Consolidated Financial Statements

at

December 31, 2021 and 2020
INDEPENDENT AUDITORS’ REPORT

To the Senior Pastor, Board of Trustees, and Finance Committee
Ebenezer Baptist Church
Atlanta, Georgia

Opinion

We have audited the accompanying consolidated financial statements of Ebenezer Baptist Church (the "Church") which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the consolidated related statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Church as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Church 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Church's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.
Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated 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 the Church'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Church'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.

April 22, 2022
EBENEZER BAPTIST CHURCH  
Consolidated Statements of Financial Position  
December 31, 2021 and 2020

<table>
<thead>
<tr>
<th>Assets</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$1,265,003</td>
<td>$704,887</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>8,705</td>
<td>21,527</td>
</tr>
<tr>
<td>Investments</td>
<td>531,136</td>
<td>499,821</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>1,804,844</td>
<td>1,226,235</td>
</tr>
<tr>
<td>Property and Equipment, Net</td>
<td>11,691,655</td>
<td>12,068,772</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$13,496,499</td>
<td>$13,295,007</td>
</tr>
</tbody>
</table>

| Liabilities and Net Assets    |            |            |
| Current Liabilities:          |            |            |
| Accounts Payable              | $35,033    | $25,445    |
| Unearned Rental Revenue       | 5,201      | 4,161      |
| Capital Lease Obligation - current portion | 93,786 | 88,267 |
| Mortgages Payable - current portion | 274,420 | 261,438 |
| Deferred Revenue - current portion | 14,380 | 14,380 |
| Total Current Liabilities     | 422,820    | 393,691    |

| Long-term Liabilities:        |            |            |
| Capital Lease Obligation - less current portion | 106,747 | 208,974 |
| Mortgages Payable - less current portion | 6,888,475 | 7,214,505 |
| Deferred Revenue - less current portion | 373,880 | 388,260 |
| Total Long-term Liabilities   | 7,369,102  | 7,811,739  |

| Total Liabilities             | 7,791,922  | 8,205,430  |

| Net Assets:                   |            |            |
| Without Donor Restrictions:   |            |            |
| Undesignated                  | 5,508,006  | 4,932,864  |
| Designated                    | 68,262     | 58,156     |
| Total Net Assets Without Donor Restrictions | 5,576,268 | 4,991,020 |

| With Donor Restrictions       | 128,309    | 98,557     |

| Total Net Assets              | 5,704,577  | 5,089,577  |

| Total Liabilities and Net Assets | $13,496,499| $13,295,007|

See Accompanying Notes
EBENEZER BAPTIST CHURCH
Consolidated Statements of Activities
For the Years Ended December 31, 2021 and 2020

Net Assets Without Donor Restrictions:

Support and Revenue:
General Undesignated Offerings $4,305,828 $3,526,765
Rental Income 202,312 377,993
Grant from Federal Government 88,100 180,800
Realized and Unrealized Gains (Losses) on Investments 31,315 (27,618)

Total Support and Revenue without Donor Restrictions 4,627,555 4,057,940

Net Assets Released from Restrictions 27,195 23,386

Total Support, Revenue and Reclassifications 4,654,750 4,081,326

Expenses:
Program Expenses 2,847,116 2,878,860
Management and General 1,222,386 1,016,538

Total Expenses 4,069,502 3,895,398

Increase in Net Assets Without Donor Restrictions 585,248 185,928

Net Assets With Donor Restrictions:

Contributions 56,947 40,540
Net Assets Released from Restrictions (27,195) (23,386)

Increase in Net Assets With Donor Restrictions 29,752 17,154

Increase in Net Assets 615,000 203,082

Net Assets, Beginning of Year 5,089,577 4,886,495

Net Assets, End of Year $5,704,577 $5,089,577

See Accompanying Notes
EBENEZER BAPTIST CHURCH
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2021

