

FAMILY LIFE MINISTRIES, INC.

FINANCIAL STATEMENTS

JUNE 30, 2022

FAMILY LIFE MINISTRIES, INC.

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INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 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 Family Life Ministries, Inc. as of June 30, 2022, and the changes in 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Family Life Ministries, Inc. 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 Family Life Ministries, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 Family Life Ministries, Inc.'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 Family Life Ministries, Inc.'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.

Report on Summarized Comparative Information

We have previously audited Family Life Ministries, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 19, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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
January 17, 2023

FAMILY LIFE MINISTRIES, INC.
Statements of Financial Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,647,568	\$ 1,143,958
Accounts receivable - net	48,856	27,959
Prepaid expenses	262,634	241,383
Investments	<u>423,875</u>	<u>204,422</u>
Total current assets	2,382,933	1,617,722
Property and Equipment - Net	8,319,110	7,222,757
Other Assets	<u>7,158,880</u>	<u>7,071,254</u>
Total Assets	<u>\$ 17,860,923</u>	<u>\$ 15,911,733</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 77,749	\$ 64,855
Accrued expenses	9,814	10,673
Deferred revenue	45,770	70,475
Notes payable - current portion	<u>180,445</u>	<u>366,710</u>
Total current liabilities	313,778	512,713
Notes Payable - Net of Current Portion	<u>324,226</u>	<u>480,115</u>
Total Liabilities	<u>638,004</u>	<u>992,828</u>
Net Assets		
Net assets without donor restriction	16,077,406	14,585,559
Net assets with donor restriction	<u>1,145,513</u>	<u>333,346</u>
Total net assets	<u>17,222,919</u>	<u>14,918,905</u>
Total Liabilities and Net Assets	<u>\$ 17,860,923</u>	<u>\$ 15,911,733</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, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total 2022</u>	<u>Total 2021</u>
Public Support and Revenue				
Public Support				
Christian programming	\$ 5,409,519	\$ -	\$ 5,409,519	\$ 5,411,950
Capital campaign	-	2,098,904	2,098,904	2,171,436
Ministry activities	<u>35,915</u>	<u>-</u>	<u>35,915</u>	<u>38,591</u>
Total public support	<u>5,445,434</u>	<u>2,098,904</u>	<u>7,544,338</u>	<u>7,621,977</u>
Revenue				
Christian programming sponsor	1,224,720	-	1,224,720	778,626
Forgiveness of PPP loan	-	-	-	673,730
Employee retention credit	109,471	-	109,471	-
Interest earned	3,381	-	3,381	3,292
Miscellaneous income	8,731	-	8,731	-
Rental income	19,613	-	19,613	21,723
Ministry activity fee	82,993	-	82,993	102,309
Unrealized and realized gain (loss) on investments	(42,553)	-	(42,553)	13,270
Gain on sale of assets	<u>75,537</u>	<u>-</u>	<u>75,537</u>	<u>155,741</u>
Total revenue	1,481,893	-	1,481,893	1,748,691
Net assets released from restrictions	<u>1,286,737</u>	<u>(1,286,737)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>8,214,064</u>	<u>812,167</u>	<u>9,026,231</u>	<u>9,370,668</u>
Expenses				
Program services				
Christian radio programming	4,131,802	-	4,131,802	3,512,759
Christian family activities	1,568,641	-	1,568,641	1,317,807
Supporting services				
Management and general	661,121	-	661,121	895,619
Fundraising	<u>360,653</u>	<u>-</u>	<u>360,653</u>	<u>363,768</u>
Total expenses	<u>6,722,217</u>	<u>-</u>	<u>6,722,217</u>	<u>6,089,953</u>
Change in Net Assets	1,491,847	812,167	2,304,014	3,280,715
Net Assets - Beginning	<u>14,585,559</u>	<u>333,346</u>	<u>14,918,905</u>	<u>11,638,190</u>
Net Assets - Ending	<u>\$ 16,077,406</u>	<u>\$ 1,145,513</u>	<u>\$ 17,222,919</u>	<u>\$ 14,918,905</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, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	<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 2022</u>	<u>Total 2021</u>
Salaries	\$ 1,712,043	\$ 570,681	\$ 2,282,724	\$ 428,011	\$ 142,670	\$ 570,681	\$ 2,853,405	\$ 2,842,846
Travel allowance	41,118	13,706	54,824	10,280	3,427	13,707	68,531	49,828
Life/health insurance	320,341	106,780	427,121	80,085	26,695	106,780	533,901	489,584
Employer's insurance	25,496	8,499	33,995	6,374	2,125	8,499	42,494	40,972
Pension	26,966	8,988	35,954	6,741	2,247	8,988	44,942	47,795
Payroll taxes	<u>127,913</u>	<u>42,638</u>	<u>170,551</u>	<u>31,979</u>	<u>10,660</u>	<u>42,639</u>	<u>213,190</u>	<u>220,889</u>
Total salaries and related expenses	2,253,877	751,292	3,005,169	563,470	187,824	751,294	3,756,463	3,691,914
Activities and program expense	569,496	244,070	813,566	-	-	-	813,566	379,821
Professional fees	216,174	108,087	324,261	36,029	-	36,029	360,290	317,940
Office expense	124,273	62,136	186,409	16,570	4,142	20,712	207,121	208,098
Occupancy	51,155	166,253	217,408	25,577	12,789	38,366	255,774	284,371
Radio tower site expense	492,978	-	492,978	-	-	-	492,978	426,330
Vehicle expense	17,137	35,054	52,191	19,475	6,232	25,707	77,898	42,403
Printing and publications	20,876	7,591	28,467	-	9,489	9,489	37,956	29,362
Miscellaneous	39,866	14,497	54,363	-	18,122	18,122	72,485	68,976
Interest	11,224	-	11,224	-	-	-	11,224	14,902
Fundraising	-	-	-	-	33,380	33,380	33,380	13,632
Bad debt expense	360	-	360	-	-	-	360	6,202
Dues and licenses	<u>9,244</u>	<u>2,311</u>	<u>11,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,555</u>	<u>23,408</u>
Total expenses before depreciation	3,806,660	1,391,291	5,197,951	661,121	271,978	933,099	6,131,050	5,507,359
Depreciation	<u>325,142</u>	<u>177,350</u>	<u>502,492</u>	<u>-</u>	<u>88,675</u>	<u>88,675</u>	<u>591,167</u>	<u>582,594</u>
Total expense	<u>\$ 4,131,802</u>	<u>\$ 1,568,641</u>	<u>\$ 5,700,443</u>	<u>\$ 661,121</u>	<u>\$ 360,653</u>	<u>\$ 1,021,774</u>	<u>\$ 6,722,217</u>	<u>\$ 6,089,953</u>

