THE CHURCH OF ELEVEN22, INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

THE CHURCH OF ELEVEN22, INC.
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JAMESMOORE

INDEPENDENT AUDITORS' REPORT

To the Elder Board,
The Church of Eleven22, Inc.:

Opinion

We have audited the consolidated financial statements of The Church of Eleven22, Inc. ("the Church"), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Church as of December 31, 2022, and the changes in its net assets and 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 (GAAS). 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.

Change in Accounting Principle

As discussed in Note 1(n) to the consolidated financial statements, in 2022, the entity adopted new accounting guidance for leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated 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 for one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated 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 GAAS 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 GAAS, 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.

James Moore & Co., P.L.

Gainesville, Florida
April 20, 2023

THE CHURCH OF ELEVEN22, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

Current assets	
Cash and cash equivalents	$ 10,352,103
Prepaid expenses and other current assets	1,171,638
Total current assets	11,523,741
Property and equipment, net	73,089,527
Operating lease right of use asset, net	15,540,645
Total Assets	$ 100,153,913

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable and accrued expenses	$ 2,364,494
Deferred revenue	102,378
Current portion of notes payable	2,256,757
Current portion of operating lease liability	2,013,484
Total current liabilities	6,737,113
Long-term liabilities	
Notes payable, less current portion, net of debt issuance costs	35,590,092
Operating lease liability, less current portion	13,539,520
Total long-term liabilities	49,129,612
Total liabilities	55,866,725
Net assets	
Without donor restrictions	
Undesignated	9,056,869
Invested in property and equipment and right of use asset, net of related debt and operating lease liability	35,230,319
Total net assets without restrictions	44,287,188
Total Liabilities and Net Assets	$ 100,153,913

The accompanying notes to consolidated financial statements
are an integral part of this statement.

THE CHURCH OF ELEVEN22, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions
Support and revenue	
Tithes and offerings	$ 43,194,977
Ministry income	991,426
Thrift sales	3,681,446
Retreat center program fees	505,283
Other income	99,945
Interest income	51,743
Total support and revenue	48,524,820
Expenses	
Church operations	29,027,408
Thrift store	3,624,713
Mission trips	676,776
The Retreat Center	2,501,675
General and administrative	3,861,254
Total expenses	39,691,826
Change in net assets	8,832,994
Net assets, beginning of year	35,454,194
Net assets, end of year	$ 44,287,188

The accompanying notes to consolidated financial statements
are an integral part of this statement.

THE CHURCH OF ELEVEN22, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Church Operations	Thrift Store	Mission Trips	The Retreat Center	General and Administrative	Total
Expenses						
Personnel	$ 10,385,996	$ 2,091,388	$ 59,722	$ 808,657	$ 1,971,168	$ 15,316,931
Occupancy	2,684,635	840,278	-	84,244	35,175	3,644,332
Tithe - charitable contributions	2,820,410	-	206,586	-	-	3,026,996
Insurance	166,080	71,705	-	202,395	248,044	688,224
Costs of goods sold	-	194,511	-	-	-	194,511
Depreciation, amortization, and non-capital expenses	3,338,675	74,905	-	314,604	-	3,728,184
Office expense	179,429	56,023	-	997	8,145	244,594
Other operating	875,842	275,866	410,468	728,733	714,884	3,005,793
Other ministry and discipleship	7,273,302	-	-	-	883,838	8,157,140
Interest and loan expenses	1,303,039	20,037	-	362,045	-	1,685,121
Total expenses	$ 29,027,408	$ 3,624,713	$ 676,776	$ 2,501,675	$ 3,861,254	$ 39,691,826

The accompanying notes to consolidated financial statements
are an integral part of this statement.

THE CHURCH OF ELEVEN22, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

Cash flows from operating activities	
Change in net assets	$ 8,832,994
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Debt issuance costs charged to interest expense	82,139
Depreciation	3,642,595
Amortization of right-of-use-assets	1,822,954
Changes in:	
Prepaid expenses and other current assets	71,978
Accounts payable and accrued expenses	622,189
Deferred revenue	(1,354)
Operating lease liability	(1,810,595)
Net cash provided by operating activities	13,262,900
Cash flows from investing activities	
Purchases of property and equipment	(4,042,210)
Net cash used in investing activities	(4,042,210)
Cash flows from financing activities	
Principal payments on notes payable	(5,569,615)
Net cash used in financing activities	(5,569,615)
Net increase in cash and cash equivalents	3,651,075
Cash and cash equivalents, beginning of year	6,701,028
Cash and cash equivalents, end of year	$ 10,352,103
Supplemental disclosure of cash flow information and noncash investing and financing activities	
Cash paid for interest	$ 1,405,215
Right-of-use assets obtained in exchange for operating lease obligations	$ 4,913,281

The accompanying notes to consolidated financial statements
are an integral part of this statement.

