

PROVEN MEN MINISTRIES, LTD.

DBA

1 WAY OUT OF PORNOGRAPHY

Audited Financial Statements

For the year ended December 31, 2017

**DOLAN GROUP LLC
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LYNCHBURG, VA 24502
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Proven Men Ministries, Ltd.

We have audited the accompanying financial statements of Proven Men Ministries, Ltd. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Proven Men Ministries, Ltd. as of December 31, 2017, 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.



Lynchburg, Virginia
July 30, 2018

PROVEN MEN MINISTRIES, LTD.
Statement of Financial Position
December 31, 2017

ASSETS

Current Assets

Cash and cash equivalents \$ 107,124

Fixed Assets

Property and equipment, net (Note 2) 9,375

Total assets \$ 116,499

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable \$ 2,832

Total liabilities 2,832

Net Assets

Unrestricted 113,667

Total liabilities and net assets \$ 116,499

The accompanying notes are an integral part of the financial statements.

PROVEN MEN MINISTRIES, LTD.
Statement of Activities
For the year ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public Support & Revenue				
Contributions & Grants	124,155	-	-	124,155
Book Sales	23,782	-	-	23,782
Total public support & revenue	147,937	-	-	147,937
Other Revenue				
Interest Income	18	-	-	18
Total other revenue	18	-	-	18
Total support & revenue	147,955	-	-	147,955
Expenses				
Management and General	17,485	-	-	17,485
Program Services	187,717	-	-	187,717
Fundraising	3,586	-	-	3,586
Total expenses	208,788	-	-	208,788
Decrease in net assets	(60,833)	-	-	(60,833)
Net assets at beginning of year	174,500	-	-	174,500
Net assets at end of year	\$ 113,667	-	-	\$ 113,667

The accompanying notes are an integral part of the financial statements.

PROVEN MEN MINISTRIES, LTD.
Statement of Cash Flows
For the year ended December 31, 2017

Cash flows from operating activities	
Decrease in net assets	\$ (60,833)
Adjustments to reconcile changes in net assets to cash provided by operating activities:	
Depreciation	4,018
Decrease in current liabilities	<u>(2,602)</u>
Net cash used by operating activities	<u>(59,417)</u>
 Net decrease in cash and cash equivalents	 (59,417)
 Cash and cash equivalents at beginning of year	 <u>166,541</u>
 Cash and cash equivalents at end of year	 <u>\$ 107,124</u>

The accompanying notes are an integral part of the financial statements.

PROVEN MEN MINISTRIES, LTD.
Statement of Functional Expenses
For the year ended December 31, 2017

	<u>Program Service Expenses</u>	<u>Management & General Expenses</u>	<u>Fund Raising Expenses</u>	<u>Total</u>
Advertising & Marketing	3,335	-	-	3,335
Depreciation Expense	2,009	2,009	-	4,018
Education & Training	4,573	59	-	4,632
Outside Services	56,961	1,854	927	59,742
Professional Fees	-	2,600	-	2,600
Program Expenses	42,829	-	-	42,829
Occupancy	134	3,599	-	3,733
Office & Postage	6,112	2,046	-	8,158
Salary Cost	69,777	5,318	2,659	77,754
Travel	<u>1,987</u>	<u>-</u>	<u>-</u>	<u>1,987</u>
Total expenses	<u>\$ 187,717</u>	<u>\$ 17,485</u>	<u>\$ 3,586</u>	<u>\$ 208,788</u>

The accompanying notes are an integral part of the financial statements.

PROVEN MEN MINISTRIES, LTD.
Notes to Financial Statements

1. Summary of significant accounting policies

Nature of organization – Proven Men Ministries, Ltd. the "Organization", is a not-for-profit corporation incorporated in the State of Maryland. Proven Men conducts business under the trade name "1 Way Out of Pornography." The purpose of the Corporation is to bring the hope of healing to those trapped in bondage to pornography and other forms of sexually compulsive activities. To accomplish this goal, Proven Men makes available to individuals a twelve week intensive workbook for at-home recovery. The organization also provides training and resource materials to organizations to prepare them to effectively minister to people and hold recovery groups.

Basis of accounting - The financial statements of the Organization are prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables and payables.

Cash and cash equivalents - For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments maturing within three months of acquisition to be cash equivalents.

Equipment and depreciation - Items of property, plant, and equipment are capitalized when purchased at cost. They are depreciated using straight-line methods over the estimated useful lives of the assets. Repairs and minor replacements are charged to expense when paid. The cost of property retired, sold or traded and the related accumulated depreciation are removed from the accounts, and any gain or loss thereon is included in the current year's activities.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Doubtful accounts – The Organization considers all accounts and notes receivable to be fully collectible; accordingly, no allowance for doubtful account is provided.

Contributed services - A substantial number of unpaid volunteers have made significant contributions of their time to the Organization's mission. The value of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

Advertising – All advertising costs are expensed during the period in which the costs are incurred.

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PROVEN MEN MINISTRIES, LTD.
Notes to Financial Statements
continued

2. Property and equipment

Cost and accumulated depreciation by class of property consisted of the following at December 31, 2017:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Property & Equipment	\$ 27,571	\$ 18,196

Depreciation expense totaled \$ 4,018 for the year ended December 31, 2017. All of this depreciation was computed using straight-line methods.

3. Income tax status

Proven Men Ministries, Ltd. is a not-for-profit organization as described in Section 501 of the Internal Revenue code and is exempt from federal income taxes pursuant to Section 501(c) (3) of the Internal Revenue Code.