FAMILY LIFE MINISTRIES, INC.

FINANCIAL STATEMENTS

JUNE 30, 2015

FAMILY LIFE MINISTRIES, INC.

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EFP ROTENBERG LLP
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Family Life Ministries, Inc.
Bath, New York

We have audited the accompanying financial statements of Family Life Ministries, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, 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.

Auditors' 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 auditors' 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 Family Life Ministries, Inc. as of June 30, 2015, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Family Life Ministries, Inc. financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 8, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

EFP Rotenberg, LLP

EFP Rotenberg, LLP
Corning, New York
December 29, 2015

FAMILY LIFE MINISTRIES, INC.
Statements of Financial Position
June 30, 2015 and 2014

	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents	$ 543,993	$ 561,700
Accounts receivable - net	15,094	26,368
Prepaid expenses	121,386	128,744
Notes receivable	24,336	29,824
Total current assets	704,809	746,636
Investments	40,708	30,813
Property and Equipment - Net	3,512,901	3,119,631
Other Assets	3,915,507	3,877,507
Total Assets	$ 8,173,925	$ 7,774,587
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 33,757	$ 36,460
Accrued expenses	55,325	47,336
Deferred revenue	66,325	57,785
Notes payable - current portion	1,523,819	2,174,290
Total current liabilities	1,679,226	2,315,871
Notes Payable - Net of Current Portion	868,308	568,817
Total Liabilities	2,547,534	2,884,688
Net Assets		
Unrestricted net assets	5,429,836	4,698,044
Temporarily restricted net assets	196,555	191,855
Total net assets	5,626,391	4,889,899
Total Liabilities and Net Assets	$ 8,173,925	$ 7,774,587

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

FAMILY LIFE MINISTRIES, INC.
Statement of Activities
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

	Unrestricted	Temporarily Restricted	Total 2015	Total 2014
Public Support and Revenue				
Public Support				
Christian programming	$ 3,667,898	$ -	$ 3,667,898	$ 3,440,266
Capital campaign	-	533,781	533,781	408,880
Ministry activities	48,168	-	48,168	50,178
Capital grant receipts	-	-	-	42,500
Total public support	3,716,066	533,781	4,249,847	3,941,824
Revenue				
Christian programming sponsor	860,899	-	860,899	769,082
Notes payable forgiven	81,000	-	81,000	10,000
Interest forgiven	70,367	-	70,367	89,677
Interest earned	3,065	-	3,065	4,409
Miscellaneous income	-	-	-	3,634
Rental income	16,509	-	16,509	15,786
Ministry activity fee	59,322	-	59,322	55,322
Unrealized gain (loss) on investments	(292)	-	(292)	3,922
Gain on sale of intangible assets	-	-	-	64,830
Gain on sale of property and equipment	114,964	-	114,964	253,376
Total revenue	1,205,834	-	1,205,834	1,270,038
Net assets released from restrictions	529,081	(529,081)	-	-
Total public support and revenue	5,450,981	4,700	5,455,681	5,211,862
Expenses				
Program services				
Christian radio programming	2,927,406	-	2,927,406	2,847,761
Christian family activities	1,068,434	-	1,068,434	1,020,239
Supporting services				
Management and general	480,763	-	480,763	467,954
Fundraising	242,586	-	242,586	222,414
Total expenses	4,719,189	-	4,719,189	4,558,368
Change in Net Assets	731,792	4,700	736,492	653,494
Net Assets - Beginning	4,698,044	191,855	4,889,899	4,236,405
Net Assets - Ending	$ 5,429,836	$ 196,555	$ 5,626,391	$ 4,889,899