THE CHURCH OF ELEVEN22, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

(1) **Summary of Significant Accounting Policies:**

The consolidated financial statements of The Church of Eleven22, Inc. (the "Church") have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

(a) **Nature of operations—**The Church is a religious organization located in Jacksonville, Florida, with the majority of its contributions obtained from members living in the Jacksonville area. The Church was incorporated on October 11, 2011, and began operations and worship services in September 2012. The Church has eight operational campus locations (San Pablo, Baymeadows, Arlington, Mandarin, St. Johns, Fleming Island, Orange Park and Jesup) as of December 31, 2022. During 2022, the Church began two new campuses, one in Jesup, Georgia (January) and Orange Park, Florida (September). The Church also has one prison campus (Union Correctional Institution). The Church's mission is a movement for all people to discover and deepen a relationship with Jesus Christ.

In August 2015, the Church opened a retail thrift store called Hope's Closet Thrift, LLC ("Hope's Closet") adjacent to the San Pablo campus for the mission of glorifying God by providing affordable donated and new merchandise in a dignified retail setting that allows the Church to disciple people, help fund community transformation programs and support the Church's ministry partners. A second Hope's Closet location was added at the Arlington location in late 2017 and opened in April 2018. All proceeds from Hope's Closet fund ministry activities of the Church.

In July 2020, the Church formed The Church of Eleven22 at The Retreat Center, LLC, a wholly owned subsidiary of the Church, to acquire property to engage religious, educational, charitable, and other similar purposes for expression of the Christian faith. In September 2020, the Church purchased property ("The Retreat Center") in South Georgia for these purposes. The Retreat Center is an extension of the church to help people discover and deepen their relationship with Jesus Christ.

(b) **Basis of presentation, principles of consolidation, and revenue recognition—**The Church's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, and include the financial activity of the Church and its wholly-owned subsidiaries, Hope's Closet Thrift, LLC, The Church of Eleven22 at The Retreat Center, LLC and The Retreat Center, LLC. The Church of Eleven22 at The Retreat Center, LLC and The Retreat Center, LLC own and operate The Retreat Center, LLC. All significant interorganizational transactions have been eliminated in consolidation.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Any amounts not spent are recorded as restricted revenue if donor restrictions exist. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), the corresponding restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

(1) **Summary of Significant Accounting Policies:** (Continued)

Accordingly, net assets of the Church and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by actions of the Church and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

There were no net assets with donor restrictions held at December 31, 2022.

Revenue Recognition Associated with Hope's Closet

Contributions of clothing, household goods and other items to Hope's Closet are recognized as product sales when, and if, sold. Inventories of and items in Hope's Closet are not included as assets in the statement of financial position due to the impracticality of determining values for the inventory, the quick turnover of the inventory, and its overall immateriality to the financial statements taken as a whole.

For the Hope's Closet locations, the revenue related to product sales is recognized as the customer obtains control of the goods offered by Hope's Closet (i.e., when the customer checks out and pays for the product). All sales at Hope's Closet locations are considered final and no returns are permitted. The transaction price typically incudes some portion of sales or taxes as levied in the respective jurisdiction. Those taxes that are collected for remittance to governmental entities on a pass-through basis are not recognized as revenue and they are recorded to a liability account until they are paid. In 2020, Hope's Closet applied for a religious exemption from the collection and remittance of sales taxes, and was granted this exemption on August 7, 2020. From that date forward, no sales taxes are collected related to sales through Hope's Closet. The Hope's Closet customers typically use a mixture of cash, checks, credit cards and debit cards to pay for the products as they are received. They have accounts receivable from the various credit/debit card providers at any point in time related to product sales made on credit cards and debit cards. These receivables are typically collected in two to seven days, depending on the terms with the particular credit/debit card providers. Payment fees retained by the credit/debit card providers are recorded as other operating expenses.

Revenue Recognition Associated with The Retreat Center.

Revenue associated with The Retreat Center consists of fees paid by individuals and groups that use the facilities at The Retreat Center. These amounts are recognized into revenue based upon the associated time period of use by those individuals or groups.

(c) **Cash and cash equivalents**—For purposes of reporting cash flows, cash and cash equivalents includes only investments with original maturities of three months or less.

(1) **Summary of Significant Accounting Policies:** (Continued)

(d) **Property and equipment**—Acquisitions of property and equipment in excess of $5,000 are generally capitalized. Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. The cost of property and equipment is being charged to operations using the straight-line method of depreciation over estimated useful lives ranging from three to forty years.

