

ZOLA LEVITT MINISTRIES, INC.'S

November 11, 2014 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 Thursday morning, November 11 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
Mr. Mark Nelson, Director

NEW 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/about>
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.

OLD BUSINESS

1. ZLM's **35th** anniversary.
2. **Size of mailing list:** 22,551 including 200 foreign subscribers and 1,171 inmates, reflecting an increase of more than 2,500 subscribers (12.8%). Last year we increased our purge parameter for major donors to 18 months.
3. Board members receiving **newsletters**? Confirmed.
4. **Web traffic.** www.levitt.com averages 4.3 million hits per month, up from 3.6 million last year (19.4%).
5. **Social media progress.** On May 8, 2013, our social media coordinator reported 20,000 likes on Facebook and almost 6,000 followers on Twitter. In less than a year, those numbers have roughly doubled to 40,000 likes on Facebook and 10,200 Twitter followers.
6. **Compensation:** in February, the staff received COLAs of 1.12% with minimum adjustments of \$0.25/hour.
7. **Contingency planning.** Mark Levitt's older son David, 24, has a master's degree in accounting and is pursuing his CPA certification. Several times per month 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. Regarding the fall tour, both David Dolan and Jonathan Settel were available.
8. **ZLM financials** (tentative).

2013 year-end net worth: \$2.04 million (an increase of \$381,000 over 12/31/12). Though annual gross revenue fell from \$4.33 in 2012 to \$4.14 (to be adjusted) in 2013, ZLM had net income of \$311,000, quite an uptick from 2012's red ink of \$201,000.

First Quarter 2014. YTD gross revenues through March 31 have increased by \$112,000 to \$1.03 million (a 12.2% improvement over first quarter 2013). Our YTD net income is \$148,700, which is much better than last year's first-quarter loss of \$55,600.

9. **TEI financials** (tentative). Zola Tours appears to have earned \$11,900 in 2013 and \$13,500 YTD. Our independent auditor will refine the tentative 2013 figures during his week-long visit next month.
10. **Office space lease** (July 1, 2014 – June 30, 2019). Our rent will escalate from \$3,885/mo to \$4,482/mo over the five years with a one-time \$2.50/ft allowance for improvements that will include upgrading our lighting.
11. We sent **eight To the Jew First (TFJ) Missionaries** to Israel in 2013 (up from six in 2012, six in 2011, and 11 in 2010)—Dr. Todd Baker goes each time and supervises qualified co-missionaries. We are projecting fourteen TFJ missionaries for 2014.
12. **TV Production.** ZLM has increased our production budget by \$80,000 this year to a total of \$530,000. In light of improved revenue and cash reserves, our TV producer Ken Berg suggested a larger budget in order to add dramatic reenactments with OT character actors to our pending series of eight programs regarding Joseph.
13. **Board Suggestions from prior meeting.**
 - a. Elicit donor reviews of teaching materials. store.levitt.com now has a place for reviews, and our webmaster plans to solicit some.
 - b. Initiate credit card processing via PayPal. Done; our monthly PayPal revenue averages \$7,500.
 - c. Post new DVDs at www.levitt.com. Done.
 - d. Test website's search engine with the book *Jesus, the Jew's Jew*. Following some testing and analysis, our webmaster has changed the search engine to prioritize store pages over product ads that appear in archived newsletters. Now the store's offering of *Jesus, the Jew's Jew* shows up before newsletter ads for the book.
 - e. Update the TV listings at www.levitt.tv. This is an ongoing process and, with the May *Personal Letter*, we enclosed hard copies of our revamped TV Airing Schedule.