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 2,304,014	\$ 3,280,715
Adjustments		
Depreciation	591,167	582,594
Gain on sale of assets	(75,537)	(127,081)
Unrealized and realized (gain) loss on investments	42,553	(29,655)
Donated investments	(406,045)	(218,074)
Accrued interest on notes payable	11,106	15,954
Forgiveness of PPP loan	-	(673,730)
Changes in assets and liabilities		
Accounts receivable	(20,897)	16,508
Prepaid expenses	(21,251)	(27,763)
Accounts payable	12,894	22,149
Accrued expenses	(859)	(113,883)
Deferred revenue	(24,705)	(47,295)
Net cash flows from operating activities	<u>2,412,440</u>	<u>2,680,439</u>
Cash Flows from Investing Activities		
Purchase of intangibles	(243,630)	(809,000)
Purchase of property and equipment	(1,699,040)	(2,108,672)
Proceeds from sale of property and equipment	87,057	259,995
Purchase of investments	(100,000)	-
Proceeds from sale of intangibles	156,004	111,608
Proceeds from sale of investments	244,039	58,867
Net cash flows from investing activities	<u>(1,555,570)</u>	<u>(2,487,202)</u>
Cash Flows from Financing Activities		
Repayment of notes payable	(353,260)	(154,252)
Net cash flows from financing activities	<u>(353,260)</u>	<u>(154,252)</u>
Net Change in Cash and Cash Equivalents	503,610	38,985
Cash and Cash Equivalents - Beginning	<u>1,143,958</u>	<u>1,104,973</u>
Cash and Cash Equivalents - Ending	<u>\$ 1,647,568</u>	<u>\$ 1,143,958</u>

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

FAMILY LIFE MINISTRIES, INC.
Notes to 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 reports information regarding its net assets and changes therein in the following categories: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Organization or are required to be held in perpetuity. The Organization had \$1,145,513 and \$333,346 of net assets with donor restrictions at June 30, 2022 and 2021, respectively.

