

ZOLA LEVITT MINISTRIES, INC.'S

March 31, 2015 Board Meeting

The semi-annual meeting of Directors was held in the conference room of David Hitt's law firm, Hitt-Gaines in Richardson, Texas, on Tuesday morning, March 31 at 11:30. David Hitt and Mark Levitt attended in person and teleconferenced with the others. We opened and closed the meeting in prayer. Those present were:

Mr. David Hitt, Chairman, President
Mr. Mark Levitt, Executive Director, Secretary/Treasurer
Mr. Don Parker, Director, Audit Committee
Major Henry R. Salmans, III, Director, Audit Committee
Mr. Mark Nelson, Director

Director Mr. Jay Ledbetter had a last-minute emergency that precluded his attendance, so Mark Levitt reviewed the meeting's highlights with him.

NEW BUSINESS

1. ZLM's 36th anniversary.
2. Size of mailing list: 21,305, including 199 foreign subscribers and 1,037 inmates. We have 9.6% more subscribers than last November's 19,445.
3. Board members receiving **newsletters**? Tentative 2014 financial statements were sent via email.
4. **Web traffic.** www.levitt.com averages 149,490 successful requests per day, up 4% from the 2014 count of 143,783.
5. **Social media progress.** Since last April, our likes on Facebook have increased 68%, from ~40,000 to more than 67,170. We now have 12,600 Twitter followers, up 23.5% from 10,200 last year.
6. **Compensation.** In February, the staff received COLAs of 1.12% with minimum adjustments of \$.25/hour.

7. **ZLM financials** (tentative). 2014 year-end net worth: \$2.49 million (an increase of \$265,000 over 12/31/13).

Though annual gross revenue fell from \$4.26 in 2013 to \$3.95 (our CPA will adjust this figure upward) in 2014, ZLM had net income of \$277,000. Our net income for 2013 was \$420,000.

The ministry's January 2015 net income shows to be \$282,000, but our CPA will move the donations postmarked in December back to 2014. This is to say 2014's figures will look better, and January's net income will fall in accordance to when the particular contributions were mailed.

8. **TEI financials** (tentative). Zola Tours appears to have lost \$24,900, compared with net earnings of \$3,200 in 2013. Our independent auditor will refine the tentative 2014 figures during his week-long visit in May.
9. **Office space lease** (July 1, 2014 – June 30, 2019). Our rent is locked in at \$4,482/month plus electricity.
10. We sent fourteen **To the Jew First (TFJ) Missionaries** to Israel in 2014 (up from eight in 2013, six in 2012, and six in 2011). Dr. Todd Baker goes each time and supervises trained, qualified co-missionaries. We are projecting fourteen TFJ missionaries for 2015.
11. **TV Production.** ZLM increased our production budget by \$80,000 last year to a total of \$530,000. In light of continued strong revenue and growing cash reserves, our TV producer Ken Berg suggested we maintain the larger budget in order to add dramatic reenactments with OT character actors to our pending television series.
12. **Added Thursdays on Daystar.** Recently adding 9:00 AM Central Time on Thursday mornings to our weekly Daystar broadcasts brings us up to three times per week, including 10:00 PM Central on Thursdays and 5:00 PM Central on Fridays. The Daystar broadcasts complement the farther reaching but early-early, cable-only ABC Family air time, Sunday mornings at 5:30 on both coasts (3:30/6:30 Mountain Time and 4:30 Central Time)
13. **LL cover letter.** We probably will add a cover letter from the editor, Margot Dokken, each quarter to increase readership interest with the particular issue, enhance fund raising, and develop another ZLM personality for our readers to get to know.

14. **ZLM, Ltd.** Considering that the ministry's quick assets surpass \$2 million, it might be beneficial to create a partnership for asset protection. Such would initially cost ~\$3,000 in legal/filing fees and probably necessitate filing an additional annual tax return. The benefit would be additional asset protection, above and beyond our \$1 million liability insurance policy.
15. **Staff Compensation.** In response to a question from Mark Nelson, Mark Levitt reviewed the adequacy of the ZLM staff's compensation, including their hourly rates and various benefits. The benefits include health insurance, paid sick/vacation days, paid holidays, flex time, and 401K matching.
16. **Updating www.levitt.com.** The board discussed the importance of the ministry's website availing its newest television productions before the classic ones and the increasing importance of versatile, user-friendly, on-demand streaming.

