

Annual Report

2017



2017 Highlights

In 2015, we celebrated 10 years of Catholic podcasting and in 2016, we celebrated 1,000 episodes of Fr. Roderick’s “The Break”. But as we began looking at the future for SQPN in 2017, Fr. Roderick and the Board of SQPN realized that in order to continue our mission of “tapping into popular culture to invite people on a journey of discovery towards an encounter with Jesus Christ,” we would need to adjust how we work toward that end.

In 2014, SQPN Europe created the Trideo media platform focused primarily on video productions for television and the internet. Trideo is based in Amersfoort, the Netherlands, while SQPN is based in the US and remains focused on audio podcasts. As we neared the end of 2017, Fr. Roderick and the SQPN Board agreed that the complexity of working in both audio and video on both sides of the Atlantic was having an adverse effect on our mission and we decided we could be more effective as separate platforms.

As of January 1, 2018, SQPN, Inc. and Trideo Media separated. Fr. Roderick Vonhogen stepped down from all responsibilities at SQPN, including his roles as CEO and as a Board member. Fr. Roderick’s shows, including The Break and The Walk, transferred to Trideo, while SQPN kept the back catalogs of shows that did not feature Fr. Roderick as sole host and would continue to produce new shows.



In 2016, SQPN had begun a number of new projects, including “Let’s Talk”, “How to Live Like a Hobbit”, and “Everything I Have Learned from Disney”, but only lasted for short-runs. They could return in other forms with new hosts. In fact, “Let’s Talk” is in re-development and is planned for a return in 2018 as a more community-focused, multi-host show.

Following the split with Trideo, SQPN has also begun developing new shows that we hope will be available by mid-year and has given new life to Secrets of Doctor Who, which now has new releases every week, and Secrets of Movies and TV Shows.

2017 also saw the first SQPN Pilgrimage. In September, Fr. Roderick and Mountain Butorac of The Catholic Traveler led a group of SQPN community members on a weeklong trip to Rome and surroundings as a celebration of the 1,000th episode of The Break.



In April and May, 2017, Fr. Roderick spent six weeks walking the Camino de Santiago in France and Spain and SQPN helped listeners track his progress on social media with a steady stream of photos, videos, and maps that helped them experience the ancient pilgrimage route virtually.

Future Planning

The strategic plan developed in January 2016 by the board and officers of SQPN continues to move forward. Given the new challenges of continuing our mission with new leadership, SQPN has been adjusting its strategic plan to ensure we continue to fulfill our mission.

Mission Statement/Purpose

SQPN's mission is to respond to the Catholic Church's call to use new media for evangelization and catechesis, education and formation. Pope St. John Paul II reiterated this call in his January 2005 Apostolic Letter, *The Rapid Development*, and encouraged Catholics to spread the Gospel using the latest in communications technology. SQPN fulfills this mission by creating audio and video productions that provide commentary and entertaining discussion on a variety of topics related to popular cultures and current trends in society.

Building a Foundation for the Future

Given our previous strategic goal planning and the fundamental changes to the organization since they were formulated, we have made the following changes and created these modified goals for 2018:

1. With the addition of Jimmy Akin to the Board in 2017, we now have a panel of trusted leaders and advisors whose complete skill set will guide SQPN forward into this new era.
2. The Board has appointed Domenico Bettinelli, Jr., the executive director and COO, as the new CEO of SQPN to provide a continuity of leadership.
3. Our monthly email newsletter will keep our community involved and engaged with the latest news from SQPN and all of our productions..
4. We will continue to feature a strong slate of regular programming, including Secrets of Doctor Who and Secrets of Movie and TV Shows. We will bring back some of our popular shows in new form, including Let's Talk and Secrets of Star Trek. And we will look for new shows and new talent to attract new audiences and diversify our offerings. We will continue to focus on our core competency of audio podcasting.
5. As we build our programming schedule, we will look for funding from new and current donors to support our efforts at producing quality and consistent shows. In addition to giving campaigns, SQPN will look at other opportunities for funding our work that are consistent with our mission.