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

FAMILY LIFE MINISTRIES, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

	PROGRAM SERVICES			SUPPORT SERVICES				
	Christian Radio Programming	Christian Family Services	Total Program Services	Management and General	Fund Raising	Total Support Services	Total 2015	Total 2014
Salaries	$ 1,162,714	$ 387,571	$ 1,550,285	$ 290,679	$ 96,893	$ 387,572	$ 1,937,857	$ 1,936,299
Travel allowance	33,581	11,194	44,775	8,395	2,798	11,193	55,968	47,395
Life/health insurance	253,757	84,586	338,343	63,439	21,146	84,585	422,928	378,008
Employer's insurance	20,037	6,679	26,716	5,009	1,670	6,679	33,395	20,244
Pension	17,363	5,788	23,151	4,341	1,447	5,788	28,939	28,897
Payroll taxes	88,009	29,336	117,345	22,002	7,334	29,336	146,681	148,932
Total salaries and related expenses	1,575,461	525,154	2,100,615	393,865	131,288	525,153	2,625,768	2,559,775
Activities and program expense	460,337	197,287	657,624	-	-	-	657,624	619,327
Professional fees	113,598	-	113,598	32,457	16,228	48,685	162,283	149,596
Office expense	121,137	60,569	181,706	16,152	4,038	20,190	201,896	181,234
Occupancy	47,314	153,770	201,084	23,657	11,828	35,485	236,569	246,591
Radio tower site expense	301,231	-	301,231	-	-	-	301,231	335,999
Vehicle expense	12,876	26,338	39,214	14,632	4,682	19,314	58,528	59,640
Printing and publications	16,635	6,049	22,684	-	7,561	7,561	30,245	33,695
Miscellaneous	30,010	10,913	40,923	-	13,641	13,641	54,564	49,967
Interest	81,356	-	81,356	-	-	-	81,356	96,803
Fundraising	-	-	-	-	10,405	10,405	10,405	7,041
Dues and licenses	10,095	2,524	12,619	-	-	-	12,619	13,484
Total expenses before depreciation	2,770,050	982,604	3,752,654	480,763	199,671	680,434	4,433,088	4,353,152
Depreciation	157,356	85,830	243,186	-	42,915	42,915	286,101	205,216
Total expense	$ 2,927,406	$ 1,068,434	$ 3,995,840	$ 480,763	$ 242,586	$ 723,349	$ 4,719,189	$ 4,558,368

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

FAMILY LIFE MINISTRIES, INC.
Statements of Cash Flows
For the Years Ended June 30, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities		
Change in net assets	$ 736,492	$ 653,494
Adjustments		
Depreciation	286,101	205,216
Unrealized and realized gain (loss) on investments	292	(3,922)
Gain on sale of property and equipment	(114,964)	(253,376)
Accrued interest on notes payable	80,414	86,053
Gain on sale of intangible asset	-	(64,830)
Interest forgiven	(70,367)	(89,677)
Notes payable forgiven	(81,000)	(10,000)
Changes in assets and liabilities		
Accounts receivable	11,274	(4,453)
Prepaid expenses	7,358	13,488
Notes receivable	5,488	5,187
Accounts payable	(2,703)	(22,217)
Accrued expenses	7,989	5,781
Deferred revenue	8,540	(26,884)
Net cash flows from operating activities	874,914	493,860
Cash Flows from Investing Activities		
Net activity on investments	(10,187)	9,441
Purchase of property and equipment	(745,621)	(280,106)
Purchase of intangibles	(38,000)	-
Proceeds from sale of property and equipment	181,214	239,413
Proceeds from insurance	-	18,604
Proceeds from sale of intangible assets	-	139,830
Net cash flows from investing activities	(612,594)	127,182
Cash Flows from Financing Activities		
Proceeds from notes payable	150,000	-
Repayment of notes payable	(430,027)	(360,000)
Net cash flows from financing activities	(280,027)	(360,000)
Net Change in Cash and Cash Equivalents	(17,707)	261,042
Cash and Cash Equivalents - Beginning	561,700	300,658
Cash and Cash Equivalents - Ending	$ 543,993	$ 561,700

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

Note 1. Summary of Significant Accounting Policies and Nature of Organization

Nature of Organization - Family Life Ministries, Inc. (the "Organization") is a not-for-profit organization providing direct services for Christian youth and families and operates Christian radio stations serving New York and Pennsylvania, as well as world-wide via the Internet.

Method of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Estimates - The preparation of 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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation - The Organization prepares its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205. ASC 958-205 requires the Organization to report its net assets and changes therein in the following categories:

Unrestricted Net Assets - Unrestricted net assets represent net assets that are not subject to donor-imposed stipulations and are generally available for support of the Organization's activities.

Temporarily Restricted Net Assets - Temporarily restricted net assets represent contributions received from donors for the capital campaign to be used in expanding the radio division and ministry facilities and either expire by passage of time or by the fulfillment of donor stipulations. The Organization has temporarily restricted net assets of $196,555 and $191,855 at June 30, 2015 and 2014, respectively.

Permanently Restricted Net Assets - Permanently restricted net assets result from donors who stipulate that their donated resources be maintained permanently. At June 30, 2015 and 2014, the Organization had no permanently restricted net assets.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Organization maintains cash and cash equivalents at financial institutions which periodically may exceed federally insured limits.

