

Annual Report

2018



2018 Highlights

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.

Fr. Roderick had shepherded SQPN from its beginnings in 2005, along with Greg and Jennifer Willits, and was the last founder who had handed off responsibility for SQPN to a new generation. The board chose to make a fresh start with new shows, new leadership, and a new fundraising push to support its continuing mission to explore the intersection of faith and pop culture.

The board began by asking Executive Director Dom Bettinelli to become the full-time CEO of SQPN, Inc., which he did in May 2018. In conjunction with the board and other volunteers, they began developing the programming slate of shows. Secrets of Star Trek, Let's Talk, and Secrets of Movies and TV Shows were revived.

New shows that were started included Jimmy Akin's Mysterious World, The Pilgrim Life, StarQuest Headlines, Secrets of Technology, and Catholics of Oz. The Secrets of Doctor Who, meanwhile, continued as a weekly show. Other new shows are also in development and planned.

In 2018, SQPN also revamped its fundraising model. Many podcasters and other creatives now use a patronage model of support and so SQPN's Board decided to shift from Paypal to Patreon.com, which allows for more interaction with patrons and helps with management of patron benefits.

A Giving Campaign was also launched in fall of 2018 to boost revenues to the break-even point. While this campaign fell short, the Board was confident that future efforts would eventually bring financial stability to the network.

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.

Chief Executive Officer'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 once again our costs continue to exceed our income. While our latest giving campaign at the end of the year provides reasons for hope, not least because a majority of the donations came from first-time donors, the growing demands of our increased slate of programming caused our expenses to rise as well. The largest reason for the increase was the hiring of the Chief Executive Officer, Dom Bettinelli, on a full-time basis with salary and benefits. See the 2018 Highlights for the board's reasoning on this decision. The Board has faith that SQPN's financial reserves will sustain the current level of operations until such time that donations and other revenue rise to meet expenses.

2018 also saw a large decline in revenue from Amazon affiliate income. This program provides a substantial percentage of SQPN's income through referrals to Amazon's website. However, Amazon began strongly to enforce its rule regarding how affiliates may link and encourage others to use those links. Bringing SQPN into compliance with those rules brought a marked decline in revenue through that stream, but it is our hope that new links on our website and encouragement to the SQPN community will restore some of the affiliate traffic.

While 2018 was another year in which SQPN did not have a Catholic New Media Conference, the Board has committed to a future event, either under that model or a similar one in which the community can be brought together periodically. We continue to investigate the right time and venue for such a gathering (or multiple gatherings) that will not only be convenient and efficacious for attendees, but also does not burden SQPN's resources of time or funds.

Financials

Balance Sheet

US-GAAP

ASSETS

CURRENT ASSETS	DEC 31, 2018
Cash	\$121,450
TOTAL CURRENT ASSETS	\$121,450

FIXED ASSETS	DEC 31, 2018
Computer Software and Equipment	\$5,597
-Accumulated Depreciation	-\$3,917
TOTAL NET FIXED ASSETS	\$1,680

LIABILITIES AND EQUITY

EQUITY	Q1
Retained Earnings	\$226,033
Net Income*	-\$102,903
TOTAL EQUITY	\$123,130
TOTAL LIABILITIES AND EQUITY	\$123,130

Income Statement

US-GAAP

INCOME

FISCAL YEAR END 12/31	2018
Donations	\$25,145
Unrelated Online Commissions	\$3,504
Interest	\$49
Other Income	\$619
TOTAL INCOME	\$29,317

