

**FAMILY LIFE MINISTRIES, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**FAMILY LIFE MINISTRIES, INC.**

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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 nonprofit organization), which comprise the statement of financial position as of June 30, 2018, 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, 2018, 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.

## Report on Summarized Comparative Information

We have previously audited the Family Life Ministries, Inc. 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

EFPR Group, CPAs, PLLC

EFPR Group, CPAs, PLLC  
Corning, New York  
November 14, 2018

**FAMILY LIFE MINISTRIES, INC.**  
**Statements of Financial Position**  
**June 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 343,810	\$ 356,153
Accounts receivable - net	51,263	41,206
Prepaid expenses	198,055	218,104
Notes receivable	<u>47,888</u>	<u>60,110</u>
Total current assets	641,016	675,573
<b>Property and Equipment - Net</b>	4,910,921	4,257,012
<b>Other Assets</b>	<u>6,150,125</u>	<u>6,159,953</u>
<b>Total Assets</b>	<u>\$ 11,702,062</u>	<u>\$ 11,092,538</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 34,306	\$ 41,793
Accrued expenses	53,138	51,364
Deferred revenue	69,033	62,071
Notes payable - current portion	<u>654,016</u>	<u>1,129,238</u>
Total current liabilities	810,493	1,284,466
<b>Notes Payable - Net of Current Portion</b>	<u>1,096,481</u>	<u>1,002,164</u>
<b>Total Liabilities</b>	<u>1,906,974</u>	<u>2,286,630</u>
<b>Net Assets</b>		
Unrestricted net assets	9,795,088	8,605,991
Temporarily restricted net assets	<u>-</u>	<u>199,917</u>
Total net assets	<u>9,795,088</u>	<u>8,805,908</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 11,702,062</u>	<u>\$ 11,092,538</u>

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

**FAMILY LIFE MINISTRIES, INC.**  
**Statement of Activities**  
**For the Year Ended June 30, 2018**  
**(With Comparative Totals for the Year Ended June 30, 2017)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2018</u>	<u>Total 2017</u>
<b>Public Support and Revenue</b>				
Public Support				
Christian programming	\$ 4,286,034	\$ -	\$ 4,286,034	\$ 3,890,081
Capital campaign	-	895,893	895,893	1,932,720
Ministry activities	<u>59,436</u>	<u>-</u>	<u>59,436</u>	<u>44,559</u>
Total public support	<u>4,345,470</u>	<u>895,893</u>	<u>5,241,363</u>	<u>5,867,360</u>
<b>Revenue</b>				
Christian programming sponsor	1,106,599	-	1,106,599	1,105,218
Notes payable forgiven	56,500	-	56,500	2,000
Interest forgiven	25,000	-	25,000	37,000
Interest earned	3,701	-	3,701	3,598
Rental income	8,684	-	8,684	9,134
Ministry activity fee	53,331	-	53,331	71,770
Unrealized and realized gain (loss) on sale of assets	<u>23,640</u>	<u>-</u>	<u>23,640</u>	<u>457,168</u>
Total revenue	<u>1,277,455</u>	<u>-</u>	<u>1,277,455</u>	<u>1,685,888</u>
Net assets released from restrictions	<u>1,095,810</u>	<u>(1,095,810)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>6,718,735</u>	<u>(199,917)</u>	<u>6,518,818</u>	<u>7,553,248</u>
<b>Expenses</b>				
Program services				
Christian radio programming	3,285,921	-	3,285,921	3,158,175
Christian family activities	1,233,268	-	1,233,268	1,193,513
Supporting services				
Management and general	678,617	-	678,617	653,575
Fundraising	<u>331,832</u>	<u>-</u>	<u>331,832</u>	<u>296,025</u>
Total expenses	<u>5,529,638</u>	<u>-</u>	<u>5,529,638</u>	<u>5,301,288</u>
<b>Change in Net Assets</b>	1,189,097	(199,917)	989,180	2,251,960
<b>Net Assets - Beginning</b>	<u>8,605,991</u>	<u>199,917</u>	<u>8,805,908</u>	<u>6,553,948</u>
<b>Net Assets - Ending</b>	<u>\$ 9,795,088</u>	<u>\$ -</u>	<u>\$ 9,795,088</u>	<u>\$ 8,805,908</u>

