

**ONE ON ONE
A/K/A CHANGEDLIVES.ORG**

Chattanooga, Tennessee

FINANCIAL STATEMENTS

Year ended September 30, 2022

JOHNSON, HICKEY & MURCHISON, P.C.
Certified Public Accountants
Chattanooga, Tennessee

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INDEPENDENT AUDITORS' REPORT

**To the Board of Directors of
One On One
A/K/A Changedlives.org**

Opinion

We have audited the accompanying financial statements of One on One, also known as changedlives.org, (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of One on One, a/k/a changedlives.org as of September 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of One on One, a/k/a changedlives.org and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about One on One, a/k/a changedlives.org's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 One on One, a/k/a changedlives.org's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about One on One, a/k/a changedlives.org's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Johnson, Wickey & Menckem, P.C.

Chattanooga, Tennessee
July 28, 2023

ONE ON ONE
A/K/A CHANGEDLIVES.ORG
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 169,324
Investments	3,862,054
Inventories	128,745
Inventory deposits	<u>16,649</u>
 Total current assets	 <u>4,176,772</u>

PROPERTY AND EQUIPMENT

Program production and office equipment	183,778
Leasehold improvements	37,478
Construction in progress - website	7,225
Less accumulated depreciation	<u>167,625</u>
	 <u>60,856</u>

OTHER ASSETS

Annuity - deferred compensation	201,572
Security deposit	<u>2,250</u>
	 <u>203,822</u>
	 <u>\$ 4,441,450</u>

(The accompanying notes are an integral part of these statements.)

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current portion of deferred compensation payable	\$ 18,897
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LONG TERM LIABILITIES

Deferred compensation payable	<u>182,675</u>
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NET ASSETS WITHOUT DONOR RESTRICTIONS

Board designated	419,347
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Undesignated	<u>3,820,531</u>
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	<u>4,239,878</u>
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	<u>\$ 4,441,450</u>
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(The accompanying notes are an integral part of these statements.)

**ONE ON ONE
A/K/A CHANGEDLIVES.ORG
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2022**

REVENUES AND OTHER SUPPORT

Contributions	<u>\$ 89,279</u>
Total revenues and other support	<u>89,279</u>

FUNCTIONAL EXPENSES

Program services, including special projects totaling \$67,841 (Note 5)	575,841
Supporting activities	
Management and general	45,799
Fundraising	<u>30,551</u>
Total expenses	<u>652,191</u>

(562,912)

NON-OPERATING ACTIVITIES

Investment loss, net	(727,743)
Loss on disposal of equipment	<u>(364)</u>
	<u>(728,107)</u>

DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS

(1,291,019)

NET ASSETS WITHOUT DONOR RESTRICTIONS

Beginning	<u>5,530,897</u>
Ending	<u>\$ 4,239,878</u>

(The accompanying notes are an integral part of these statements.)

ONE ON ONE
A/K/A CHANGEDLIVES.ORG
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2022