Liquidity - The Organization has \$2,120,299 of financial assets available within one year of the statement of financial position date consisting of \$1,647,568 of cash, \$423,875 of investments, and \$48,856 of accounts receivable. \$1,145,513 of these financial assets are subject to donor or contractual restrictions that would make them unavailable for general expenditures within one year of the statement of financial position date.

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, 2022 and June 30, 2021.

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

FAMILY LIFE MINISTRIES, INC.
Notes to Financial Statements

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, 2022 and June 30, 2021.

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, 2022 and June 30, 2021.

Contributions - In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, "Clarifying the Scope of Accounting Guidance for Contributions Received and Contributions Made". ASU 2018-08 provides clarification for determining if grants and contracts should be considered contributions or exchange transactions, as well as guidance for determining if a contribution is conditional.

Contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence or nature of the donor conditions. 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 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.

Revenue Recognition - On July 1, 2020, the Organization adopted ASU 2014-09, "Revenue from Contracts with Customers", which provides guidance for revenue recognition that superseded the revenue recognition requirements in Accounting Standards Codification (ASC) Topic 605, Revenue Recognition ("Topic 605") and most industry specific guidance. Under ASU 2014-09, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for these goods or services. The Organization has analyzed the provisions of the ASU 2014-09 and has concluded that no changes are necessary to conform with the new standard. The Organization utilizes a five-step framework as identified in ASU 2014-09. The Organization derives its contract revenues from programming sponsors, program and event fees and ministry activity fees. These revenues are recognized at a point in time, when earned.

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.

FAMILY LIFE MINISTRIES, INC.
Notes to 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, 2021, 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. Subsequent to June 30, 2022, the Organization purchased two additional radio stations for a total cost of approximately \$1,115,000. Of this amount, \$300,000 was financed with a note payable with the balance paid in cash.

Note 2. Investments

The Organization has determined fair value of investments by classifying assets into one of three levels. The three levels of inputs that were used to measure fair value were:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

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

Common stocks - valued at the closing price reported in the active market in which the investment is actively traded at year-end (Level 1).

Investments consisted of the following at June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 100,000	\$ -	\$ -	\$ 100,000
Common Stocks:				
Financial services	102,442	-	-	102,442
Technology	98,073	-	-	98,073
Industrials	49,639	-	-	49,639
Consumer cyclical	33,596	-	-	33,596
Healthcare	11,953	-	-	11,953
Consumer defensive	10,529	-	-	10,529
Energy	7,582	-	-	7,582
Communication services	5,779	-	-	5,779
Basic materials	4,282	-	-	4,282
Total	<u>\$ 423,875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 423,875</u>

FAMILY LIFE MINISTRIES, INC.
Notes to Financial Statements

Investments consisted of the following at June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks:				
Technology	\$ 147,027	\$ -	\$ -	\$ 147,027
Consumer services	47,620	-	-	47,620
Consumer non-durables	<u>9,775</u>	-	-	<u>9,775</u>
Total	<u>\$ 204,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,422</u>

Note 3. Fixed Assets

Fixed assets consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Land	\$ 1,029,677	\$ 1,017,754
Buildings	2,929,600	2,926,389
Machinery and equipment	5,782,724	5,101,376
Vehicles	318,450	238,631
Construction in progress	<u>4,084,364</u>	<u>3,191,679</u>
Sub-total	14,144,815	12,475,829
Less, accumulated depreciation	<u>(5,825,705)</u>	<u>(5,253,072)</u>
Property and equipment - net	<u>\$ 8,319,110</u>	<u>\$ 7,222,757</u>