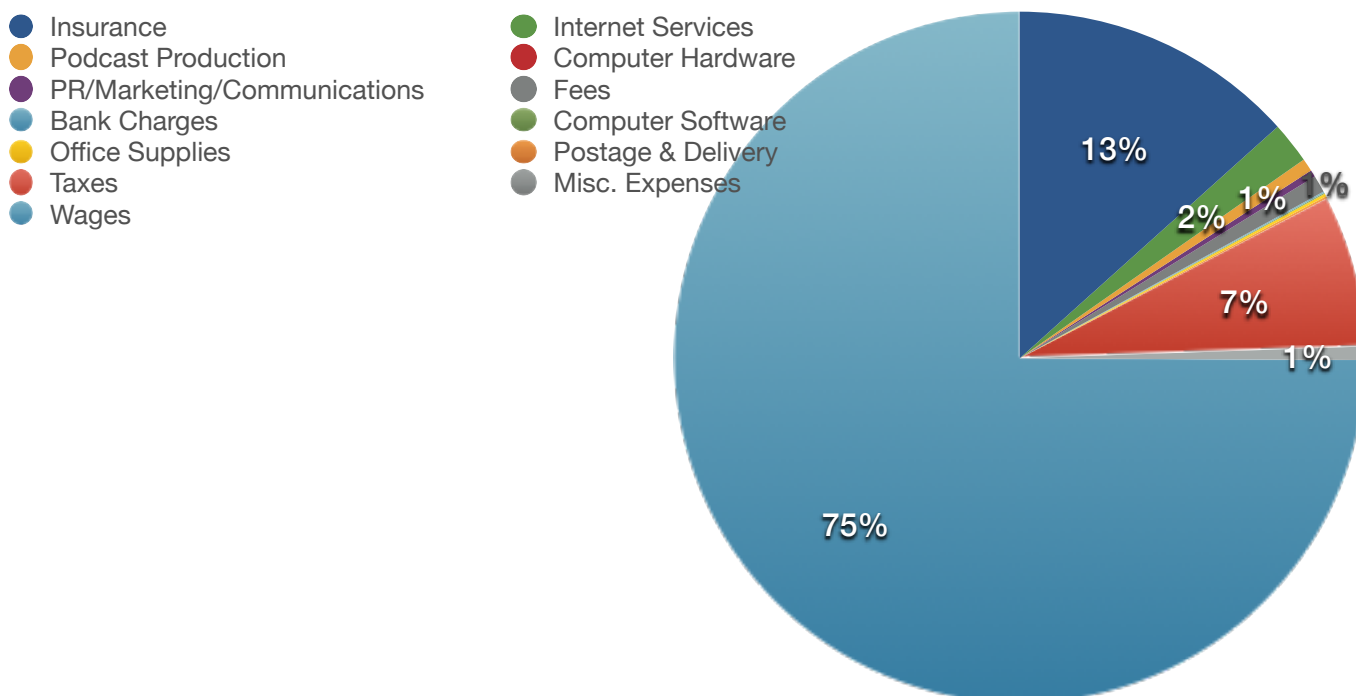
EXPENSES

	2018
Wages	\$96,667
Insurance	\$17,233
Internet Services	\$2,489
Podcast Production	\$774
Contractors, Consultants, Professional Services	\$3,198
Travel and Meeting Expenses	\$0
Computer Hardware	\$0
PR/Marketing/Communications	\$416
Fees	\$1,036
Bank Charges	\$85
Computer Software	\$70
Office Supplies	\$163
Postage & Delivery	\$127
Taxes	\$9,161
Misc. Expenses	\$802
TOTAL EXPENSES	\$132,220

	2018
Net Ordinary Income	-\$102,903
NET INCOME	-\$102,903

ESTIMATED MONTHLY INCOME	
Donations	\$2,095
Sponsor Revenue	\$292
Total Monthly Income, estimated	\$2,387
ESTIMATED MONTHLY EXPENSES	
Salaries & Contractors	\$9,758
Online Services & Hosting	\$207
Office Supplies & Postage	\$24
Fees & Taxes	\$857
Total Monthly Expenses, estimated	\$10,847
Total Monthly Surplus/(Deficit) (Recurring expenses don't include one-time expenses)	(\$8,459)

Expense Breakdown



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.

Statement of Cash Flows

US-GAAP

CASH FLOW FROM OPERATING ACTIVITIES

FISCAL YEAR END 12/31	2018
Net Income	-\$102,903
Computer	\$83
NET CASH PROVIDED BY OPERATING ACTIVITIES	-\$102,819

CASH AND EQUIVALENTS, END OF YEAR

	2018
Net Increase (Decrease) in Cash and Equivalents	-\$102,819
Cash and Equivalents, Beginning of Year	\$224,269
CASH AND EQUIVALENTS, END OF YEAR	\$121,450

Officers and Directors

(For 2018)

Chief Executive 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
Chaplain	Fr. Cory Sticha