	<u>Supporting Activities</u>			<u>Total Supporting Activities</u>	<u>Total</u>
	<u>Program Activities</u>	<u>Management and General</u>	<u>Fundraising</u>		
SALARIES AND BENEFITS					
Salaries	\$ 106,519	\$ 6,440	\$ 5,840	\$ 12,280	\$ 118,799
Medical and insurance benefits	7,389	12,113	411	12,524	19,913
Payroll taxes	8,154	493	447	940	9,094
	<u>122,062</u>	<u>19,046</u>	<u>6,698</u>	<u>25,744</u>	<u>147,806</u>
SPECIAL PROJECTS					
Digital master library	36,425	-	-	-	36,425
Digital conversion	5,065	-	-	-	5,065
Database project	13,505	-	-	-	13,505
One on One outreach	12,846	-	-	-	12,846
	<u>67,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,841</u>
OTHER EXPENSES					
Radio time purchased	76,082	-	-	-	76,082
Books, literature, and electronic material	-	-	14,334	14,334	14,334
Mailing service	17,993	-	9,519	9,519	27,512
Assistance to others	86,297	-	-	-	86,297
Depreciation	24,340	1,234	-	1,234	25,574
Donor Perfect software	9,110	-	-	-	9,110
Dues and subscriptions	6,976	367	-	367	7,343
Gifts and flowers (outbound ministry effort to elderly at home)	5,504	-	-	-	5,504
Insurance - general	9,002	474	-	474	9,476
Miscellaneous	9,935	-	-	-	9,935
Moving expense	3,648	192	-	192	3,840
Office supplies and expense	4,821	254	-	254	5,075
Pandemic expense	1,490	-	-	-	1,490
Professional services	18,755	22,261	-	22,261	41,016
Program promotion	48,114	-	-	-	48,114
Rent - building	25,650	1,350	-	1,350	27,000
Repairs and maintenance	750	-	-	-	750
Security	504	27	-	27	531
Storage	19,710	-	-	-	19,710
Supplies and services	2,679	-	-	-	2,679
Taxes, licenses and fees	4,617	243	-	243	4,860
Utilities	6,682	352	-	352	7,034
Website maintenance	3,278	-	-	-	3,278
	<u>385,938</u>	<u>26,753</u>	<u>23,853</u>	<u>50,606</u>	<u>436,544</u>
	<u>\$ 575,841</u>	<u>\$ 45,799</u>	<u>\$ 30,551</u>	<u>\$ 76,350</u>	<u>\$ 652,191</u>

(The accompanying notes are an integral part of these statements.)

**ONE ON ONE
A/K/A CHANGEDLIVES.ORG
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in net assets	\$ (1,291,019)
Adjustments to reconcile decrease in net assets to net cash used by operating activities	
Depreciation	25,574
Realized loss on investments	(26,192)
Unrealized loss on investments	825,324
Realized loss on disposal of property and equipment	364
Net (increase) decrease in operating assets	
Inventories	(878)
Inventory deposits	9,851
Annuity - deferred compensation	18,898
Net increase (decrease) in operating liabilities	
Deferred compensation	(11,361)
Accounts payable	<u>(13,970)</u>
 Net cash used by operating activities	 <u>(463,409)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(13,280)
Purchases of investments	(1,778,734)
Proceeds from sale or redemption of investments	1,808,427
Proceeds from sale of land held as investments	<u>380,571</u>
 Net cash provided by investing activities	 <u>396,984</u>

DECREASE IN CASH AND CASH EQUIVALENTS (66,425)

CASH AND CASH EQUIVALENTS

Beginning	<u>235,749</u>
 Ending	 <u>\$ 169,324</u>

(The accompanying notes are an integral part of these statements.)

ONE ON ONE
A/K/A CHANGEDLIVES.ORG
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

One on One, aka changedlives.org, (the Organization) is a nonprofit, Tennessee corporation organized in 1968 and has been a member of the Evangelical Council for Financial Accountability (ECFA) since 1987. For 33 years, Changed Lives produced a weekly, worldwide TV and radio program featuring Ben Haden as speaker, provided reprints of all messages and distributed Bibles and Christian books to listeners. In 2001, Changed Lives transitioned to the 24/7 global reach of the internet via changedlives.org, continuing to feature Ben Haden on both video and audio.

In 2006, Changed Lives legally changed its name to changedlives.org. In 2008, changedlives.org added its continuing weekly radio broadcasts to the website, enabling the listener to hear any given radio broadcast 24/7. In 2007, changedlives.org began featuring short, conversational segments with Ben Haden, all new video recordings, ranging from 3 minutes to 10 minutes, while continuing to feature Ben Haden's messages and weekly radio broadcasts.

Ben Haden went to be with his Heavenly Father in October, 2013.

In December, 2014, changedlives.org launched a new book series called One on One, A Minute With Ben, featuring Ben Haden's exact words from original live recordings in a daily, easy-to-read-in-one-minute format. The One on One book series expanded to audio and to Facebook.

In April, 2019, changedlives.org legally changed its organizational name from changedlives.org to One on One – reflecting Ben Haden's direct, conversational style of speaking over five decades, from 1963 to 2013. One on One, aka changedlives.org, continues to feature the weekly radio broadcasts "Changed Lives", the website changedlives.org, the One on One series in book, eBook, audio and Facebook, the distribution of CDs, DVDs and books, all by Ben Haden. Ben Haden was a former CEO of a daily newspaper, attorney, CIA agent, author and a pastor of 36 years.