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, 2018**  
**(With Comparative Totals for the Year Ended June 30, 2017)**

	<u>PROGRAM SERVICES</u>			<u>SUPPORT SERVICES</u>				
	<u>Christian Radio Programming</u>	<u>Christian Family Services</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Support Services</u>	<u>Total 2018</u>	<u>Total 2017</u>
Salaries	\$ 1,369,305	\$ 456,435	\$ 1,825,740	\$ 342,326	\$ 114,109	\$ 456,435	\$ 2,282,175	\$ 2,062,026
Travel allowance	31,090	10,363	41,453	7,773	2,591	10,364	51,817	61,784
Life/health insurance	274,542	91,514	366,056	68,636	22,879	91,515	457,571	491,514
Employer's insurance	18,464	6,155	24,619	4,616	1,539	6,155	30,774	35,737
Pension	16,540	5,513	22,053	4,135	1,378	5,513	27,566	26,512
Payroll taxes	104,513	34,838	139,351	26,128	8,709	34,837	174,188	152,660
Total salaries and related expenses	1,814,454	604,818	2,419,272	453,614	151,205	604,819	3,024,091	2,830,233
Activities and program expense	503,461	215,769	719,230	-	-	-	719,230	755,788
Professional fees	-	-	-	175,793	19,533	195,326	195,326	194,114
Office expense	121,446	60,723	182,169	16,193	4,048	20,241	202,410	216,342
Occupancy	46,886	152,379	199,265	23,443	11,721	35,164	234,429	253,341
Radio tower site expense	395,120	-	395,120	-	-	-	395,120	390,552
Vehicle expense	8,425	17,233	25,658	9,574	3,064	12,638	38,296	46,778
Printing and publications	12,743	4,634	17,377	-	5,792	5,792	23,169	23,271
Miscellaneous	35,025	12,736	47,761	-	15,920	15,920	63,681	62,084
Interest	42,113	-	42,113	-	-	-	42,113	52,182
Fundraising	-	-	-	-	38,935	38,935	38,935	28,042
Dues and licenses	6,998	1,749	8,747	-	-	-	8,747	15,331
Total expenses before depreciation	2,986,671	1,070,041	4,056,712	678,617	250,218	928,835	4,985,547	4,868,058
Depreciation	299,250	163,227	462,477	-	81,614	81,614	544,091	433,230
Total expense	\$ 3,285,921	\$ 1,233,268	\$ 4,519,189	\$ 678,617	\$ 331,832	\$ 1,010,449	\$ 5,529,638	\$ 5,301,288

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, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 989,180	\$ 2,251,960
Adjustments		
Depreciation	544,091	433,230
Unrealized and realized (gain) loss on sale of assets	(23,640)	(457,168)
Donated investments		(9,524)
Accrued interest on notes payable	39,432	45,905
Interest forgiven	(25,000)	(37,000)
Notes payable forgiven	(56,500)	-
Changes in assets and liabilities		
Accounts receivable	(10,059)	(29,841)
Prepaid expenses	20,049	(26,270)
Accounts payable	(7,487)	21,145
Accrued expenses	1,774	(23,242)
Deferred revenue	<u>6,962</u>	<u>12,469</u>
Net cash flows from operating activities	<u>1,478,802</u>	<u>2,181,664</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of investments	-	49,237
Purchase of property and equipment	(1,197,999)	(1,991,971)
Proceeds from sale of property and equipment	23,640	260,053
Proceeds from sale of intangibles	9,828	269,029
Principal payments received on notes receivable	15,222	18,616
Issuance of note receivable	<u>(3,000)</u>	<u>(10,000)</u>
Net cash flows from investing activities	<u>(1,152,309)</u>	<u>(1,405,036)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from notes payable	423,000	360,000
Repayment of notes payable	<u>(761,836)</u>	<u>(1,223,451)</u>
Net cash flows from financing activities	<u>(338,836)</u>	<u>(863,451)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(12,343)	(86,823)
<b>Cash and Cash Equivalents - Beginning</b>	<u>356,153</u>	<u>442,976</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 343,810</u>	<u>\$ 356,153</u>

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



**FAMILY LIFE MINISTRIES, INC.**  
**Notes to Financial Statements**

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**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 no temporarily restricted net assets at June 30, 2018. The Organization had temporarily restricted net assets of \$199,917 at June 30, 2017.