Accounts Receivable and Allowance for Doubtful Accounts - Accounts receivable are uncollateralized obligations due under normal trade terms. Accounts receivable are stated at the amount management expects to collect. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to receivables. Management estimates its allowance for doubtful accounts and bad debts based on their assessment of collectibility of receivables and prior experience. The balance of the allowance for doubtful accounts was $225 at June 30, 2015 and 2014.

Investments - Investments are presented in the financial statements at fair market value based on quoted market prices in an active market. The net increase or decrease in the fair market value of investments is reflected as an increase or reduction in the statement of activities. ASC 820 defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the United States, and expands disclosures about fair value measurements. The fair value of investments is disclosed in Note 2.

Property and Equipment - All equipment, furniture and fixtures are stated at cost, if purchased, and at fair value, if donated. Routine maintenance and repair costs are charged to operations as they are incurred. Expenditures over $1,000, which extend the useful life of an asset, are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in operations. Construction in progress is not depreciated until placed in service. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	5 - 40 Years
Machinery and equipment	3 - 15 Years
Vehicles	5 Years

Goodwill - Goodwill represents the excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed. The Organization accounts for its goodwill in accordance with ASC 350-20, which requires the Organization to test goodwill for impairment annually or whenever events change or circumstances indicate that the carrying value of the asset may not be recoverable. Management determined that the value of the goodwill is not impaired at June 30, 2015 and 2014.

Broadcasting Rights - The Organization obtains broadcasting rights for radio broadcasts to listeners in various locations. The Organization accounts for its broadcasting rights in accordance with ASC 350-30, which requires the Organization to test other assets for impairment annually or whenever events change or circumstances indicate that the carrying value of the asset may not be recoverable. Management determined that the value of the broadcasting rights are not impaired at June 30, 2015 and 2014.

Contributions - The Organization accounts for its contributions under the provisions of ASC 958-605. In accordance with ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Functional Expenses - Expenses are charged to each program, management and general or fundraising based on direct expenditures incurred. Any program expenditures not directly charged are allocated based on estimates of resource application and usage.

Income Taxes - Family Life Ministries, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax exempt purpose is subject to taxation as unrelated business income.

In accordance with ASC 740-10-50 the Organization recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities. Management believes that the Organization is currently operating in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no liability for unrecognized tax benefits has been included on the Organization's financial statements.

Comparative Information - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Subsequent Events - In accordance with ASC 855-10, the Organization evaluated subsequent events through the date of the report which is the date these financial statements were available to be issued.

Note 2. Investments

The Organization has determined the fair value of investments through the application of ASC 820, which places assets into one of three levels. Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets using level 3 inputs are primarily valued using management's analysis about the assumptions market participants would utilize in pricing the asset. Valuation techniques utilized to determine fair value are consistently applied.

The following is a description of the valuation methodologies used for assets measured at fair value:

Common stocks - Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Investments consisted of the following at June 30:

	Total 2015	Quoted Prices in Active Market as: Level 1	Significant Other Inputs: Level 2	Significant Nonobservable Inputs: Level 3
Mutual funds:				
Mid-cap growth	$ 29,692	$ 29,692	$ -	$ -
Common stock:				
Telecommunications	2,432	2,432	-	-
Oil and gas	2,574	2,574	-	-
Technology	5,898	5,898	-	-
Financial	112	112	-	-
Total	$ 40,708	$ 40,708	$ -	$ -

	Total 2014	Quoted Prices in Active Market as: Level 1	Significant Other Inputs: Level 2	Significant Nonobservable Inputs: Level 3
Mutual funds:				
Mid-cap growth	$ 17,990	$ 17,990	$ -	$ -
Common stock:				
Telecommunications	6,153	6,153	-	-
Oil and gas	3,613	3,613	-	-
Technology	2,175	2,175	-	-
Financial	882	882	-	-
Total	$ 30,813	$ 30,813	$ -	$ -

Earnings on investments consisted of the following at June 30:

	2015	2014
Interest and dividend income	$ 737	$ 1,782
Unrealized (loss) gain	$ (292)	$ 3,922

Note 3. Fixed Assets

Fixed assets consisted of the following at June 30:

	2015	2014
Land	$ 896,019	$ 896,019
Buildings	3,018,615	3,102,664
Machinery and equipment	5,235,949	5,213,087
Vehicles	97,983	89,073
Construction in progress	601,757	94,021
Sub-total	9,850,323	9,394,864
Less, accumulated depreciation	(6,337,422)	(6,275,233)
Property and equipment - net	$ 3,512,901	$ 3,119,631