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Support Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pastoral Services</td>
<td>Local Ministries</td>
</tr>
<tr>
<td>Salaries, Wages and Benefits:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ministerial Staff</td>
<td>$ 135,506</td>
<td>$ 113,710</td>
</tr>
<tr>
<td>Lay Staff</td>
<td>63,305</td>
<td>118,344</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>280,354</td>
<td>54,641</td>
</tr>
<tr>
<td>Total Salaries, Wages and Benefits</td>
<td>479,165</td>
<td>286,695</td>
</tr>
<tr>
<td>Worship, Art and Teaching Ministries</td>
<td>-</td>
<td>547,530</td>
</tr>
<tr>
<td>Consultants and Contractors</td>
<td>-</td>
<td>158,491</td>
</tr>
<tr>
<td>Interest</td>
<td>13,216</td>
<td>254,407</td>
</tr>
<tr>
<td>Utilities and Telephone</td>
<td>11,287</td>
<td>217,272</td>
</tr>
<tr>
<td>Repairs and Maintenance</td>
<td>2,563</td>
<td>54,360</td>
</tr>
<tr>
<td>Contributions and Benevolence</td>
<td>-</td>
<td>15,241</td>
</tr>
<tr>
<td>Supplies</td>
<td>588</td>
<td>11,311</td>
</tr>
<tr>
<td>Facility and Equipment Rent</td>
<td>1,380</td>
<td>26,572</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>60,492</td>
</tr>
<tr>
<td>Technology and Other Costs</td>
<td>12,410</td>
<td>238,890</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>22,481</td>
<td>432,765</td>
</tr>
<tr>
<td></td>
<td>$ 543,090</td>
<td>$ 2,304,026</td>
</tr>
</tbody>
</table>

See Accompanying Notes
EBENEZER BAPTIST CHURCH  
Consolidated Statement of Functional Expenses  
For the Year Ended December 31, 2020  

<table>
<thead>
<tr>
<th>Support Services</th>
<th>Program Services</th>
<th>Support Services</th>
<th>Management and General</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pastoral Support</td>
<td>Local Ministries</td>
<td>Total Program Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, Wages and Benefits:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ministerial Staff</td>
<td>$ 200,000</td>
<td>$ 268,460</td>
<td>$ 468,460</td>
<td>$ -</td>
</tr>
<tr>
<td>Lay Staff</td>
<td>61,800</td>
<td>115,049</td>
<td>176,849</td>
<td>302,546</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>89,092</td>
<td>56,077</td>
<td>145,169</td>
<td>111,464</td>
</tr>
<tr>
<td>Total Salaries, Wages and Benefits</td>
<td>350,922</td>
<td>439,586</td>
<td>790,478</td>
<td>414,010</td>
</tr>
<tr>
<td>Worship, Art and Teaching Ministries</td>
<td>-</td>
<td>631,484</td>
<td>631,484</td>
<td>-</td>
</tr>
<tr>
<td>Consultants and Contractors</td>
<td>-</td>
<td>5,600</td>
<td>5,600</td>
<td>239,298</td>
</tr>
<tr>
<td>Interest</td>
<td>16,495</td>
<td>296,456</td>
<td>312,951</td>
<td>81,113</td>
</tr>
<tr>
<td>Utilities and Telephone</td>
<td>12,055</td>
<td>217,735</td>
<td>229,790</td>
<td>88,043</td>
</tr>
<tr>
<td>Travel and Visitations</td>
<td>15,538</td>
<td>-</td>
<td>15,538</td>
<td>-</td>
</tr>
<tr>
<td>Repairs and Maintenance</td>
<td>4,662</td>
<td>83,787</td>
<td>88,449</td>
<td>20,990</td>
</tr>
<tr>
<td>Contributions and Benevolence</td>
<td>-</td>
<td>28,044</td>
<td>28,044</td>
<td>-</td>
</tr>
<tr>
<td>Supplies</td>
<td>1,176</td>
<td>21,139</td>
<td>22,315</td>
<td>5,297</td>
</tr>
<tr>
<td>Facility and Equipment Rent</td>
<td>3,368</td>
<td>60,536</td>
<td>63,904</td>
<td>15,165</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>47,195</td>
<td>47,195</td>
<td>-</td>
</tr>
<tr>
<td>Technology and Other Costs</td>
<td>10,066</td>
<td>180,904</td>
<td>190,970</td>
<td>45,321</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>23,832</td>
<td>428,310</td>
<td>452,142</td>
<td>107,301</td>
</tr>
</tbody>
</table>