**Permanently Restricted Net Assets** - Permanently restricted net assets result from donors who stipulate that their donated resources be maintained permanently. At June 30, 2018 and 2017, 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, 2018 and 2017.

**Notes receivable** - Notes receivable represents obligations due to the Organization under a note. As of June 30, 2018 and 2017, the remaining balance due on the notes receivable was \$47,888 and \$60,110 respectively.

**FAMILY LIFE MINISTRIES, INC.**  
**Notes to Financial Statements**

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**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, 2018 and 2017.

**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, 2018 and 2017.

**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, 2017, from which the summarized information was derived.

**FAMILY LIFE MINISTRIES, INC.**  
**Notes to Financial Statements**

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**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. Fixed Assets**

Fixed assets consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Land	\$ 1,216,828	\$ 353,149
Buildings	2,908,612	2,899,204
Machinery and equipment	3,863,237	3,276,687
Vehicles	164,107	122,635
Construction in progress	<u>322,261</u>	<u>625,370</u>
Sub-total	8,475,045	7,277,045
Less, accumulated depreciation	<u>(3,564,124)</u>	<u>(3,020,033)</u>
Property and equipment - net	<u>\$ 4,910,921</u>	<u>\$ 4,257,012</u>

**Note 3. Other Assets**

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

	<u>2018</u>	<u>2017</u>
Broadcasting rights	\$ 6,061,218	\$ 6,071,046
Goodwill	<u>88,907</u>	<u>88,907</u>
Total	<u>\$ 6,150,125</u>	<u>\$ 6,159,953</u>

**Note 4. Notes Payable**

Notes payable consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Note paid in full.	\$ -	\$ 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. Original note was \$25,000.	25,000	25,000
Note payable from an individual, unsecured, interest originally was 3.0%, but changed to 0%. Originally interest accrued twice a year and was added back to note balance, but when interest was changed all previously accrued interest was forgiven. Payment is due within ninety days of written notice. Original note was \$10,000.	10,000	10,000

**FAMILY LIFE MINISTRIES, INC.**  
**Notes to Financial Statements**

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<p>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, 2017 was subsequently forgiven. Original note was \$500,000.</p>	512,500	512,500
<p>Note payable from an individual, unsecured, interest at 1.81%. Payment is due within ninety days of written notice. Interest accrues twice a year. Original note was \$400,000</p>	319,444	361,900
<p>Note payable from an individual, unsecured, interest at 3.0%. Note is payable within ninety days of written notice. Interest accrues twice a year. Interest accrued through December 31, 2017 was paid. Original note was \$10,000.</p>	10,150	10,000
<p>Note payable from an individual, unsecured, interest at 0%, due on June 26, 2019.</p>	10,000	10,000
<p>Note payable from an individual, unsecured, interest at 0%, due on July 10, 2019.</p>	25,000	25,000
<p>Note payable from an individual, unsecured, interest at 0%, due on September 28, 2019.</p>	10,000	10,000
<p>Note payable from an individual, unsecured, interest at 3.0%. Interest accrues annually and is added back to the note balance. Principal and accrued interest is due June 3, 2019. Original note was \$10,000.</p>	13,078	12,697
<p>Note payable from an individual, unsecured, interest at 3.0%. Interest accrues annually and is added back to the note balance. Principal and accrued interest is due February 1, 2020. Original note was \$20,000.</p>	25,653	24,906
<p>Note payable from an individual, unsecured, interest at 3.0%. Interest accrues twice a year and is added back to the note balance. Principal and accrued interest is due July 13, 2019. Original note was \$10,000.</p>	13,040	12,660
<p>Note payable from an individual, unsecured, interest at 0%, due on July 14, 2020.</p>	6,000	6,000
<p>Note payable from an individual, unsecured, interest at 3.0%. Interest accrues twice a year and is added back to the note balance. Principal and accrued interest is due September 1, 2019. Original note was \$10,000.</p>	12,987	12,609
<p>Note payable from an individual, unsecured, interest at 2.0%. Interest accrues twice a year and is added back to the note balance. Principal and accrued interest is due November 23, 2019. Original note was \$25,000.</p>	29,647	29,065