Note 4. Other Assets

A summary of other assets consisted of the following at June 30:

	2015	2014
Broadcasting rights	$ 3,826,600	$ 3,788,600
Goodwill	88,907	88,907
Total	$ 3,915,507	$ 3,877,507

Note 5. Notes Payable

Notes payable consisted of the following at June 30:

	2015	2014
Note payable from an individual, unsecured, interest at 0%. Payment, not to exceed 50%, is due within ninety days of written notice.	$ 10,000	$ 10,000
Note payable from an individual, unsecured, interest at 0%. This note was due October 8, 2008, and has been extended until further notice.	25,000	25,000
Note payable from an individual, unsecured, interest at 2.5%. Payment, not to exceed 50%, is due within ninety days of written notice. Interest accrues twice a year and is added back to note balance. Interest accrued through December 15, 2014 was subsequently forgiven. Original note was $100,000.	81,000	91,406
Note payable from an individual, unsecured, interest at 3.0%. Payment is due within ninety days of written notice. Interest accrues twice a year and is added back to note balance. Original note was $10,000.	12,586	12,219
Note payable from a foundation, unsecured, interest at 4.5%. Up to $50,000 of note is due within ninety days of demand with a repayment schedule to be established at that time. Final payment is due no later than December 2016. Interest accrued through December 31, 2013, was subsequently forgiven. Original note was $500,000.	204,500	309,000
Note payable from an individual, unsecured, interest at 5.0%. Payment is due within ninety days of written notice. Interest accrues twice a year. Interest accrued through December 31, 2013 was subsequently forgiven. Original note was $500,000.	512,500	512,500
Note payable from an individual, unsecured, interest at 5.0%. Payment is due within ninety days of written notice. Interest accrues twice a year. Interest accrued through December 31, 2013, was subsequently forgiven. Original note was $400,000	410,000	410,000
Note payable from an individual, unsecured, interest at 3.0%. Note is payable within ninety days of demand. Interest is payable annually. Interest accrued through December 31, 2013, was paid by the Organization. Original note was $10,000.	10,150	10,150
Note payable from an individual, unsecured, interest at 0%, due on June 26, 2019.	10,000	10,000

Note payable from an individual, unsecured, interest at 0%, due on July 10, 2014.	25,000	25,000
Notes paid in full.	-	71,000
Note payable from an individual, unsecured, interest at 0%, due on September 29, 2019.	10,000	10,000
Note payable from an individual, unsecured, interest at 3.0%. Interest accrues annually and is added back to the note balance. Original note was $10,000. Principal and accrued interest is due June 3, 2019.	15,445	14,412
Note payable from an individual, unsecured, interest at 3.0%. Note is payable within 90 days of demand. Interest is payable twice a year and is added back to the note balance. Original note was $75,000.	89,575	86,965
Note paid in full.	-	25,000
Note payable from an individual, unsecured, interest at 3.0%. Interest accrues annually. Original note was $20,000. Principal and accrued interest is due February 1, 2020.	20,000	20,000
Note payable from an individual, unsecured, interest at 3.0%. Interest accrues twice a year and is added back to the note balance. Original note was $10,000. Principal and accrued interest is due July 13, 2019.	11,933	11,586
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues twice a year and is added back to the note balance. Original note was $10,000. Principal and accrued interest is due July 14, 2019.	11,256	11,035
Note payable from an individual, unsecured, interest at 3.0%. Interest accrues twice a year and is added back to the note balance. Original note was $10,000. Principal and accrued interest is due July 20, 2019.	11,926	11,579
Note payable from an individual, unsecured, interest at 3.0%. Interest accrues twice a year and is added back to the note balance. Original note was $10,000. Principal and accrued interest is due September 1, 2019.	11,885	11,539
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues twice a year and is added back to the note balance. Original note was $25,000. Principal and accrued interest is due November 23, 2014.	27,937	27,389

