

**IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF ARKANSAS
LITTLE ROCK DIVISION**

**IN RE: EASTERN STAR BAPTIST CHURCH
FED. ID NO. 71-0587779**

**CASE NO. 4:17-BK-10643
CHAPTER 11**

**DEBTOR'S DISCLOSURE STATEMENT TO ACCOMPANY
ITS PLAN OF REORGANIZATION DATED AS OF NOVEMBER 30, 2017**

THIS IS NOT A SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE COURT.

The Debtor, Eastern Star Baptist Church (hereinafter referred to as the “Church” or “Debtor”), in accordance with the provisions of 11 U.S.C. § 1129(a)(11), filed a voluntary Chapter 11 on February 3, 2017 with the United States Bankruptcy Court, Eastern District of Arkansas. Since the Petition Date, the Debtor has remained in possession of its assets and has continued to own, operate and manage its business affairs pending the approval of a Plan of reorganization in accordance with the provisions of Title 11 of the United States Code (the “**Bankruptcy Code**”).

Pursuant to Section 1125 of the Bankruptcy Code, the Debtor now files this Disclosure Statement (the “**Disclosure Statement**”) relating to its proposed Plan of Reorganization dated November 30, 2017 (the “**Plan**”).¹

No representations concerning the Debtor, the estimated value of the Debtor’s property and/or the estimated assets to be generated from the liquidation of the Debtor’s assets, are authorized by the Debtor other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance which are other than as contained in this Disclosure Statement, should not be relied upon by you in casting your vote with respect to the proposed Plan.

The Debtor believes that the Plan provides the greatest and earliest possible recoveries to all creditors under the circumstances. The debtor therefore believes that acceptance of the Plan is

¹ Capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Plan.

in the best interest of each and every class of creditors and recommends that you vote to accept the Plan.

This Disclosure Statement is based upon information available to the Debtor as of November 30, 2017, and does not reflect events that may occur subsequent to that date, which may have a material impact on the information contained in this Disclosure Statement. The Debtor will not make any effort to supplement or amend this Disclosure Statement to reflect changes subsequent to the date hereof.

This document was compiled from information obtained by the debtor from numerous sources believed to be accurate to the best of the debtor's knowledge, information and belief. However, the debtor and its advisors do not represent or warrant that this Disclosure Statement is complete or that the information contained herein is free from any inaccuracy or omission.

Nothing in this disclosure statement is or shall be deemed to be an admission or a declaration against interest by the debtor for purposes of any existing or future litigation, but rather as statements made in settlement negotiations governed by rule 408 of the Federal Rules of Evidence and any other statute or rule of similar import.

CAUTIONARY STATEMENT

Certain information included in this Disclosure Statement contains forward-looking statements within the meaning of the securities act of 1933, as amended, the securities exchange act of 1934, as amended, and the private securities litigation reform act of 1995, as amended. Such forward-looking information is based on information available when such statements are made and is subject to risks and uncertainties that could cause actual results to differ materially from those expressed in this Disclosure Statement.

THE DEBTOR AND ITS OPERATIONS

1. Introduction and Reason for Filing Chapter 11

Eastern Star Baptist Church had its beginnings in November of 1900. It has 398 members. It is registered with the Internal Revenue Service and qualifies as a 501(c)(3) non-profit organization. In 2014 the Church undertook the construction of a new sanctuary directly across the street from its original building. The general contractor on the project was Green Design & Construction Co., Inc. ("Green").

Unfortunately, for all parties, construction ground to a halt some time in 2014 with the Church alleging, inter alia, faulty design and construction, and Green alleging, inter alia, non-payment. (Pulaski County Circuit Case No. 60CV-15-5780). The case culminated in an adverse arbitration award, confirmed by the Circuit Court, awarding Judgment in favor of Green against the Church for \$294,067.19 on January 20, 2016.

At or about the same time as the disagreement with Green occurred and due in no small measure to the disagreement with Green, the Church found itself unable to comply with all code requirements for the City of North Little Rock. These deficiencies resulted in a limited certificate of occupancy. Work still needs to be completed in order for the Church to receive a full blown certificate of occupancy. The financial pressures from collection efforts by Green and demands for completion by the City of North Little Rock, totaling in excess of \$600,000.00, led to the Church's decision to file for Chapter 11.

Estimates for the completion of the necessary, required work are \$335,007.10 provided by Vernon Huiett (attached as Exhibit "A"). That estimate will soon be two years old and no doubt will be higher now. Eagle Bank currently holds the first mortgage for \$800,000.00. Eagle Bank has agreed to loan an additional \$375,464.00 for the explicit purpose of bringing the property "up to code" and paying for the items listed in the Huiett estimate, conditional on its maintaining a first priority lien position on its collateral, the Church real estate.

