

Ecclesia Houston

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2022 and 2021

Ecclesia Houston

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Independent Auditors' Report

To the Board of Overseers of
Ecclesia Houston:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ecclesia Houston, which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, of functional expenses, and of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ecclesia Houston as of December 31, 2022 and 2021, 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 Ecclesia Houston and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Ecclesia Houston's ability to continue as a going concern for one year after the date that the 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 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 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 Ecclesia Houston'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 Ecclesia Houston'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.

Blazek & Vetterling

April 14, 2023

Ecclesia Houston

Statements of Financial Position as of December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 1,048,890	\$ 975,643
Prepaid expenses and other assets	627,614	844,185
Government grant receivable <i>(Note 8)</i>		248,682
Investments <i>(Note 4)</i>	6,194,241	7,480,156
Note receivable <i>(Note 3)</i>	129,185	137,323
Property and equipment, net <i>(Note 5)</i>	<u>22,496,597</u>	<u>22,077,773</u>
TOTAL ASSETS	<u>\$ 30,496,527</u>	<u>\$ 31,763,762</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 100,559	\$ 111,817
Mission grants payable	<u>225,000</u>	<u>225,000</u>
Total liabilities	<u>325,559</u>	<u>336,817</u>
Commitments and contingencies <i>(Note 8)</i>		
Net assets:		
Without donor restrictions	18,420,368	19,833,707
With donor restrictions <i>(Note 6)</i>	<u>11,750,600</u>	<u>11,593,238</u>
Total net assets	<u>30,170,968</u>	<u>31,426,945</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 30,496,527</u>	<u>\$ 31,763,762</u>

See accompanying notes to financial statements.

Ecclesia Houston

Statement of Activities for the year ended December 31, 2022

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions	\$ 3,402,586	\$ 532,155	\$ 3,934,741
Program fees and rental income	361,610		361,610
Special event		103,070	103,070
Direct donor benefits		(18,686)	(18,686)
Paper Co. café sales	35,048		35,048
Cost of goods sold – Paper Co. café	(41,025)		(41,025)
Net investment return	8,841		8,841
Total revenue	3,767,060	616,539	4,383,599
Net assets released from restrictions:			
Expenditures for missions and outreach	459,177	(459,177)	
Total	4,226,237	157,362	4,383,599
EXPENSES:			
Program expenses:			
Ministry and education	4,037,470		4,037,470
Missions and outreach	727,994		727,994
Total program expenses	4,765,464		4,765,464
Management and general	731,114		731,114
Paper Co. café	142,998		142,998
Total expenses	5,639,576		5,639,576
CHANGES IN NET ASSETS	(1,413,339)	157,362	(1,255,977)
Net assets, beginning of year	19,833,707	11,593,238	31,426,945
Net assets, end of year	\$ 18,420,368	\$ 11,750,600	\$ 30,170,968

See accompanying notes to financial statements.

Ecclesia Houston

Statement of Activities for the year ended December 31, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions	\$ 3,478,314	\$ 322,234	\$ 3,800,548
Program fees and rental income	59,628		59,628
Special event		101,859	101,859
Direct donor benefits		(29,655)	(29,655)
Paper Co. café sales	14,165		14,165
Cost of goods sold – Paper Co. café	(23,110)		(23,110)
Net investment return	151,865		151,865
Government grants <i>(Note 8)</i>		1,059,274	1,059,274
Total revenue	3,680,862	1,453,712	5,134,574
Net assets released from restrictions:			
Expenditures for missions and outreach	379,300	(379,300)	
Expenditures for COVID-19 relief funding:			
Paycheck Protection Program loan	591,200	(591,200)	
Employee retention credits	468,074	(468,074)	
Total	5,119,436	15,138	5,134,574
EXPENSES:			
Program expenses:			
Ministry and education	3,264,717		3,264,717
Missions and outreach	596,431		596,431
Total program expenses	3,861,148		3,861,148
Management and general	753,192		753,192
Paper Co. café	38,422		38,422
Total expenses	4,652,762		4,652,762
CHANGES IN NET ASSETS	466,674	15,138	481,812
Net assets, beginning of year	19,367,033	11,578,100	30,945,133
Net assets, end of year	\$ 19,833,707	\$ 11,593,238	\$ 31,426,945

See accompanying notes to financial statements.