One on One, aka changedlives.org, is nondenominational, neither underwritten by nor answerable to any individual denomination. It is geared to men and women - in plain language with both unbeliever and believer in mind.

The ministry of One on One, aka changedlives.org, will continue to present five decades of Ben Haden's thought-provoking sermons, messages, conversations, Bible teachings and discussion about Jesus Christ, both nationally and globally, through changedlives.org, the One on One series, FM radio, social media, books and eBooks and new CDs, DVDs. This will allow individuals to share with family and friends of all ages and in their sphere of influence.

Organization

The Organization is a nonprofit corporation exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

ONE ON ONE
A/K/A CHANGEDLIVES.ORG
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and, accordingly, include only those assets, liabilities, and results of operations relating to the activities of the Organization.

Basis of presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. The provisions of Accounting Standards Update (“ASU”) 2016-14: Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities improves the current net asset classifications and the related information presented in the financial statements and notes about the Organization’s liquidity, financial performance, and cash flows. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported support, revenues and expenses. Actual results could vary from the estimates that were used.

Cash and cash equivalents

The Organization maintains its cash accounts at various financial institutions. Short-term, liquid investments with original maturities of three months or less are considered to be cash equivalents and are presented as cash.

Property, equipment and depreciation

Property and equipment are stated at cost. Donated assets are capitalized at their fair market value on the date of the gift. Repair and maintenance costs are charged to expense as incurred; significant renewals or betterments greater than \$500 are capitalized. Depreciation is provided on the straight-line basis over the estimated useful lives of the depreciable assets. Depreciation expense totaled \$25,574 for the year ending September 30, 2022.

Inventories

Inventories, consisting of books, DVDs, and CDs, are stated at the lower of cost (first-in, first-out basis) or net realizable value.

Donated services

The Organization receives donated services from unpaid volunteers who assist in administrative services. No amounts have been recognized in the Statement of Activities because the criteria for recognition under ASC No. 958 have not been satisfied.

ONE ON ONE
A/K/A CHANGEDLIVES.ORG
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions received are recorded as support with donor restrictions or support without donor restrictions depending on the existence or nature of any donor restrictions. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. There were no contributions with donor restrictions in the year ending September 30, 2022.

Functional allocation of expenses

The costs of providing various programs and other activities for the Organization have been summarized on a functional basis in the statements of activities. Most expenses can be directly allocated to one of the programs or supporting functions. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses in this category include rent, depreciation, office expenses, utilities, insurance, salaries and benefits, payroll taxes, dues and subscriptions, and travel and promotion. The basis of allocation of salaries and wages and related payroll taxes is based on the best estimate of salary expense and indirect expenses incurred for each function.

Financial statement presentation

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. As of September 30, 2022, the Organization does not have donor restricted funds which are required to be maintained in perpetuity.

Board designated net assets- Net assets without donor restrictions subject to self-imposed limits by actions of the Organization's Board of Directors. Board designated net assets may be earmarked for future programs, investment, contingencies, purchase or construction of fixed assets, or other uses. The Organization currently has \$217,775 of board designated net assets reserved for the development of a cell phone app and a new website to further support their mission - and \$201,572 designated as an annuity for the retirement of a key employee, respectively.

ONE ON ONE
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial statement presentation (continued)

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. For contributions restricted to the acquisition of property and equipment, the restrictions are released when the asset is placed in service unless the donor has provided more explicit requirements.

Uncertain tax positions

Under professional guidance, an Organization must recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination with taxing authorities. The Organization does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for uncertain tax positions. For the year ended September 30, 2022, there were no interest or penalties recorded or included in its financial statements. The returns for 2018 and beyond remain subject to examination.

(2) LIQUIDITY

As part of the Organization'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. It has a strict budget which is monitored throughout the year. In addition, the Organization invests cash in excess of daily requirements in short-term money market accounts. The following represents the Organization's financial assets at September 30, 2022:

Cash and cash equivalents	\$ 169,324
Investments	<u>3,644,279</u>
 Financial assets, without donor-imposed restrictions, available to meet cash needs for general expenditures within one year	 <u><u>\$3,813,603</u></u>

(3) INVESTMENTS

The Organization's investment strategy involves maximizing growth with minimal risk using a combination of growth and income investments. Investments are generally maintained in a way that is readily liquid.