PLAN OF REORGANIZATION

The following is a summary of the Plan of the Debtor. If any discrepancy appears between the Plan and this Disclosure Statement, the Plan will control. In this regard, a full and complete copy of the Plan is annexed hereto as **Exhibit "B"** and is incorporated herein by reference. Specific attention should be given to the **Article VIII**, entitled **DISCHARGE, RELEASES, INJUNCTION, AND INDEMNIFICATION**, which sets forth the scope of releases, injunctions, and exculpations provided by the Plan to and in favor of the Debtor.

All Claims or interests are placed in a particular Class as set forth below. A Claim or interest is placed in a Class only to the extent that the Claim or interest falls within the description of that Class and is classified in other Classes to the extent that any remainder of the Claim or interest falls within the description of such other Class or Classes. A Claim is also placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

Treatment of Class 1 Claims (Secured Claim of Eagle Bank).

Eagle Bank was owed approximately \$777,571.07 as of November 29, 2017. The collateral consists of what is commonly referred to as the “original” or “old” church or sanctuary, and the new church. The old and new churches are located across the street from each other at 2701 E. 2nd Street, also known as the corner of East 2nd and Cherry Street, in North Little Rock, Arkansas 72114. The Church has never missed a payment on the Eagle Bank note, thus, it was current on the filing date and has remained so post-petition.

In order to facilitate compliance with code requirements of the City of North Little Rock, Eagle Bank has agreed to loan the Debtor an additional construction loan of \$394,000.00 on the following conditions:

- A. The proceeds will be used for the purpose of completing construction on the sanctuary, including fire protection alarms, all parking lots, landscaping, and other items necessary to obtain a certificate of occupancy from the City of North Little Rock. \$375,464.00 will be made available for this purpose as \$18,526.00 will be required to pay loan closing and other related costs.
- B. The loan will be secured (as it currently is) by a mortgage on the four (4) parcels comprising of the new sanctuary, old sanctuary, and other contiguous real estate located at East 2nd and Cherry Streets, North Little Rock, with priority over any and all other claims or interests but for the existing first mortgage of Eagle Bank.
- C. Order confirming the Plan will require Green’s judgment lien of January 21, 2016 be subordinated to that of the bank. The order will also require the contractor hired to complete the work to sign a subordination agreement in favor of the bank.

- D. A new appraisal must establish adequate value to support an 85% loan to value ratio. Porter Brownlee will be permitted to inspect the new contractor’s work. Debtor will move all its bank accounts to Eagle Bank.
- E. All terms of the bank’s new lending are subject to this Court’s approval.
- F. The loan will be payable as follows: Six (6) months of interest only at 4% followed by 29 monthly payments of principal and interest based on a 25 year amortization and 4% fixed rate with a balloon payment on the 36th month. The interest only payment will fluctuate as it will depend upon how much is drawn on the loan during the initial six (6) month period. The principal and interest payment for the three (3) year period will be \$2,079.68.

Additionally, the terms of the Church’s current financing (promissory note and mortgage) will remain intact, so that the Debtor satisfies all terms and conditions of the current note and mortgage requiring a monthly payment of \$4,612.00.

Treatment of Class 2 Claims (Secured Claim by Virtue of Judgment Lien to Green Design & Construction Co., Inc. (“Green”)).

Green’s judgment lien as of January 20, 2016 was \$294,067.19. It constitutes, therefore, a secured lien on the following properties and their scheduled values:

- 2 Vacant Lots Corner of N. Palm & E. 2nd, NLR \$5,000.00
- Vacant Lot E. 2nd, NLR \$2,500.00
- Vacant Lot Broadway & N. Cherry, NLR \$2,500.00
- ½ lot S. Cherry & Ark. Ave, NLR \$1,250.00
- 3 Vacant lots E. Washington & N. Clover, NLR \$7,500.00
- 2 Vacant lots 18th & Hazel, NLR \$5,000.00
- Vacant lot at corner of E. Washington & Cherry, NLR \$2,500.00
- Vacant lot at 2613 E. 2nd St., NLR \$2,500.00

This list varies slightly from the real estate scheduled, as the church has received additional gifts of land since the filing.

The projected revenue from the Church will be adequate to cover operating expenses and debt service to the bank. It is not anticipated additional revenue over and above that required to pay overhead and debt service will be available to pay other creditors such as Green.

Accordingly, upon confirmation, Brad Wooley will be hired as auctioneer to sell the above-described parcels with Green receiving the net income after Wooley’s standard advertising costs

and 10% buyer's premium. Upon payment of these funds, Green's lien will be satisfied and extinguished.