(e) **Leases—**The Church leases vehicles, office equipment and commercial building space. The Church determines if an arrangement is a lease at inception. Operating leases are reflected as an operating lease right-of-use (ROU) asset and operating lease liabilities on the Church's consolidated statement of financial position. ROU assets represent the Church's right to use an underlying asset for the lease term and lease liabilities represent the Church's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Church's leases do not provide an implicit rate, the Church uses the risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Church's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Church will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Church's lease agreements do not contain any material residual value guarantees or material restrictive covenants. In evaluating contracts to determine if they qualify as a lease, the Church considers factors such as if it has obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used, and if the lessor has substantive substitution rights. This evaluation may require significant judgment. In allocating consideration in the contract to the separate lease components and the non-lease components, the Church uses the standalone prices of the lease and non-lease components. Observable standalone prices are used, if available. If the standalone price for a component has a high level of variability or uncertainty, this allocation may require significant judgment.

(f) **Contributions (tithes and offerings)**— The Church follows a "one fund" philosophy for funding its operations. All contributions received by the Church are received in accordance with this policy, and therefore, all contributions are considered to be without donor restrictions. As a result, all contributions are recorded as an increase in net assets without donor restrictions. This means that there are no donor-imposed restrictions on any contributions received by the Church.

(g) **Contributed services—**The Church receives a substantial amount of services donated by its members in carrying out the Church's ministry. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under generally accepted accounting principles.

(1) **Summary of Significant Accounting Policies:** (Continued)

(h) **Donated assets**—Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. Noncash donations to Hope's Closet have not been reflected in the financial statements, due to the impracticality of determining values for the items (primarily used clothing), the quick turnover of the inventory, and its overall immateriality to the financial statements taken as a whole.

(i) **Pledges**—In addition to general contributions, the Church conducts campaigns that incorporate pledge cards for the amounts individuals intend to contribute towards these campaigns. Since the pledges do not meet the criteria for revenue recognition under generally accepted accounting principles, they are not reflected as contributions in the statement of activities until the pledges are collected. Uncollected pledges are not legally enforceable against donors, and no receivable balance has been recorded.

(j) **Functional allocation of expenses—**The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(k) **Income taxes—**The Church, Hope's Closet, and Woodbine Acquisition, LLC are non-profit corporations statutorily exempt from federal income taxes under the Internal Revenue Code, section 501(c)(3). Under Section 501a., the Church is exempt from the requirement to file an annual information return.

(l) **Use of 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(m) **Subsequent events**—The Church has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through April 20, 2023, the date the consolidated financial statements were available to be issued.

Related to the ministry operations expansion at The Retreat Center, the Church executed a construction contract in April 2023. The Church purchased land in 2020 in St. Johns county to develop a permanent campus for the local community. Additionally, the Church is in the final stages of meeting regulatory permitting needs. The Church currently has a verbal agreement and is finalizing a contract with a local developer to develop the site work and the building shell. In addition, the Church plans to enter into agreements with a local construction company and a regional audio-visual company to build the interior of the building and install the production equipment. The Church is anticipating this campus to have a seating capacity of 2,100.

(1) **Summary of Significant Accounting Policies:** (Continued)

(n) **Adoption of new accounting standards**—In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Church adopted the standard effective January 1, 2022 and recognized and measured leases existing at, or entered into after, January 1, 2022 using a modified retrospective approach, with certain practical expedients available.

The Church elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As result of the adoption of the new lease accounting guidance, the Church recognized on January 1, 2022 a right-of-use asset and a lease liability of $17,363,599, which represents the present value of the remaining operating lease payments of $21,027,841, discounted using a risk-free rate of 3%. The standard had a material impact on the Church's consolidated statement of net position, but did not have an impact on the Church's consolidated statement of activities, nor consolidated statements of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

(2) **Retirement Plans:**

The Church sponsors a defined contribution retirement plan allowed under Internal Revenue Code section 403(b). The Church matches employee contributions up to 4% of an eligible participant’s compensation. Total retirement plan expense for the year ended December 31, 2022 was $203,831.

Beginning in 2018, the Church began sponsoring a nonqualified deferred compensation plan for pastoral staff who receive housing allowances as a part of their compensation packages, which complies with the requirements of Internal Revenue Code section 409A. Eligible employees receive a match contributed by the Church on their housing allowance, which is not eligible for matching as part of the Church’s 403(b) plan. The Church matches employee contributions up to 4% of an eligible participant’s housing allowance. The total amount contributed by the Church for the year ended December 31, 2022 was $37,462.

(3) **Property and Equipment:**

Property and equipment is summarized below as of December 31, 2022:

Audio visual and lighting equipment	$ 8,040,095
Equipment	2,375,550
Furniture and fixtures	1,392,411
Land and land improvements	13,914,858
Leasehold improvements	15,984,231
Building and improvements	41,536,627
Vehicles	821,843
Total property and equipment being depreciated	84,065,615
Less: Accumulated depreciation	15,989,344
Total property and equipment being depreciated, net	68,076,271
Construction in progress	5,013,256
Total property and equipment, net	$ 73,089,527

Depreciation expense totaled $3,642,595 for the year ended December 31, 2022.

