Prepaid expenses and other assets	78,221	-	(25,000)	53,221	83,147	-	(25,000)	58,147
Contributions receivable	399,326	-	-	399,326	1,540,523	-	-	1,540,523
Property and equipment	52,468	-	-	52,468	49,756	-	-	49,756
	<u>\$ 2,956,839</u>	<u>\$ 34,346</u>	<u>\$ (25,000)</u>	<u>\$ 2,966,185</u>	<u>\$ 3,311,227</u>	<u>\$ 19,207</u>	<u>\$ (25,000)</u>	<u>\$ 3,305,434</u>
LIABILITIES AND NET ASSETS:								
Liabilities:								
Accounts payable	\$ 22,731	\$ 25,000	\$ (25,000)	\$ 22,731	\$ 39,917	\$ 26,680	\$ (25,000)	\$ 41,597
Accrued expenses	82,774	-	-	82,774	70,636	-	-	70,636
Grant payable to SAT-7 International	1,469,867	-	-	1,469,867	1,800,085	-	-	1,800,085
	<u>1,575,372</u>	<u>25,000</u>	<u>(25,000)</u>	<u>1,575,372</u>	<u>1,910,638</u>	<u>26,680</u>	<u>(25,000)</u>	<u>1,912,318</u>
Net assets:								
Without restrictions	1,381,467	9,346	-	1,390,813	1,386,128	(7,473)	-	1,378,655
With donor restrictions	-	-	-	-	14,461	-	-	14,461
	<u>1,381,467</u>	<u>9,346</u>	<u>-</u>	<u>1,390,813</u>	<u>1,400,589</u>	<u>(7,473)</u>	<u>-</u>	<u>1,393,116</u>
Total Liabilities and Net Assets	<u>\$ 2,956,839</u>	<u>\$ 34,346</u>	<u>\$ (25,000)</u>	<u>\$ 2,966,185</u>	<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, 2018									
	SAT-7 NA			SAT-7 E&D			Eliminations	Total		
	Without Restrictions	With Donor Restrictions	Total	Without Restrictions	With Donor Restrictions	Total	Without Restrictions	Without Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:										
Contributions:										
Cash, non-cash, and new contributions receivable										
	\$ 183,849	\$ 8,398,714	\$ 8,582,563	\$ 48,893	\$ 26,273	\$ 75,166	\$ (62,643)	\$ 170,099	\$ 8,424,987	\$ 8,595,086
Other income	5,581	-	5,581	10	-	10	-	5,591	-	5,591
	<u>189,430</u>	<u>8,398,714</u>	<u>8,588,144</u>	<u>48,903</u>	<u>26,273</u>	<u>75,176</u>	<u>(62,643)</u>	<u>175,690</u>	<u>8,424,987</u>	<u>8,600,677</u>
RECLASSIFICATIONS:										
Satisfaction of purpose restrictions										
	6,313,496	(6,313,496)	-	26,273	(26,273)	-	-	6,339,769	(6,339,769)	-
Administrative assessments	2,099,679	(2,099,679)	-	-	-	-	-	2,099,679	(2,099,679)	-
	<u>8,413,175</u>	<u>(8,413,175)</u>	<u>-</u>	<u>26,273</u>	<u>(26,273)</u>	<u>-</u>	<u>-</u>	<u>8,439,448</u>	<u>(8,439,448)</u>	<u>-</u>
EXPENSES:										
Program services	7,075,806	-	7,075,806	1,625	-	1,625	(48,893)	7,028,538	-	7,028,538
Supporting activities:										
Management and general	693,860	-	693,860	21,732	-	21,732	(13,750)	701,842	-	701,842
Fund-raising	837,600	-	837,600	35,000	-	35,000	-	872,600	-	872,600
	<u>8,607,266</u>	<u>-</u>	<u>8,607,266</u>	<u>58,357</u>	<u>-</u>	<u>58,357</u>	<u>(62,643)</u>	<u>8,602,980</u>	<u>-</u>	<u>8,602,980</u>
Change in Net Assets	(4,661)	(14,461)	(19,122)	16,819	-	16,819	-	12,158	(14,461)	(2,303)
Net Assets, Beginning of Year	1,386,128	14,461	1,400,589	(7,473)	-	(7,473)	-	1,378,655	14,461	1,393,116
Net Assets, End of Year	<u>\$ 1,381,467</u>	<u>\$ -</u>	<u>\$ 1,381,467</u>	<u>\$ 9,346</u>	<u>\$ -</u>	<u>\$ 9,346</u>	<u>\$ -</u>	<u>\$ 1,390,813</u>	<u>\$ -</u>	<u>\$ 1,390,813</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		
	Without Restrictions	With Donor Restrictions	Total	Without Restrictions	With Donor Restrictions	Total	Without Restrictions	Without Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:										
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>
RECLASSIFICATIONS:										
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>
EXPENSES:										
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