Investments as of September 30, 2022, are summarized below:

	<u>Cost</u>	<u>Fair Value</u>
Equity securities	<u>\$4,073,752</u>	<u>\$3,862,054</u>

ONE ON ONE
A/K/A CHANGEDLIVES.ORG
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(3) INVESTMENTS (continued)

The following schedule summarizes the investment income in the statement of activities for the year ended September 30, 2022:

Dividends and interest	\$ 109,619
Net realized gain	26,192
Net unrealized loss	(825,324)
Investment expense	<u>(38,230)</u>
 Total investment loss, net of expenses	 <u><u>\$ (727,743)</u></u>

(4) FAIR VALUE MEASUREMENTS

The Organization's investments are reported at fair value in the accompanying financial statements. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Organization uses professional guidance which establishes a framework for measuring fair value. This guidance defines fair value as the price the Organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. It establishes a three tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes.

The three levels of the fair value hierarchy are described as follows:

Level 1

Inputs are unadjusted and represent quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2

Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

Level 3

Inputs are unobservable and supported by little or no market activity.

ONE ON ONE
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(4) FAIR VALUE MEASUREMENTS (continued)

Fair values of assets and liabilities measured on a recurring basis at September 30, 2022 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Assets				
Equities	\$ 3,862,054	\$ -	\$ -	\$ 3,862,054
Annuity - deferred compensation	<u>-</u>	<u>-</u>	<u>201,572</u>	<u>201,572</u>
	<u>\$ 3,862,054</u>	<u>\$ -</u>	<u>\$ 201,572</u>	<u>\$ 4,063,626</u>
Liabilities				
Deferred compensation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,572</u>	<u>\$ 201,572</u>

Equity securities are classified in Level 1 of the fair value hierarchy. Investments classified in Level 3 consist of directly held investments that have valuation based on input other than quoted prices. Deferred compensation liability and annuity are valued at the net present value of the remaining guaranteed payments.

(5) SPECIAL PROJECTS

With the mission to make **Five Decades of Ben Haden’s Timeless Thoughts, Insights, Conversations, Original Messages and Bible Studies** available today, and for decades to come, following Ben Haden’s death in October, 2013, Changed Lives embarked on five critical projects in late fiscal 2013 and fiscal 2014 that continued through fiscal 2020. These necessary and critical projects ran parallel to each other from a timing standpoint. Additional necessary and critical projects commenced in fiscal 2017, again running parallel to all critical projects already in the works. Many projects continued in fiscal 2022 and wrapped up, while some will continue into fiscal 2023.

By running these necessary and critical **one-time** projects in parallel, the mission of making **Five Decades of Ben Haden’s Timeless Thoughts, Insights, Conversations, Original Messages and Bible Studies** available today, and for decades to come, has been dramatically expedited. Investment spending on these necessary and critical **one-time** projects during fiscal 2022 totaled **\$67,841**. As of fiscal 2022 year-end, investment spending on all of these critical **one-time** projects -- since inception -- totaled **\$2,410,287**.

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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(5) SPECIAL PROJECTS (continued)

One on One, A Minute with Ben Project

A new series for today – fast pace, life on the go, minute-long attention spans, short segments, social media – reaching out to new audiences, younger generations and the existing Changed Lives audience. **One on One** features powerful, timeless, short segments of Ben Haden’s messages, as recorded live, verbatim, between his first year as a pastor in 1963 through his last year on this earth, 2013.

One on One, A Minute with Ben is now in English and Spanish – and in multiple formats –Book, eBook, Audio, CD, DVD, Facebook – and is being further developed in additional formats and languages. Extensive research, compilation, development, design, production and mailing expenses have been strategically incurred to create this series and to expand across formats and languages – making Ben Haden’s timeless, propelling words and insights available today and for years to come.