Treatment of Class 3 Claims (Allowed General Unsecured Claims).

There are approximately a dozen unsecured claims totaling \$172,980.54. As stated above, no excess funds are available to pay unsecured creditors. Accordingly, no payments are proposed. Debtor believes as a non-profit it is exempt from compliance with the absolute priority rule.

LIQUIDATION SCENARIO

The Debtor believes this Plan gives creditors the best opportunity to receive the greatest dividend, as it allows the Debtor to continue operating the Church as a going concern. As usual in these circumstances, conversion of the case to a chapter 7 liquidation would cause the Church to shut down, or be foreclosed on.

MATTERS TO CONSIDER BEFORE VOTING ON THE PLAN

A. Alternatives to the Plan.

Although this Disclosure Statement is intended to provide information to assist Creditors in deciding whether to accept the Plan, a brief discussion of the alternatives to the Plan may be useful. These other alternatives include (i) continuation of the Bankruptcy Case, (ii) immediate liquidation of the Debtor through conversion of the Bankruptcy Case to a Chapter 7 Case, (iii) filing alternative plans under Chapter 11, or (iv) dismissal of this Bankruptcy Case. The Debtor believes the proposed Plan to be in the best interests of Creditors, and do not favor any alternative to the proposed Plan. In arriving at this conclusion, the Debtor has assessed the alternatives to the Plan as follows:

1. Conversion to a Chapter 7 Liquidation. Section 704 of the Bankruptcy Code requires a chapter 7 trustee to "collect and reduce to money the property of the estate for which such trustee serves and close such estate as expeditiously as is compatible with the best interest of the parties in interest."
2. Alternative Plan Under Chapter 11. At this time, the Plan proposed by the Debtor is the only plan of reorganization that has been filed in this

Bankruptcy Case. Notwithstanding, it is possible that another creditor, or party-in-interest may file and attempt to prosecute their own plans of reorganization. Even if another plan of reorganization is filed, the Debtor believes that its Plan represents the best alternative for creditors.

3. Dismissal of the Bankruptcy Cases. Dismissal of the Bankruptcy Case would also lead to an unsatisfactory result. Holders of Claims and Interests must be dealt with and a bankruptcy case is viewed as the most efficient means to accomplish an orderly reorganization of the Debtor.

B. Risk Factors.

HOLDERS OF CLAIMS SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT (AND THE DOCUMENTS DELIVERED TOGETHER HEREWITH) PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN.

1. Bankruptcy Risks.
 - a. Non-confirmation of the Plan. Even if all Classes of Claims that are entitled to vote accept the Plan, the Plan might not be confirmed by the Bankruptcy Court. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things, that the confirmation of a plan of reorganization is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor, and that the value of distributions to dissenting creditors and equity security holders not be less than the value of distributions such creditors and equity security holders would receive if the Debtor was liquidated under chapter 7 of the Bankruptcy Code. The Debtor believes that the Plan satisfies all the requirements for confirmation of a plan of reorganization under the Bankruptcy Code. There can be no assurance, however, that the Bankruptcy Court will also conclude that the requirements for confirmation of the Plan have been satisfied.
 - b. Non-occurrence of Effective Date of the Plan. Even if all Classes of Claims that are entitled to vote accept the Plan, the Effective Date may not occur. The Plan sets forth conditions to the occurrence of the Effective Date of the Plan which may not be satisfied. The Debtor believes that they will satisfy all requirements for consummation required under the Plan. There can be no assurance, however, that the Bankruptcy Court will also conclude that the requirements for consummation of the Plan have been satisfied.

OTHER FINANCIAL INFORMATION

Cash flow data and the past twelve months' income and expenses are attached as exhibits to the accompanying Plan of Reorganization in the form of monthly operating reports.

Eastern Star Baptist Church

James F. Dowden, P. A.