$ 438,084 $ 2,440,776 $ 2,878,860 $ 1,016,538 $ 3,895,398

See Accompanying Notes
EBENEZER BAPTIST CHURCH
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities:</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in Net Assets</td>
<td>$615,000</td>
<td>$203,082</td>
</tr>
<tr>
<td>Adjustments to Reconcile Change in Net Assets to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Unrealized (Gain) Loss on Investments</td>
<td>(11,961)</td>
<td>27,618</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>562,032</td>
<td>559,443</td>
</tr>
<tr>
<td>Recognition of Deferred Revenue</td>
<td>(14,380)</td>
<td>(14,380)</td>
</tr>
<tr>
<td>Changes in Operating Assets and Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) Decrease in Accounts Receivable</td>
<td>12,822</td>
<td>80,664</td>
</tr>
<tr>
<td>Increase (Decrease) in Accounts Payable</td>
<td>9,588</td>
<td>(146,840)</td>
</tr>
<tr>
<td>Increase (Decrease) in Unearned Rental Revenue</td>
<td>1,040</td>
<td>(654)</td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td>1,174,141</td>
<td>708,933</td>
</tr>
</tbody>
</table>

| Cash Flows from Investing Activities: |          |            |
| Purchases of investments             | (19,354)  | -          |
| Disbursements for Property Development | (169,256)| -          |
| Purchases of Musical Equipment        | (15,659)  | -          |
| Net Cash Used in Investing Activities | (204,269)| -          |

| Cash Flows from Financing Activities: |          |            |
| Principal Payments on Capital Lease Obligation | (96,708)| (70,988)  |
| Principal Payments on Mortgages Payable   | (313,048)| (91,487)  |
| Net Cash Used in Financing Activities     | (409,756)| (162,475) |

Net Increase in Cash and Cash Equivalents | 560,116   | 546,458    |

Cash and Cash Equivalents at Beginning of Year | 704,887   | 158,429    |

Cash and Cash Equivalents at End of Year | $1,265,003 | $704,887   |

Supplemental Information:

| Interest Expense - Paid |          |            |
|                        | $327,884 | $391,549   |

See Accompanying Notes
Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Business

Ebenezer Baptist Church, Inc. (the "Church") was founded as a church in 1886 exclusively for charitable, religious and educational purposes. The Church's mission is to be an urban-based, global ministry dedicated to individual growth and social transformation through living in the message and carrying out the mission of Jesus Christ. The Church is supported primarily through contributions from the congregation. The governing body of the Church is a Board of Trustees comprised of twenty-three members.

On February 22, 1995, the Church incorporated the Ebenezer Building Foundation (the "Foundation"), a separate 501(c)(3) not-for-profit Georgia corporation. The purposes of the Foundation are to raise funds for the construction, operation, management and maintenance of facilities sponsored and/or financed by the Church and to own, operate, manage and maintain properties developed, owned or acquired by or donated to the Church. The Foundation also raises funds to support the ministries of the Church. The governing body of the Foundation is a Board of Directors comprised of three members appointed by the Board of Trustees of the Church.

Basis of Consolidation

The consolidated financial statements include the accounts of the Church and its affiliate, the Foundation. All significant intercompany balances and transactions have been eliminated in consolidation. Except as otherwise noted, the consolidated entity is referred to as the Church.

Basis of Accounting

Basis of accounting refers to the manner in which revenues and expenses are recognized in the accounts and reported in the financial statements. The consolidated financial statements are presented on the accrual method of accounting whereby revenues are recognized when earned and expenses are recognized when occurred.

Basis of Presentation

The Church reports information regarding its financial position and activities according to the following classes of net assets:

Net Assets Without Donor Restrictions - Net assets that are available for use in general operations and not subject to donor restrictions or the donor-imposed restrictions are met in the year of contribution. Net assets without donor restrictions can further be classified as undesignated or designated by the Board of Trustees. The Church’s Board has designated from net assets without donor restrictions net assets for a scholarship fund.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. When a donor restriction expires, net assets with donor restrictions are transferred to net assets without donor restrictions and reported in the Consolidated Statement of Activities as net assets released from restrictions. The Church's net assets with donor restrictions are described in Note 10.
Note 1 - Organization and Summary of Significant Accounting Policies - continued

Contributions

The Church recognizes contributions when cash, securities, other assets or an unconditional promise to give are received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right to return, are not recognized until the conditions on which they depend have been met. If the release of the restriction occurs at the same time as meeting conditional grants, the Church records the contribution as without donor restrictions.