As of September 30, 2022 – 116,000 **One on One, A Minute with Ben** books (**I & II**) have been sent out as “gifts” in two massive outreach mailings (Christmas ’14, Easter ’16) – and an additional 26,202 **One on One** books (**I, II, III & IV**) have been ordered by individuals or given to small groups over the last six fiscal years.

One on One: the CD launched as the first “audio” version of **One on One**.

Facebook - One on One A Minute with Ben launched in December 2016 and has seen a consistent and tremendous increase in people reached, engagements and shares. Since the pandemic and fiscal 2022, reach has increased 85%. New postings are now made just after midnight --at the start of every Friday.

Entre Tu Y Yo I & II – the Spanish book version of **One on One** has been produced and stands ready for a targeted launch beyond initial distribution to church groups post COVID-19 pandemic.

Investment spending on **One on One, A Minute with Ben** project during fiscal 2022 totaled **\$12,846**. Investment spending on **One on One, A Minute with Ben** project since inception totaled **\$1,251,910**.

Digital Conversion Project

Ben Haden’s messages were **recorded live for five decades**, from **1963 to 2013**, across multiple recording formats spanning the same time period. The earlier messages exist only in audio, the later in audio and video. A massive, coordinated project to convert each and every message from its original format into today’s digital format has been under way. Originals are sent outside to experts for the creation of first-generation digital masters. Investment spending on this project during fiscal 2022 totaled **\$5,065**. Investment spending on Digital Conversion project since inception totaled **\$428,717**. Project is almost complete.

ONE ON ONE
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(5) SPECIAL PROJECTS (continued)

Digital Conversion Project (continued)

In the course of the Digital Conversion project, once first-generation digital masters have been created from the original recording formats and then approved and triple-checked – the old, original formats become eligible for destruction. Spending on destruction of old, original formats since inception totaled **\$16,036**. Critical staging and support of this Digital Conversion Project since inception totaled **\$10,601**.

Digital Library and Broadcast Project

All first generation and final digital masters are entered into the Digital Library and then, one by one, are checked for quality, listened to from start to finish, and then replicated into multiple digital formats for use via social media, internet and radio broadcast (specific broadcast introduction and closing are added for certain broadcasts). This project is highly time-intensive and makes many, many thousands of stored original recorded messages in old formats **now usable**. Investment spending on this project in fiscal 2022 totaled **\$36,425**. Investment spending on Digital Library & Broadcast project since inception totaled **\$348,856**. Project continues into fiscal 2023.

New Collections Project - Books, eBooks, Audio & Video Collections

Over 80 new collections – some book and eBook, others audio or video -- have been researched, created, developed (many produced, some still in pipeline) – and offered at no cost to the recipient since fiscal 2014. These collections, all coming direct from Ben Haden’s body of work spanning 1963 to 2013, can now live digitally across multiple formats going forward.

Audio/Video Collections to date: The 1960s, The 1970s, The Early 1980s, The 1990s, Five Decades, The Prodigal Son, Hope, Pray!, Yo-Yo Faith I & II, Forgiven, Why? I & II, Will I Live After I Die?, The Best of Ben, The Most Requested Messages, A Cappella Gold, A Cappella Green, The Great Songs, Celebration, Great Spirituals and Classics, I Peter, Colossians, Hebrews, Ecclesiastes, I John and many more.

Book Collections to date: Why? I & II, Forgiven, Will I Live After I Die?, Do You Have A Yo-Yo Faith?, Let’s Talk About It, Why Not Chuck It?, What Is God Like?, Is God...?, Will I Live After I Die?, Ben Haden Teaches, Colossians, Pray, The Book of James and many more.

Investment spending on New Books, eBooks & Audio/Video Collections project since inception totaled **\$236,272**.

Database Project

Changed Lives has utilized a special custom built (‘93) UNIX program for its Donor & Non-Donor database. In fiscal 2015, efforts commenced “to upgrade and modernize” the existing UNIX program. In fiscal 2019, the decision was made to move from these efforts and to transition into Donor Perfect, a top-rated, comprehensive fundraising software program that helps manage donations, contacts, receipting, reporting, email, events, and all fundraising initiatives from a single platform – streamlining daily and seasonal processes, and, therefore, dramatically increasing efficiencies and lowering costs, and decreasing response times to donors.