Executive Director's Note

The financial report on the following pages reflects the resources entrusted to SQPN by our supporters, our community of listeners and viewers. They have been most loyal and dedicated to the mission of SQPN over the years of our existence.

The reader will see that our costs continue to exceed our income. One reason will be that community response to our giving campaigns has declined from its peak several years ago. In addition, SQPN became aware of the impending separation from Trideo, the Board agreed that it would be best not to initiate the Winter Giving Campaign that had been planned until we could present the new SQPN to the community. As I noted last year, while the Catholic New Media Celebrations were extremely resource intensive events to plan and execute, they usually resulted in a net revenue surplus. That source of income has been now missing for several years and no longer aids the financial bottom line.

A further note on the financial reports. In several places, the reader will see a reference to "Total Reserve to European Salaries." This was added to SQPN's ledger some years ago with the advice of our CPA to account for money transferred to SQPN Europe for remuneration for technical work done on podcast production and server administration. (This was not a salary for Fr. Roderick, who received no direct pay from SQPN, Inc.) The current Board disagreed with this method of accounting for the funds and with the separation from Trideo and SQPN Europe requested the Chief Financial Officer to prepare journal entries that would write off those entries permanently. The results of those entries will be found on the Balance Sheet under "Other Assets" as part of the "Net Income" debit and under the Statement of Cash Flows.

Financials

Balance Sheet

US-GAAP

ASSETS

CURRENT ASSETS	DEC 31, 2017
Cash	\$220,869
TOTAL CURRENT ASSETS	\$220,869
FIXED ASSETS	DEC 31, 2017
Computer Software and Equipment	\$4,206
-Accumulated Depreciation	-\$1,000
TOTAL NET FIXED ASSETS	\$3,206
OTHER ASSETS	DEC 31, 2017
Total Reserve to European Salaries*	\$87,917
TOTAL OTHER ASSETS	\$87,917
TOTAL ASSETS	\$311,992

LIABILITIES AND EQUITY

EQUITY	DEC 31, 2017
Retained Earnings	\$331,075
Net Income*	-\$107,001
TOTAL EQUITY	\$224,075
TOTAL LIABILITIES AND EQUITY	\$224,075

* On advice of our CPA, we had previously accounted for the sum total outflows ever wired to SQPN Europe for personnel doing work for SQPN through an allocation to an asset. With the separation of SQPN, Inc. and SQPN Europe, SQPN, inc. has written off that asset with a general ledger debit to Net Income. In the future, it will no longer appear on our balance sheet.

Income Statement

US-GAAP

INCOME

FISCAL YEAR END 12/31	2017
Donations	\$38,394
Tax Refund	\$2,186
Unrelated Online Commissions	\$6,403
Interest	\$50
Sales of Product	\$18
TOTAL INCOME	\$47,051

EXPENSES

	2017
Wages	\$49,699
Internet Services	\$2,977
Podcast Production	\$3,127
Contractors, Consultants, Professional Services	\$0
Travel and Meeting Expenses	\$0
Computer Hardware	\$3,345
PR/Marketing/Communications	\$301
Fees	\$3,426
Bank Charges	\$188
Computer Software	\$200
Office Supplies	\$131
Postage & Delivery	\$19
Taxes	\$3,006
Misc. Expenses	\$48
TOTAL EXPENSES	\$66,467