In April 2020, the Church obtained a Small Business Administration loan under the Paycheck Protection Program (the “PPP”) totaling $180,800. The loan was treated as a conditional grant, in which revenue is recorded when qualifying expenses have been incurred. At December 31, 2020, the Church had utilized the entire PPP funding on qualifying expenses and the full amount was recorded as a contribution in the Consolidated Statements of Activities. The Church received forgiveness of the PPP loan proceeds in March 2021.

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities in the financial statements. Estimates and assumptions may also affect disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses. Accordingly, actual results may differ from those estimates and those differences could be material.

Tax Status

The Church is a not-for-profit organization exempt from income taxes under the Internal Revenue Code Section 501(c)(3). Therefore, no provision for income taxes has been made.

Accounting principles accepted in the United States of America require management to evaluate tax positions taken by the Church and recognize a tax liability (or asset) if the Church has taken an uncertain position that will more than likely than not be sustained upon examination by taxing authorities. Management believes it has appropriate support for any tax positions taken and as such, does not have any uncertain tax positions material to the financial statements.

The Church is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. In general, the Church is no longer subject to tax examinations for tax years ended before December 31, 2018.
Note 1 - Organization and Summary of Significant Accounting Policies - continued

Cash and Cash Equivalents

Cash and cash equivalents represent funds without legal restrictions on hand or on deposit with financial institutions available in thirty days.

Investments

The Church invests in mutual funds and equity securities. Refer to Note 4 for the fair value of the investments and their measurement levels.

Accounts Receivable

Accounts receivable is stated at fair value, less any allowance for doubtful accounts. Management estimated the allowances for doubtful accounts based on existing economic conditions, the financial conditions of the organization, and the amount and age of the receivables. Bad debts are expensed and charged against the allowance account when deemed uncollectible based upon a periodic review of collections. At December 31, 2021, management had determined all accounts receivable were collectible and no allowances was necessary. An allowance for doubtful accounts of $5,750 was deemed necessary at December 31, 2020.

Property and Equipment

Acquisitions of property and equipment or betterments that materially prolong the useful lives of assets in excess of $1,000 are capitalized.

Except for the original Church building and land, property and equipment are recorded at cost. The original Church building and the related parcels of land are recorded at appraised value.

Depreciation is computed using the straight-line method over the over the estimated useful life of the property and equipment and is calculated the first full year the asset is placed in service. The estimated useful lives are as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and Improvements</td>
<td>20 - 40 years</td>
</tr>
<tr>
<td>Furniture, Fixtures and Equipment</td>
<td>5 - 20 years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>5 years</td>
</tr>
</tbody>
</table>
Note 1 - Organization and Summary of Significant Accounting Policies - continued

Donated Assets

The value of capital improvements to the Church's original sanctuary paid for by the National Park Service is capitalized as property and equipment in the Consolidated Statements of Financial Position.

Donated marketable securities, land and other noncash donations are recorded as contributions at their estimated fair value at the date of donation.

A substantial number of unpaid volunteers have made significant contributions of their time and talent in carrying out the Church's programs and services. The value of these contributions is not reflected in the consolidated financial statements since they do not meet the criteria for recognition under generally accepted accounting principles.