ONE ON ONE
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(5) SPECIAL PROJECTS (continued)

Database Project (continued)

Fiscal year 2020 saw the movement of 43,000 records from UNIX to Excel to Donor Perfect – all before the COVID-19 pandemic began. During the pandemic, the fiscal year 2020 focus was perfecting each of the new 43,000 records in Donor Perfect for accuracy, email addresses, historical data and fiscal 2018-20 data. Donor Perfect was partially utilized for Christmas '20 and Easter '21 mailings, allowing time for a learning curve leading into fiscal 2021. Donor Perfect became a daily practice commencing day one, fiscal 2021. Investment spending on Database project in fiscal 2022 totaled **\$13,505**. Investment spending on Database project since inception totaled **\$73,512**.

Longevity & Reach Project

Completion of all parallel critical projects will yield **Five Decades of Ben Haden's Timeless Thoughts, Insights, Conversations, Original Messages and Bible Studies** – a highly organized digital library, all usable in multiple digital formats and ready for broadcast/social media and internet; a usable digital and “as spoken transcript” library; targeted collections of messages for books/eBooks & audio/video); a highly usable database of Donors, Non-Donors; a cost-effective and efficient Donor Perfect software, and One on One in all its forms. The beginning of a “longevity and reach” game plan was initiated in November 2017 – looking at many possible scenarios, models and strategies, taking the above Ben Haden messages and organized “tools and components” to maximize future longevity in the decades to come – and to maximize both broad and targeted reach efforts. Investment spending since inception totaled **\$22,614**.

As Spoken Project

All final digitalized masters of messages must be mechanically transcribed, and then the task of comparing this mechanical transcription to the “As Spoken” voice of Ben Haden on the digital master begins. This last step ensures the final transcription (one that will live for decades to come in the Digital Library side by side with its matching now-digital original recording) truly captures the words, the pauses, the intonations – as spoken by Ben Haden. These final transcriptions provide actual material for social media, books, eBooks, changedlives.org, packaging, marketing, etc. Investment spending since inception totaled **\$21,770**. This time-intensive project will continue into fiscal year 2023 and beyond.

One on One/ changedlives.org Website

Work commenced on certain components for a new changedlives.org website. Investment spending on new Website project in fiscal 2022 totaled \$7,225. Project continues into fiscal 2023 and beyond, and is included in construction in progress on the statement of financial position.

(6) LEASES

The Organization rents its office space under a 12 month lease through May 31, 2023, at a monthly rental of \$2,250. Subsequent to year end, this lease was renewed for an additional 12 month term, expiring May 31, 2024, with a monthly rental of \$2,300.

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(7) RETIREMENT BENEFITS

The Organization has setup a retirement plan that provides for same long-term employee's retirement via a monthly annuity payment of \$1,575, which commenced May 2021. While the Organization owns this annuity, the retired long-term employee receives this benefit monthly for the rest of said life. The deferred compensation liability is presented over a guaranteed 15 year life. If the retired employee were to live to 95, the total payments made would be \$548,020.

The present value of the remaining guaranteed payments as of September 30, 2022 is \$201,572.

Deferred compensation benefits payable during the next five years and thereafter are as follows:

For the fiscal year ending September 30, 2023	\$ 18,897
2024	18,897
2025	18,897
2026	18,897
2027	18,897
Thereafter	<u>160,624</u>
	<u>\$ 255,109</u>

(8) CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). The deposits at times may exceed the federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on such deposits.

As of September 30, 2022, there were no funds deposited in financial institutions that exceeded the FDIC limit.

(9) RISKS AND UNCERTAINTIES

During March 2020, a global pandemic was declared related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions across the nation as federal, state, and local governments react to the public health crisis, creating significant uncertainties in the economy. This situation is rapidly changing, and additional impacts may arise. While the disruption is currently expected to be temporary, there is uncertainty around its duration. The ultimate future impact, if any, of the pandemic on results of operations, financial position, liquidity or capital resources cannot be reasonably estimated at this time.

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(10) SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 28, 2023, the date which these financial statements were available for issue.

Subsequent to year end, the Organization received an additional \$136,329 related to the sale of Salem Farms property.