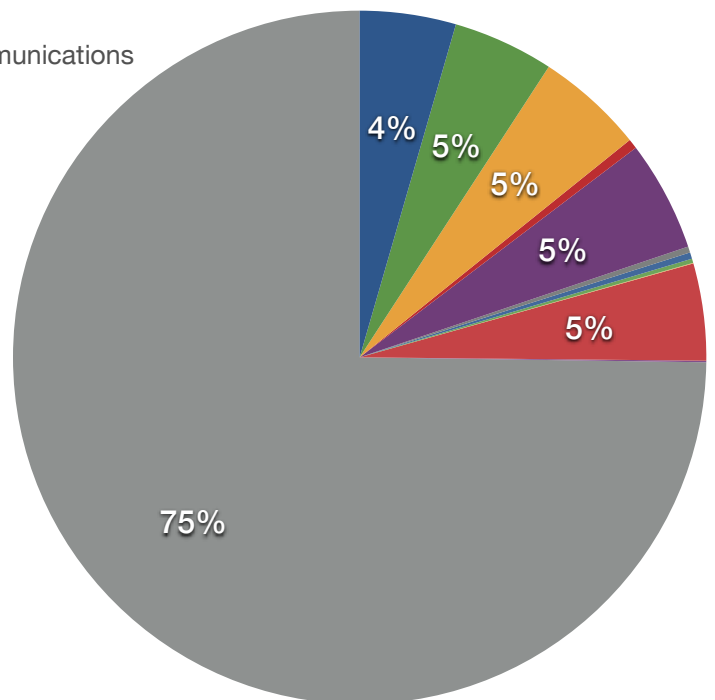
	2017
Net Ordinary Income	-\$19,416
NET INCOME	-\$19,416

ESTIMATED MONTHLY INCOME	
Donations	\$3200
Sponsor Revenue	\$534
Total Monthly Income, estimated	\$3733

ESTIMATED MONTHLY EXPENSES	
Salaries & Contractors	\$4142
Online Services & Hosting	\$248
Office Supplies & Postage	\$13
Fees & Taxes	\$552
Total Monthly Expenses, estimated	\$4954
Total Monthly Surplus/(Deficit) (Recurring expenses don't include one-time expenses)	(\$1221)

Expense Breakdown

- Internet Services
- Computer Hardware
- Fees
- Computer Software
- Postage & Delivery
- Misc. Expenses
- Podcast Production
- PR/Marketing/Communications
- Bank Charges
- Office Supplies
- Taxes
- Wages



Monthly Operational Expenses include personnel; web site hosting for a dedicated server; podcast hosting on a content distribution network; software services from Google, Adobe and others; and marketing services through Hootsuite and Mailchimp.

By reducing certain expenses in 2017, a higher percentage of monthly expenses shifted to the wages category.

Statement of Cash Flows

US-GAAP

CASH FLOW FROM OPERATING ACTIVITIES

FISCAL YEAR END 12/31	2017
Net Income*	-\$107,001
Computer	-\$176
Loan to European Associate**	\$87,917
NET CASH PROVIDED BY OPERATING ACTIVITIES	-\$19,260

CASH AND EQUIVALENTS, END OF YEAR

	2017
Net Increase (Decrease) in Cash and Equivalents	-\$19,260
Cash and Equivalents, Beginning of Year	\$240,129
CASH AND EQUIVALENTS, END OF YEAR	\$220,869

* * The Net Income line item includes \$87,917 that is a one-time write-off of "Loan to European Associate", below. On advice of our CPA, we had previously accounted for the sum total outflows ever wired to SQPN Europe for personnel doing work for SQPN through an allocation to an asset. With the separation of SQPN, Inc. and SQPN Europe, SQPN, inc. has written off that asset with a general ledger debit to Net Income. In the future, it will no longer appear on our balance sheet.

* **Loan to European Associate is the carry-over from previous years of all outflows to SQPN Europe as noted above.

Officers and Directors

(For 2017)

Chief Executive Officer and Chief Creative Officer	Fr. Roderick Vonhögen
Chief Operating Officer and Executive Director	Domenico Bettinelli, Jr.
Chief Financial Officer	Linda Nielsen
Director	Fr. George C. Hines
Director	Joanne Mercier
Director	Danielle Huntley
Director	Jimmy Akin
Technical Manager (SQPN Europe)	Inge Loots
Chaplain	Fr. Cory Sticha