Note 4. Other Assets

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

	<u>2022</u>	<u>2021</u>
Broadcasting rights	\$ 7,069,973	\$ 6,982,347
Goodwill	<u>88,907</u>	<u>88,907</u>
Total	<u>\$ 7,158,880</u>	<u>\$ 7,071,254</u>

Note 5. Employee Retention Credit

During the year ended June 30, 2021, the Organization qualified to receive a refundable tax credit of \$673,476 for the Employee Retention Credit under the CARES Act. The calculation used to determine the refundable tax credit was based on financial activity as of June 30, 2021. As of June 30, 2022, the Organization had received \$109,471 of this amount which is shown on the Statement of Activities as Employee Retention Credit. The balance due has not been accounted for in the accompanying financial statements because laws and regulations concerning governmental programs can be complex and subject to varying interpretations.

FAMILY LIFE MINISTRIES, INC.
Notes to Financial Statements

Note 6. Notes Payable

Notes payable consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
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
Note payable from an individual, unsecured, interest at 1.81%, due on December 12, 2027. Original note was \$500,000.	302,715	353,167
Note payable from an individual, unsecured, interest at 1.81%, due on October 31, 2024. Original note was \$400,000	141,806	187,423
Note payable from an individual, unsecured, interest at 3.0%. Note is payable within ninety days of written notice. Interest accrues twice a year. Original note was \$10,000.	10,150	10,150
Note payable from an individual, unsecured, interest originally at 3.0% but changed to 0%. Interest was forgiven in 2019. Principal was originally due June 3, 2019 and is now due June 3, 2024. Original note was \$10,000.	10,000	10,000
Note payable from an individual, unsecured, interest originally at 3.0%, but changed to 0%. Interest was forgiven in 2019. Principal was originally due February 1, 2020 and is now due February 1, 2025. Original note was \$20,000.	20,000	20,000
Note paid in full.	-	10,000
Note paid in full.	-	40,000
Note paid in full.	-	10,000
Note paid in full.	-	12,157
Note paid in full.	-	30,054
Note paid in full.	-	59,809
Note payable from an individual, unsecured, interest at 0%, due on October 11, 2022.	10,000	10,000
Note paid in full.	-	10,873
Note paid in full.	-	73,192
Total	504,671	846,825
Less, current portion	(180,445)	(366,710)
Long-term portion	\$ 324,226	\$ 480,115

FAMILY LIFE MINISTRIES, INC.
Notes to Financial Statements

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:

2023	\$ 180,445
2024	106,720
2025	117,506
2026	50,000
2027	50,000
Thereafter	-
Total	<u>\$ 504,671</u>

Note 7. Paycheck Protection Program Loan Payable

In April 2020, the Organization received a loan under the Payroll Protection Program that was designed by the United States Small Business Administration ("SBA") to provide direct incentive for small businesses to keep their employees on payroll due to COVID-19. As of November 2020, the Organization received full forgiveness of the loan of \$673,730 and recognized the income from the loan as "Forgiveness of PPP loan" on the statement of activities as of June 30, 2021.

Note 8. Supplemental Cash Flow Information

	<u>2022</u>	<u>2021</u>
Interest paid	\$ <u>11,227</u>	\$ <u>14,902</u>
Noncash partial acquisition of intangible for forgiveness on note receivable	\$ <u>-</u>	\$ <u>21,882</u>

Note 9. Retirement Plan

Family Life Ministries, Inc., has established a 403(b) retirement plan covering all employees of the Organization over 18 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 \$44,942 and \$47,795 in the years ended June 30, 2022 and 2021, respectively.

Note 10. Related Party Transactions

The Organization contracted with a Corporation (the "Corporation") for excavation services for the construction of the new facility. A former member of the Organization's board of directors is also part owner of the Corporation. Contract expenses paid for the years ended June 30, 2022 and 2021 amounted to \$71,400 and \$585,628 respectively, and are included in construction in process on the statement of financial position. No amounts were due to the Corporation from the Organization at June 30, 2022 and 2021.