Note payable from an individual, unsecured, interest at 3.0%. Interest accrues twice a year and is added back to the note balance. Original note was $25,000. Principal and accrued interest is due February 23, 2020.	29,116	28,268
Note payable from an individual, unsecured, interest at 3.0%. Note is payable within 90 days of demand. Interest is payable annually. Interest accrued through December 31, 2014, was subsequently forgiven. Original note was $300,000.	304,500	304,500
Note payable from an individual, unsecured, interest at 0%, due on April 4, 2017.	10,000	10,000
Note payable from an individual, unsecured, interest at 0%, due on May 8, 2017.	10,000	10,000
Note payable from an individual, unsecured, interest at 0%, due on May 17, 2017.	40,000	40,000
Note payable from an individual, unsecured, interest at 0%, due on May 23, 2017.	10,000	10,000
Note payable from an individual, unsecured, interest at 0%, due on November 8, 2017.	5,000	5,000
Note payable from an individual, unsecured, interest at 0%, due on September 5, 2017.	50,000	-
Note payable from an individual, unsecured, interest at 0%, due on October 14, 2015.	10,000	-
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Original note was $10,000. Principal and accrued interest is due August 24, 2016.	10,795	10,583
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Original note was $25,000. Principal and accrued interest is due March 16, 2017.	26,687	26,164
Note payable from an organization, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Original note was $25,000. Principal and accrued interest is due December 19, 2016.	26,813	26,287
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Original note was $25,000. Principal and accrued interest is due February 1, 2017.	26,687	26,164
Note paid in full.	-	318,829

Note payable from an individual, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Original note was $10,000. Principal and accrued interest is due April 4, 2017.	10,664	10,455
Note payable from an individual, unsecured, interest at 1.0%. Interest accrues annually and is added back to the note balance. Original note was $20,000. Principal and accrued interest is due April 4, 2017.	20,653	20,448
Note payable from an individual, unsecured, interest at 0% due April 24, 2017.	10,000	10,000
Note payable from an organization, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Original note was $50,000. Principal and accrued interest is due June 15, 2017.	53,109	52,099
Note payable from an individual, unsecured, interest at 1.5%. Interest accrues annually and is added back to the note balance. Original note was $100,000. Principal and accrued interest is due July 24, 2017.	104,487	102,978
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Original note was $5,000. Principal and accrued interest is due August 2, 2017.	5,298	5,197
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Original note was $10,000. Principal and accrued interest is due October 11, 2017.	10,555	10,355
Note payable from an individual, unsecured, interest at 1.0%. Interest accrues annually and is added back to the note balance. Original note was $15,000. Principal and accrued interest is due September 3, 2016.	15,124	-
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Original note was $5,000. Principal and accrued interest is due September 10, 2019.	5,081	-
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Original note was $20,000. Principal and accrued interest is due September 11, 2016.	20,325	-
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Original note was $50,500. Principal and accrued interest is due September 5, 2017.	50,500	-

Non-interest bearing capital lease payable due June 2019, payable in monthly principal installments of $334.	16,040	-
Total	2,392,127	2,743,107
Less, current portion	(1,523,819)	(2,174,290)
Long-term portion	$ 868,308	$ 568,817

As a majority of the Organization's notes payable are due shortly after demand, that portion of the note is considered potentially currently due or payable within one year.

Notes payable are payable in each of the next five years as follows:

2016	$ 1,523,819
2017	444,867
2018	229,851
2019	45,792
2020	147,798
Total	$ 2,392,127

Note 6. Supplemental Cash Flow Information

	2015	2014
Interest paid	$ 528	$ 2,075

Note 7. Additional Information

Family Life Ministries, Inc. is a beneficiary of a revocable living trust. Income is distributed to named beneficiaries for a ten year period after the death of the trustee, March 6, 2007, at which time the balance of the trust is to be distributed to Family Life Ministries, Inc.

Note 8. Retirement Plan

Family Life Ministries, Inc., has established a 403(b) retirement plan covering all employees of the Organization over 21 years of age that have completed six months of service. The plan allows for employee contributions to the plan up to the maximum allowed by the Internal Revenue Code. The Organization contributes a matching contribution of one dollar for every dollar of a participant's elective deferral up to two percent of each employee's annual salary. The Organization contributed $28,939 and $28,897 in the years ended June 30, 2015 and 2014, respectively.

Note 9. Related Party Transactions

The Organization has a loan payable to a board member. There were no additional loans made in 2014. The loan is unsecured with an interest rate of 2.5%. Payment, not to exceed 50%, is due within ninety days of written notice. Interest accrues twice a year and is added back to the note balance. The outstanding balance of the officer loans, including accrued interest, at June 30, 2015 and 2014 is $81,000 and $91,406, respectively.

Note 10. Subsequent Events

On December 15, 2015, the Organization entered into an agreement to purchase all of the assets held for use in the operation of a full power commercial FM station for $2,500,000. The assignment of the station licenses is subject to and conditioned upon the consent of the Federal Communication Commission.

Note 11. Reclassification

Certain amounts in the June 30, 2014 financial statements have been reclassified for comparative purposes to conform with the presentation in the June 30, 2014 financial statements.