OLD BUSINESS

1. ZLM's 35th anniversary.
2. Size of mailing list: 19,445, including 197 foreign subscribers and 935 inmates.
3. Board members receiving **newsletters**? Confirmed.
4. Handouts
 - a. 2013 audited Financial Statements are posted at <http://www.levitt.com/about>.
 - b. ZLM's 2013 Form 990 – posted at <http://www.levitt.com/about>
 - c. Catalog/Supplement, Booklist, Airing Schedule, *Levitt Letter*, *Personal Letter* — posted at <http://www.levitt.com/>
5. Newest TV series: *Jerusalem—Ancient Gates*, *Future Glory*, available on DVD and posted at www.levitt.tv
6. Stats on national television networks
 - ABC-FAM** — 96.5 million households, up from 88 million
 - Daystar** — 103.5 million households, up from 60 million (70 TV stations)

7. **Web traffic.** www.levitt.com receives 4.6 million hits per month, up from 4.3 million in April 2014, an increase of 7%.
8. **Contingency planning.** Mark Levitt's older son David, 24, has a master's degree in accounting and is pursuing his CPA certification. Mark is training him to work as an interim executive direction in the event that Mark has to be out of pocket for an extended period. ZLM's webmaster Greg Hartwig, however, would be able to get up to speed faster, given his ongoing exposure to many facets of the ministry.
9. **Projected Gross Revenue** for 2014: **\$4.2 million**, about the same as 2013. Through September, ZLM's **net income YTD** is \$111,300 (\$2,864,800 income less \$2,753,500 expenses).

TEI is projected to net about \$10,000 this year on gross income of approximately \$700,000.

10. **Projected Total Assets** as of 12/31/14: **\$1,977,000** and increase of \$250,000 from \$1,727,000 as of 12/31/13.)
11. **Compensation:** No significant changes.
12. We have taken 12 **To the Jew First (TFJ) Missionaries** to Israel thus far this year, and will add two more in December for a **total of 14**. We sent eight To the Jew First (TFJ) Missionaries to Israel in 2013 (six in 2012 and 11 in 2010)—Dr. Todd Baker plus at least one qualified co-missionary that he has nominated.
13. **TV Production.** We will produce 29 new programs in 2014 with 23 reruns. In 2013, we produced 26 new programs with 14 reprisals and 12 reruns. In 2012, we made 28 new programs and had 16 reprisals and 8 repeats.
14. **Fund Appeals on ZLP.** Each episode of *Zola Levitt Presents* now includes at least three sentences from Myles and Katharine related to fundraising. In addition, the time devoted to credits at the end of the program is no longer than that which is spent on making our ministry's needs known.
15. **IRS Audit of TEI.** Toward the end of May, the IRS notified the ministry that it would conduct an on-site audit of Travel Experience International for the tax year 2011. The audit took place on June 17 and 18. Our volunteer auditor of 25 years, Darrell Keller, flew in from North Carolina to sit with

the IRS auditor. Fortunately we had a “no changes” audit, which is equivalent to a perfect score.

During 2011, TEI reimbursed the ministry retroactively for years of employee benefits. The IRS primarily sought to verify that these transactions were paid as we had truthfully claimed.

16. Farewell **Travel Supreme 5th Wheel**. After years of marketing ZLM’s 40’ Travel Supreme trailer on several trailer lots and in a couple of national publications, we gave it to Darrell Keller in exchange for waiving his fee for coming to Dallas for a two-day, on-site, IRS audit of TEI. Thanks to Darrell’s free yet thorough audits for both the ministry and TEI, the IRS gave us a “no change” verdict. It is likely that Darrell’s daughter, Mary Grace Keller, will follow in his footsteps helping ZLM, just as Mark Nelson has followed his family’s tradition of serving on our all-volunteer board.
17. **Instructive Story**. The ministry’s Chairman, David Hitt, discussed tumultuous changes with a sister ministry whose founder recently passed. The founder’s widow had disputes with those who managed the ministry and taught on its behalf, and they resigned. She recruited new people who modified the organization’s teaching, causing it to become unstable. ZLM would do well to remember as its stewards comes and go that each of us is to serve the Lord in our work rather than ourselves.
18. **Farewell Fr. Ted Nelson**. Fr. Ted served as one of two founding board members for this ministry for two full decades, from 1989 – 2008. At his memorial service last Sunday at Christ Church in Plano, a banner epitomized his 88-year life of service as follows: “Well done, they good and faithful servant.” (Mat. 25:23) Our board expresses profound gratitude to the Nelson family for their continued service to the Lord in multiple capacities.