Compensated Absences

Unused employee leave expires at the end of each year and is not paid if employment is terminated for any reason.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis by natural classification in the accompanying Consolidated Statements of Functional Activities. Accordingly, certain costs that are attributed to more than one program or supporting function have been allocated among the programs and supporting services benefited. Therefore, those expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated based on building square footage include utilities, repairs, depreciation, interest and other general costs.
Note 2 - Liquidity and Availability of Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Consolidated Statement of Financial Position date, are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$1,265,003</td>
</tr>
<tr>
<td>Less: Net Assets with Donor Restrictions</td>
<td>128,309</td>
</tr>
<tr>
<td>Net Cash and Cash Equivalents</td>
<td>$1,136,694</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>8,705</td>
</tr>
<tr>
<td>Investments</td>
<td>531,136</td>
</tr>
<tr>
<td></td>
<td>$1,676,535</td>
</tr>
</tbody>
</table>

Funds designated by the Board, in the amount of $68,262, for scholarships are available for general expenditures, if necessary. The Church does not intend to spend from the board-designated funds.

Note 3 – Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

The Church maintains its cash balances at one primary financial institution. The Federal Deposit Insurance Corporation insures accounts at each institution up to $250,000. At December 31, 2021, the Church had $652,483 of uninsured cash balances. Management believes that cash is maintained at a financial institution with a high credit rating that, accordingly, carries an acceptably low risk of potential loss.
Note 4 – Investments and Fair Value Measurements

The framework for measuring fair value provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of fair value hierarchy are described as follows:

**Level 1** - Unadjusted quoted prices in active markets for identical assets or liabilities that the Church can access at the measurement date.

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3** - Unobservable inputs for the asset or liability. In these situations, the Church would develop inputs using the best information available in the circumstances.

The Church’s investment valuations are based on quoted market prices in active markets, and accordingly, classified as Level 1. The valuation methodologies used for assets measured at fair value did not change during the years ended December 31, 2021 and 2020.

The fair value of assets, measured on a recurring basis at December 31, 2021 are as follows:

**Balances at December 31, 2021:**

<table>
<thead>
<tr>
<th>Financial Assets: Investments - Marketable Securities</th>
<th>Fair Value</th>
<th>Level 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Securities</td>
<td>$418,774</td>
<td>$418,774</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>$112,362</td>
<td>$112,362</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>$531,136</td>
<td>$531,136</td>
</tr>
</tbody>
</table>

The fair value of assets, measured on a recurring basis at December 31, 2020, are as follows:

**Balances at December 31, 2020:**

<table>
<thead>
<tr>
<th>Financial Assets: Investments: Marketable Securities</th>
<th>Fair Value</th>
<th>Level 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Securities</td>
<td>$398,060</td>
<td>$398,060</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>$101,761</td>
<td>$101,761</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>$499,821</td>
<td>$499,821</td>
</tr>
</tbody>
</table>
EBENEZER BAPTIST CHURCH
Notes to the Consolidated Statements
December 31, 2021 and 2020

Note 5 – Property and Equipment

A summary of the Church’s property and equipment is presented below:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and Land Improvements</td>
<td>$660,435</td>
<td>$660,435</td>
</tr>
<tr>
<td>Buildings and Fixtures</td>
<td>19,903,749</td>
<td>19,903,749</td>
</tr>
<tr>
<td>Property Development</td>
<td>992,045</td>
<td>822,789</td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>2,731,180</td>
<td>2,731,181</td>
</tr>
<tr>
<td>Musical Equipment</td>
<td>637,595</td>
<td>621,936</td>
</tr>
<tr>
<td>Vehicles</td>
<td>210,828</td>
<td>210,828</td>
</tr>
<tr>
<td></td>
<td>25,135,832</td>
<td>24,950,918</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>(13,444,177)</td>
<td>(12,882,146)</td>
</tr>
<tr>
<td></td>
<td>$11,691,655</td>
<td>$12,068,772</td>
</tr>
</tbody>
</table>

Depreciation expense for the years ended December 31, 2021 and 2020 was $562,032 and $559,443, respectively.

Note 6 - Capital Lease Obligation

In 2018, the Church leased audio visual equipment, valued at $450,000, under a capital lease. The Church is financing the acquisition of the assets through the lease, and, accordingly, the equipment and the lease payable are recorded in the Church’s financial statements as assets and liabilities. The lease agreement contains a bargain purchase option at the end of the lease term.