Ecclesia Houston

Statement of Functional Expenses for the year ended December 31, 2022

	<u>MINISTRY AND EDUCATION</u>	<u>MISSIONS AND OUTREACH</u>	<u>MANAGEMENT AND GENERAL</u>	<u>PAPER CO. CAFÉ</u>	<u>TOTAL EXPENSES</u>
Payroll and related benefits	\$ 2,408,481		\$ 432,939	\$ 94,432	\$ 2,935,852
Mission grants to other non-profits		\$ 421,431			421,431
Professional services	329,687		53,234	3,653	386,574
Repairs and maintenance	228,921		27,874	700	257,495
Retreat/mission travel	239,790	12,201			251,991
Depreciation	204,908		22,768	11,489	239,165
Occupancy	201,086		20,322	881	222,289
Insurance	152,740		21,163		173,903
Program equipment and supplies	77,963	34,914	445	19,514	132,836
Outreach/direct disaster assistance		122,988			122,988
Software, subscriptions, and other technology	73,276		32,064		105,340
Meals and entertainment	17,796	34,161	5,206	47	57,210
Bank fees			44,432	2,152	46,584
Staff training and development	18,004		23,235	718	41,957
Furniture and equipment not capitalizable	27,379		1,940	8,671	37,990
Benevolence direct assistance		34,794			34,794
Property taxes			18,476		18,476
Other	<u>57,439</u>	<u>67,505</u>	<u>27,016</u>	<u>741</u>	<u>152,701</u>
Total expenses	<u>\$ 4,037,470</u>	<u>\$ 727,994</u>	<u>\$ 731,114</u>	<u>\$ 142,998</u>	5,639,576
Direct donor benefits					18,686
Cost of goods sold – Paper Co. café					<u>41,025</u>
Total					<u>\$ 5,699,287</u>

See accompanying notes to financial statements.

Ecclesia Houston

Statement of Functional Expenses for the year ended December 31, 2021

	<u>MINISTRY AND EDUCATION</u>	<u>MISSIONS AND OUTREACH</u>	<u>MANAGEMENT AND GENERAL</u>	<u>PAPER CO. CAFÉ</u>	<u>TOTAL EXPENSES</u>
Payroll and related benefits	\$ 2,259,287		\$ 494,919	\$ 7,036	\$ 2,761,242
Mission grants to other non-profits		\$ 326,238			326,238
Professional services	207,553		30,074	200	237,827
Repairs and maintenance	164,752		22,740		187,492
Depreciation	124,072		13,786	4,799	142,657
Occupancy	135,183		13,189	764	149,136
Insurance	143,565		19,850		163,415
Program equipment and supplies	95,178	91,178		11,785	198,141
Outreach/direct disaster assistance		32,390			32,390
Software, subscriptions, and other technology	67,402		37,884	947	106,233
Meals and entertainment	13,400		8,379		21,779
Bank fees			39,048	827	39,875
Staff training and development	5,968		34,486	175	40,629
Benevolence direct assistance		81,407			81,407
Property taxes			16,439		16,439
Other	<u>48,357</u>	<u>65,218</u>	<u>22,398</u>	<u>11,889</u>	<u>147,862</u>
Total expenses	<u>\$ 3,264,717</u>	<u>\$ 596,431</u>	<u>\$ 753,192</u>	<u>\$ 38,422</u>	4,652,762
Direct donor benefits					29,655
Cost of goods sold – Paper Co. café					<u>23,110</u>
Total					<u>\$ 4,705,527</u>

See accompanying notes to financial statements.

Ecclesia Houston

Statements of Cash Flows for the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (1,255,977)	\$ 481,812
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	239,165	142,657
Net realized and unrealized (gain) loss on investments	85,170	(143,389)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	216,571	(25,781)
Government grant receivable	248,682	(248,682)
Accounts payable and accrued expenses	(11,258)	71,641
Grants payable	<u> </u>	<u>153,800</u>
Net cash provided (used) by operating activities	<u>(477,647)</u>	<u>432,058</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(203,758)	(172,846)
Proceeds from sales of investments	204,689	83,074
Net change in cash and money market mutual funds held as investments	1,199,814	975,887
Purchases of property and equipment	<u>(657,989)</u>	<u>(876,575)</u>
Net cash provided by investing activities	<u>542,756</u>	<u>9,540</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advance on note receivable		(140,000)
Payments on note receivable	<u>8,138</u>	<u>2,677</u>
Net cash provided (used) by financing activities	<u>8,138</u>	<u>(137,323)</u>
NET CHANGE IN CASH	73,247	304,275
Cash, beginning of year	<u>975,643</u>	<u>671,368</u>
Cash, end of year	<u>\$ 1,048,890</u>	<u>\$ 975,643</u>

See accompanying notes to financial statements.

Ecclesia Houston

Notes to Financial Statements for the years ended December 31, 2022 and 2021

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Ecclesia Houston (Ecclesia) is a nonprofit organization located in Houston, Texas, incorporated under the laws of the State of Texas. Ecclesia is a holistic, missional, Christian community that seeks to spread the Gospel of Jesus Christ, teaching the Bible and sharing the Christian faith with as many people as possible. Ecclesia is primarily supported by contributions provided through its Christian community in two locations. Ecclesia operates a café and coffee shop at the Elder Street location to provide a place of community for the congregation and others in Houston.