**FAMILY LIFE MINISTRIES, INC.**  
**Notes to Financial Statements**

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Note payable from an individual, unsecured, interest at 3.0%. Interest accrues twice a year and is added back to the note balance. Principal and accrued interest is due February 23, 2020. Original note was \$25,000.	31,816	30,889
Note payable from an individual, unsecured, interest at 0%, due on May 8, 2022.	10,000	10,000
Note payable from an individual, unsecured, interest at 0%, due on May 17, 2022.	40,000	40,000
Note payable from an individual, unsecured, interest at 0%, due on May 23, 2022.	10,000	10,000
Note paid in full.	-	5,000
Note paid in full.	-	50,000
Note payable from an individual, unsecured, interest at 0%, due on December 15, 2020.	225,000	225,000
Note paid in full.	-	275,000
Note payable from an individual, unsecured, interest at 0%, due on August 15, 2019.	15,000	-
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Principal and accrued interest is due August 24, 2021. Original note was \$10,000.	11,456	11,231
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Principal and accrued interest is due March 16, 2022. Original note was \$25,000.	28,320	27,765
Note payable from an organization, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Principal and accrued interest is due June 15, 2022. Original note was \$50,000.	56,360	55,255
Note payable from an individual, unsecured, interest at 1.5%. Interest accrues annually and is added back to the note balance. Principal and accrued interest is due July 24, 2019. Original note was \$100,000.	109,260	107,645
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Principal and accrued interest is due August 2, 2019. Original note was \$5,000.	5,622	5,512
Note payable from an individual, unsecured, interest at 0%, due on October 11, 2022.	10,000	10,000

**FAMILY LIFE MINISTRIES, INC.**  
**Notes to Financial Statements**

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Note payable from an individual, unsecured, interest at 0%, due on September 3, 2018.	15,200	15,200
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Principal and accrued interest is due September 10, 2019. Original note was \$5,000.	5,392	5,287
Note paid in full.	-	21,146
Note paid in full.	-	25,633
Note paid in full.	-	40,000
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Principal and accrued interest is due May 16, 2021. Original note was \$10,000.	10,431	10,227
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Principal and accrued interest is due June 13, 2021. Original note was \$10,000.	10,415	10,211
Note payable from an individual, unsecured, interest at 2.0%, due on September 5, 2019. Interest accrues annually. Interest accrued through December 31, 2017 was paid. Original note was \$50,000.	50,500	50,000
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Principal and accrued interest is due April 10, 2022. Original note was \$10,000.	10,246	10,044
Note payable from an individual, unsecured, interest at 2.0%. Interest accrues annually and is added back to the note balance. Principal and accrued interest is due October 16, 2020. Original note was \$68,000.	68,970	-
Non-interest bearing capital lease payable due June 2019, payable in monthly principal installments of \$334.	4,010	8,020
Total	1,750,497	2,131,402
Less, current portion	(654,016)	(1,129,238)
Long-term portion	\$ 1,096,481	\$ 1,002,164

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.

**FAMILY LIFE MINISTRIES, INC.**  
**Notes to Financial Statements**

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

2019	\$ 654,016
2020	445,660
2021	300,271
2022	214,807
2023	58,425
Thereafter	<u>77,318</u>
Total	<u>\$ 1,750,497</u>

**Note 5. Supplemental Cash Flow Information**

	<u>2018</u>	<u>2017</u>
Interest paid	\$ 7,374	\$ 10,049

**Note 6. 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 \$27,566 and \$26,512 in the years ended June 30, 2018 and 2017, respectively.

**Note 7. Reclassifications**

Certain reclassifications have been made to the financial statements for the year ended June 30, 2017. These reclassifications are for comparative purposes only and have no effect on the change in net assets originally reported.