Future minimum payments required under the lease in each of the next four years reduced to their present value are as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$101,287</td>
</tr>
<tr>
<td>2023</td>
<td>101,287</td>
</tr>
<tr>
<td>2024</td>
<td>8,441</td>
</tr>
<tr>
<td></td>
<td>211,015</td>
</tr>
</tbody>
</table>

Less: Amount representing Interest

| Present Value of Minimum Lease Payments | $200,533 |

Amortization of assets held under capital leases is included with depreciation expense.
Note 7 - Mortgages Payable

Mortgages Payable

A summary of the mortgages payable as of December 31, 2021 and 2020 follows:

<table>
<thead>
<tr>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,507,311</td>
<td>$4,728,331</td>
</tr>
</tbody>
</table>

$5,122,784, refinanced in September 2017, mortgage payable to bank currently bearing interest at 4.25%, due in 120 monthly installments of principal and interest of $30,841, with a balloon payment of all remaining principal and interest due September 2027, secured by Deed of Trust on land and buildings, Deed of Secure Debt, assignment of rents and leases, Security Agreement and other loan documents.

$2,993,320, refinanced in September 2017, mortgage payable to bank currently bearing interest at 4.25% at December 31, 2021, due in 120 monthly installments of principal and interest of $17,629, with a balloon payment of all remaining principal and interest due September 2027, secured by Deed of Trust on land and buildings, Deed of Secure Debt, Assignment of rents and leases, Security Agreement and other loan documents.

| 2,670,048 | 2,764,592 |
| 7,177,359 | 7,492,923 |

Less: Debt Issuance Costs

| $(14,464) | $(16,980) |

$7,162,895 $7,475,943

Interest expense on the related mortgage indebtedness for the years ended December 31, 2021 and 2020 was $316,074 and $375,039, respectively. Amortization of the deferred debt issuance costs was $2,515 for both years and reported as a component of interest expense on the Consolidated Statements of Functional Expenses.
Note 7 - Mortgages Payable - continued

The future scheduled maturities of mortgages payable are as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31,</th>
<th>Mortgages Payable</th>
<th>Deferred Debt Issuance Costs</th>
<th>Mortgages Payable, Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$ 276,935</td>
<td>$ 2,515</td>
<td>$ 274,420</td>
</tr>
<tr>
<td>2023</td>
<td>289,141</td>
<td>2,515</td>
<td>286,626</td>
</tr>
<tr>
<td>2024</td>
<td>301,884</td>
<td>2,515</td>
<td>299,369</td>
</tr>
<tr>
<td>2025</td>
<td>315,190</td>
<td>2,515</td>
<td>312,675</td>
</tr>
<tr>
<td>2026</td>
<td>329,031</td>
<td>2,515</td>
<td>326,566</td>
</tr>
<tr>
<td>Thereafter</td>
<td>5,665,128</td>
<td>1,889</td>
<td>5,663,239</td>
</tr>
<tr>
<td></td>
<td>$ 7,177,359</td>
<td>$ 14,464</td>
<td>$ 7,162,895</td>
</tr>
</tbody>
</table>

Note 8 - Deferred Revenue

On April 26, 1996, the Church and the United States Department of the Interior - National Park Service (the "NPS") entered into an agreement to exchange properties. The Church agreed to convey to the NPS a long-term lease of fifty (50) years with a 49-year option to renew at the sole discretion of the NPS, for the sole use and occupancy of the historic Heritage Sanctuary Building. In exchange for the aforementioned lease, the NPS conveyed in fee simple, by quit claim deed, the land on which the Horizon Sanctuary is built plus the adjacent parking lot property, valued at $400,000, and $319,000 in cash. The lease began in 1999 with the completion of the Horizon Sanctuary for the Church.

The $719,000 aggregate value of property and cash are in consideration of the 50-year lease commitment for the NPS’ use of the historic Sanctuary. Accordingly, the $719,000 has been reported in the financial statements as deferred revenue and will be recognized as lease revenue over the initial 50-year term of the lease.