Federal income tax status – Ecclesia is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a religious organization under §509(a)(1) and §170(b)(1)(A)(i).

Cash concentration – Bank deposits exceed the federally insured limit per depositor per institution.

Investments are reported at fair value. Net investment return consists of interest and dividends, realized and unrealized gains and losses, net of external and direct internal investment expenses. Cash which is held for long-term investment is grouped with investments and excluded from cash in the statement of cash flows.

Note receivable is carried at the unpaid principal balance, less an allowance for uncollectible note receivable balances, if necessary. No allowance has been provided at December 31, 2022.

Property and equipment is reported at cost. Contributions of property are reported at estimated fair value at the date of gift. Expenditures or contributions in excess of \$5,000 with an estimated useful life of greater than one year are capitalized as property. Depreciation is reported on a straight-line basis over estimated useful lives of 5 to 37 years.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both. Absent explicit donor restrictions regarding use, contributions of long-lived assets and of assets restricted for acquisition of long-lived assets are released when those assets are placed in service.

Mission grants are recognized as expense when Ecclesia approves an unconditional commitment to a grant recipient. Commitments made but not yet funded are reported as mission grants payable. All grants are to be paid within one year. During 2022 and 2021, Ecclesia provided grants to Living Water International totaling approximately \$225,000 and \$240,000, respectively.

Contributions including government grants, are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as *with donor restrictions*. Conditional contributions are subject to one or more barriers that must be overcome before Ecclesia is entitled to receive or retain funding. Conditional contributions are recognized as revenue at fair value when the conditions have been met. Funding received before conditions are met is reported as a refundable advance.

Contributed materials, use of facilities, and services – Donated materials and use of facilities are recognized at fair value as contributions without donor restrictions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

A substantial number of volunteers have contributed their time to Ecclesia for which no amount has been recognized in the financial statements because the services did not meet the criteria for recognition under generally accepted accounting principles.

Special event revenue is the total amount paid by attendees of an event and includes elements of both contributions and exchange transactions. Special event revenue is recognized when the event occurs. Direct donor benefits represent the cost of goods and services provided to attendees of the event.

Program fees, rental income and café sales are recognized as the services or goods are provided as follows:

- *Holyland Trip* – Registration fees are paid by trip participants. Ecclesia recognizes the revenue from this trip as performance obligations are satisfied at a point in time, when the trip takes place. Included in the price of the trip are overnight accommodations, meals, tour bus fees, tour guides, airport transfer fees, and entrance fees. Fees paid in advance are reported as deferred program fee revenue. There were no fees paid in advance in 2022 or 2021.
- *Mother's Day Out* – This childcare program is offered to families within the Houston area. The program is for children of all ages and is offered two days a week at the West Side campus. The program seeks to engage children in developmentally appropriate experiences with God's Word through storytelling. Registration for this program is typically on a 2 to 4 month basis, depending on the time of year. Ecclesia recognizes revenue ratably over 2 to 4 month time periods as performance obligations are met. There are explicit price concessions based on the number of children that a family enrolls. The program fees are billed monthly and are net of any discounts.
- *Café Sales* – Café sales are recognized when the goods are provided.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Paper Co. café activities are the direct conduct or supervision of activities for the Paper Co. café. Management and general activities are not directly identifiable with specific program or café activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and related costs are allocated on the basis of estimated time and effort expended. Depreciation and other occupancy costs are allocated based on square footage. Information technology costs are allocated based on estimates of time and costs of specific technology utilized.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

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 December 31 comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash	\$ 1,048,890	\$ 975,643
Other receivables	24,949	54,567
Government grant receivable		248,682
Investments	6,194,241	7,480,156
Note receivable	<u>129,185</u>	<u>137,323</u>
Total financial assets	7,397,265	8,896,371
Less financial assets not available for general expenditure:		
Note receivable due beyond one year	(120,882)	(129,185)
Restricted by donors for future projects	<u>(47,124)</u>	<u> </u>
Total financial assets available for general expenditure	<u>\$ 7,229,259</u>	<u>\$ 8,767,186</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Ecclesia considers all expenditures related to its ongoing activities of providing ministry, mission and outreach programs, the operations of the Paper Co. café, as well as the conduct of services undertaken to support those activities, to be general expenditures.

Financial assets available for general expenditures include cash, equity securities, and accounts receivable. Ecclesia is substantially supported by contributions and program fees and regularly monitors liquidity required to meet its operating needs and other contractual commitments, while striving to maximize the investment of available funds.