(4) **Leases:**

The Church has operating leases for office equipment (commercial copiers), vehicles, outdoor equipment and buildings, which have remaining lease terms expiring in years 2023 through 2039. Some leases include options to extend, however, it is management's estimate that these options will not be exercised, therefore, they have not been included in the lease term.

The components of lease expense for the year ended December 31, 2022 were as follows:

Amortization of right-of-use assets	$ 1,822,954
Interest on lease liabilities	417,158
Operating lease expense	$ 2,240,112

Other information related to leases for the year ended December 31, 2022 is as follows:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 2,240,112
Weighted-average remaining lease term—operating leases	12.17 years
Weighted-average discount rate—operating leases	3.0%

(4) **Leases:** (Continued)

Future minimum lease payments under non-cancellable leases as of December 31, 2022 were as follows:

Year Ending December 31,	Operating
2023	$ 2,013,484
2024	2,031,765
2025	1,654,158
2026	1,246,464
2027	1,269,007
Thereafter	10,572,851
Total undiscounted cash flows	18,787,729
Less: present value discount	3,234,725
	$ 15,553,004

(5) **Concentration of Credit Risk:**

The Church has demand deposits with a regional bank at December 31, 2022 with a bank balance amounting to $4,963,539. The Church has no policy requiring collateral to support these deposits, although amounts held by the bank are federally insured up to FDIC limits.

(6) **Liquidity and Availability:**

Financial assets available within one year to meet cash needs for general expenditures through December 31, 2022 are as follows:

Financial assets available within one year, at year end:	
Cash and cash equivalents	$ 10,352,103
Miscellaneous receivables	144,073
Financial assets available to meet cash needs for general expenditures within one year	$ 10,496,176

As more fully described in Note 7, the Church also has a committed line of credit of $2,000,000, which it could draw upon in the event of an unanticipated liquidity need. At December 31, 2022, $2,000,000 was available to be drawn on.

(7) **Notes Payable:**

Notes payable consists of the following as of December 31, 2022:

Line of credit payable to a financial institution with a variable interest rate of SOFR plus 2.25% and total allowable borrowings of up to $2,000,000 that matures in October 2024. The line is unsecured.	$ -
Note payable to a financial institution with a fixed interest rate of 3.95% that matures in September 2031. The note is secured by real property and leasehold improvements of the Mandarin location.	3,831,645
Note payable to a financial institution with a fixed interest rate of 3.95% that matures in May 2024. The note is secured by real property and leasehold improvements of the San Pablo location.	5,735,794
Note payable to a financial institution with a fixed interest rate of 4.65% that matures in April 2024. The note is secured by certain property of the Fleming Island location.	4,471,465
Note payable to a financial institution with a fixed interest rate of 3.50% that matures in January 2025. The note is secured by certain property of the San Pablo location.	1,317,009
Note payable to a financial institution with a fixed interest rate of 3.82% that matures in January 2026. The note is secured by certain property of the San Pablo location.	14,010,052
Note payable to a financial institution with a fixed interest rate of 4.25% that matures October 2030. The note is secured by real property of The Retreat Center.	8,351,488
Notes payable to three individual third-parties with a fixed interest rate of 0.35% that matures in September 2025. The notes are unsecured.	450,000
	38,167,453
Less: Current portion of notes payable	2,256,757
Less: Unamortized debt issuance costs	320,604
Notes payable, less current portion and unamortized debt issuance costs	$ 35,590,092

(7) **Notes Payable:** (Continued)

Maturities and scheduled principal payments on notes payable for the next five years and thereafter are as follows:

Year Ending December 31,	Amount
2023	$ 2,364,110
2024	11,624,581
2025	1,152,408
2026	12,804,122
2027	543,259
Thereafter	9,678,973
Total	$ 38,167,453

Under its debt agreement, the Church is subject to compliance with certain restrictive covenants, including maintaining a minimum fixed charge coverage ratio, a minimum interest coverage ratio, minimum debt service coverage ratio and not exceeding a maximum ratio of debt to tangible net assets. The Church was in compliance with these covenants as of December 31, 2022.

(8) **Construction Commitments:**

The Church continues to launch new campuses consistent with the stated vision. There were two active construction projects as of December 31, 2022. The Church has a long-term lease for a new campus in North Jacksonville with a remaining commitment of approximately $4,800,000 in construction costs. Additionally, the Church plans to expand ministry operations and add rooms at The Retreat Center in South Georgia. The Church has entered into a contract with a civil engineer and an architect that have a remaining commitment of approximately $3,000,000.