The revenue recognized under the rental agreement for both 2021 and 2020 was $14,380 and is included in rental income in the Consolidated Statement of Activities.
Note 9 - Net Assets Without Donor Restrictions - Board Designated Fund

The Church’s Board of Directors has designated from net assets without donor restrictions for the following purpose as of December 31, 2021 and 2020:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships</td>
<td>$68,262</td>
<td>$58,156</td>
</tr>
</tbody>
</table>

Note 10 – Net Assets With Donor Restrictions

Net assets with donor restrictions, subject to the passage of time or expenditure for a specific purpose, are available for the following purposes at December 31, 2021 and 2020:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auxiliary Programs</td>
<td>$127,146</td>
<td>$97,394</td>
</tr>
<tr>
<td>Building Campaign</td>
<td>1,163</td>
<td>1,163</td>
</tr>
<tr>
<td></td>
<td>$128,309</td>
<td>$98,557</td>
</tr>
</tbody>
</table>

Note 11 - Lease Commitments

During December 2019, the Church entered into several non-cancelable operating leases for reproduction equipment. The leases have a five year term and rent payments started in January 2020, based on conditions stipulated in the lease agreement. The future minimum lease payments under non-cancelable operating leases as of December 31, 2021 are as follows:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$29,010</td>
</tr>
<tr>
<td>2023</td>
<td>29,010</td>
</tr>
<tr>
<td>2024</td>
<td>29,010</td>
</tr>
<tr>
<td></td>
<td>$87,030</td>
</tr>
</tbody>
</table>

During the years ended December 31, 2021 and 2020, the Church paid $31,242 and $31,069, respectively, in rent expense and maintenance cost under lease agreements.
Note 12 - Commitments and Contingencies

Office and Gift Shop Lessors' Commitments

The Church rents a portion of office space and its gift shop to other organizations. As of December 31, 2021, minimum future rentals to be received under non-cancelable leases with these organizations for each year are as follows.

<table>
<thead>
<tr>
<th>Year Ending December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$130,770</td>
</tr>
<tr>
<td>2023</td>
<td>110,711</td>
</tr>
<tr>
<td>2024</td>
<td>53,500</td>
</tr>
<tr>
<td>2025</td>
<td>53,500</td>
</tr>
<tr>
<td>2026</td>
<td>53,500</td>
</tr>
<tr>
<td>Thereafter</td>
<td>89,167</td>
</tr>
<tr>
<td></td>
<td>$491,148</td>
</tr>
</tbody>
</table>

Operating Contingencies

The Church depends on membership tithes, offerings and contributions for its revenue. The ability of Church members and contributors to continue giving amounts comparable with current levels may be dependent with current and future overall economic conditions and the continued deductibility for income tax purposes of membership tithes, offerings and contributions to the Church. While management believes the Church has the resources to continue its services, its ability to do so and the extent to which it continues may be dependent on these factors.

Note 13 - Related Party Transactions

On April 1, 2015, the Martin Luther King, Sr. Community Resources Collaborative (the "Collaborative") a 501(c)(3) not-for-profit Georgia corporation was incorporated. The Collaborative's purpose is to organized, and at all times shall be operated, to serve as a resource to improve and strengthen communities and to empower individuals throughout the greater Atlanta region and beyond. The governing body of the Collaborative is a Board of Directors with three board members that are either Board of Trustees members or employees of the Church. The Collaborative's financial statements are not included in the Consolidated Financial Statements of the Church.

During 2020, the Church provided $55,500 in support to the Collaborative through the forgiveness of an advance receivable.
Note 14 - Retirement Plan

The Church makes contributions to the pastors' and three employees' individual retirement plans based on a fixed monthly amount with no match required from the individuals. The retirement plan expense for the years ended December 31, 2021 and 2020 was $71,515 and $75,413, respectively.

Note 15 - Church Operations Related to Pandemic

In March 2020, the World Health Organization declared the outbreak of a Coronavirus (COVID-19) as a pandemic resulting in federal, state and local government mandates related to travel restrictions, public gatherings and stay at home orders. As a result, the Church has experienced a disruption of normal operations. While this disruption is expected to be temporary, there is continued uncertainty around its duration. The related financial impact cannot be determined through the date of this report. It is reasonably possible that changes in risks in the near term could occur and result in a material change to the consolidated financial statements.

Note 16 - Subsequent Events

Management has evaluated subsequent events through April 22, 2022, the date on which the financial statements were available to be issued and identified no events requiring recording or disclosure in the financial statements for the year ended December 31, 2021.