NOTE 3 – RELATED PARTY TRANSACTIONS

During 2021, Ecclesia loaned a member of the pastoral staff \$140,000, the proceeds of which were used to purchase the borrower's residence. The note bears interest at 2% and requires monthly payments of principal and interest beginning September 1, 2021, through maturity on August 15, 2036. The note is secured by the borrower's residence.

At December 31, 2022, principal payments are due as follows:

2023	\$ 8,303
2024	8,470
2025	8,641
2026	8,816
2027	8,994
Thereafter	<u>85,961</u>
Total	<u>\$ 129,185</u>

During 2021, Ecclesia entered into an agreement to lease certain space at the Lindale location to an organization to operate a Head Start program. The lease provides for a 5-year term, expiring on June 30, 2025, with the option to renew for three, 5-year increments. The lease provides for monthly rental payments of \$2,420 plus operating expenses of \$10,000. A member of the pastoral staff is the spouse of an executive employee of the lessor. Ecclesia recognized rental income of approximately \$152,000 and \$51,000 under this agreement during 2022 and 2021, respectively.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All of Ecclesia’s investments are measured at fair value using Level 1 inputs which are unadjusted quoted prices in active markets for identical assets or liabilities that Ecclesia has the ability to access at the reporting date.

	<u>2022</u>	<u>2021</u>
Investments:		
Mutual funds:		
Money market	\$ 5,513,945	\$ 6,722,745
Equity	155,591	129,359
Bond	8,864	4,330
Common stock	351,927	445,278
Exchange-traded funds	<u>88,226</u>	<u>111,742</u>
Total assets	6,118,553	7,413,454
Cash held as investments	<u>75,688</u>	<u>66,702</u>
Total investments	<u>\$ 6,194,241</u>	<u>\$ 7,480,156</u>

Valuation methods used for assets measured at fair value are as follows:

- *Mutual funds* are valued at the reported net asset value.
- *Common stock* and *exchange-traded funds* are valued at the closing price reported on the active market on which the individual securities are traded.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Ecclesia believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

Investments are exposed to various risks such as interest rate, market, and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 16,036,251	\$ 16,036,251
Buildings and improvements	6,084,529	5,406,863
Furniture, fixtures, and equipment	708,042	666,618
Construction in progress	<u>1,059,234</u>	<u>1,118,153</u>
Total property and equipment, at cost	23,888,056	23,227,885
Accumulated depreciation	<u>(1,391,459)</u>	<u>(1,150,112)</u>
Property and equipment, net	<u>\$ 22,496,597</u>	<u>\$ 22,077,773</u>

In January 2016, Ecclesia entered into an agreement with a local area church to transfer all of the assets of the church to Ecclesia, which were appraised for approximately \$11,500,000. The agreement further provides that the property be used solely as a church operating as a member congregation of the Union Baptist Association for a period of 10 years from the date of the agreement. If Ecclesia does not utilize the property as a church, Union Baptist Association has the right to contest the title and revert the property. Ecclesia began operating a church at this location effective January 1, 2016.

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Ukraine Relief	\$ 94,809	
Outreach grants	58,393	\$ 5,835
UTHealth Partnership	50,000	
Gulf Coast Response	38,192	38,089
Hurricane Dorian Relief	8,932	8,932
Venezuela Missions		40,382
Other	<u>274</u>	
Total subject to expenditure for specified purpose	250,600	93,238
Not subject to appropriation or expenditure:		
Property to be used for a church until 2026 (<i>Note 5</i>)	<u>11,500,000</u>	<u>11,500,000</u>
Total net assets with donor restrictions	<u>\$ 11,750,600</u>	<u>\$ 11,593,238</u>

NOTE 7 – RETIREMENT PLAN

Ecclesia maintains a §403(b) retirement savings plan to which all employees may contribute subject to Internal Revenue Service regulations. Ecclesia's contributions were approximately \$151,000 and \$155,000 in 2022 and 2021, respectively.

NOTE 8 – GOVERNMENT GRANTS

Government grant revenue recognized during the year ended December 31, 2021 includes the following:

U. S. Small Business Administration:	
Employee Retention Credit grant	\$ 468,074
Paycheck Protection Program loan forgiveness	<u>591,200</u>
Total government grants	<u>\$ 1,059,274</u>

At December 31, 2021, there is an outstanding receivable for the Employment Retention Credit grant in the amount of \$248,682.

Ecclesia’s government grants require fulfillment of certain conditions as set forth in the grant contracts and are subject to review and audit by the awarding agencies. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds as a result of non-compliance by Ecclesia with the terms of the contracts. Management believes such disallowances, if any, would not be material to Ecclesia’s financial position or changes in net assets.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 14, 2023, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.