/s/ James F. Dowden

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	A	B	C	D	E	F	G	H	I
1		MASS EXCAVATION FINISHED LOTS ONLY		\$43,318.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
2		EXISTING CONCRETE DEMO (WALKWAYS)		\$2,142.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
3		DUMPSTER		\$5,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
4		DRIVE APRONS		\$7,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
5		CASTING NEW WALKWAYS		\$19,700.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
6		LOT CURBS AND GUTTERS (1357 LF)		\$25,455.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
7	1357	605 LF 8" WOOD FENCE		\$7,260.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
8		2" OF ASPHALT AND 6" OF CLASS 7 SB-2		\$57,345.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
9		LOT MARKING		\$1,010.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
10	=112	COMPACTA HOLLIES (252)		\$2,060.10	\$0.00	\$0.00	\$0.00	\$0.00	0%
11		44 WILLOW OAKS		\$5,625.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
12		3 WATER METERS		\$2,600.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
13		3 RPZ		\$1,400.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
14		4 RAIN BIRD CONTROLLERS		\$1,200.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
15		2 ELECTRIC METERS AND POLES		\$5,500.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
16		IRRIGATION SYSTEM (21 ZONES)		\$18,900.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
17		BOXES AND TIMERS		\$2,830.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
18		MULCH		\$1,640.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
19		GRASS		\$5,500.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
20		DUMPSTER ENCLOSURE AND GATE		\$12,500.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
21		TRAFFIC BARRICADES		\$2,200.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
22		PERMITS		\$978.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
27		INSURANCE		\$4,311.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
28		STAIRS AND RAILS		\$5,300.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
29		GRAB BARS		\$900.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
30		2 HOUR WALL (DRYWALL ONLY-EXCLUDES FRAMING)		\$6,312.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
31		3068 DOORS WITH PANIC BARE (ORIGINAL BUILDING)		\$2880.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
32		FIRE PROTECTION ALARM (BASED UPON PRIOR QUOTE)		\$11,100.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
33		PLUMBING		\$9738.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
34		LIGHTING CONTROL (FOR EXISTING LIGHTS IN SANCTUARY)		\$8000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
35		WATERPROOFING AND DAMAGE REPAIR		\$1700.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
36		COVE BASE		\$600.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
37		LABOR BURDON		\$9875.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
37		CONTINGENCY		\$5500.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
38		FEE		\$26000.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
39		SALES TAX		\$2418.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
40		PARKING LOT LIGHTS		\$9,210.00	\$0.00	\$0.00	\$0.00	\$0.00	0%
57				\$335,007.10					

The parking area on Palm Street is excluded from this total



**IN THE UNITED STATES BANKRUPTCY COURT
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**IN RE: EASTERN STAR BAPTIST CHURCH
FED. ID NO. 71-0587779**

**CASE NO. 4:17-BK-10643
CHAPTER 11**

**PLAN OF REORGANIZATION FOR DEBTOR PURSUANT
TO CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

November 30, 2016

The Debtor, Eastern Star Baptist Church (the “Debtor”) proposes the following Plan of Reorganization under Chapter 11 of the Bankruptcy Code (the “Plan”) pursuant to 11 U.S.C. § 1121(a) of the Bankruptcy Code.

ARTICLE I

DEFINITIONS

As used in the Plan and the Disclosure Statement, the following capitalized terms shall have the respective meanings specified below, unless the context otherwise requires:

1.1 Administrative Expense(s). Any right to payment constituting a cost or expense of administration of the Bankruptcy Case that is entitled to priority under Sections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, (a) any actual and necessary costs and expenses of preserving the Estate, (b) any actual and necessary costs and expenses of operating the Business expenses or obligations incurred or assumed by the Debtor in Possession during the pendency of the Bankruptcy Case in connection with the conduct of its Business or for the acquisition or lease of property or the rendition of services to any Debtor in Possession, (c) any allowances of compensation and reimbursement of expenses to the extent allowed by Final Order under Section 330 or 503 of the Bankruptcy Code, to the extent incurred prior to the Effective Date, and (d) and any fees or charges assessed against the Estate under Section 1930, Chapter 123, Title 28, United States Code.

1.2 Affiliate. Shall have the meaning set forth in Section 101(2) of the Bankruptcy Code.

1.3 Allowed. (a) With respect to a Claim, any Claim or any portion thereof (i) proof of which has been timely filed with the Bankruptcy Court pursuant to the Bankruptcy Code, the Bankruptcy Rules, a Final Order, or other applicable bankruptcy law as to which either (x) no objection to the allowance thereof has been filed within the period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules or a Final Order, or (y) any objection to its allowance has been settled, withdrawn, waived through payment, or denied by a Final Order; or (ii) as to which no proof of Claim has been filed but which has been listed in the Schedules as

liquidated in an amount more than zero and not disputed or contingent; or (iii) that is expressly allowed pursuant to the terms of this Plan or otherwise allowed by a Final Order; or (b) with respect to any Claim arising from the recovery of property under Section 550 or 553 of the Bankruptcy Code, or from the denial or avoidance of an interest in property of the Estate, the value of the money or property so recovered, denied or avoided, as the case may be, if, within 30 days after the judgment for the recovery of money or property, or after the judgment that denied or avoids any such interest, becomes a Final Order, the holder thereof has filed a proof of claim with the Court respecting such Claim and has fully satisfied such judgment; or (c) with respect to an Administrative Expense, any Administrative Expense (i) that requires Bankruptcy Court approval as a precondition to payment, such amount as shall be allowed by a Final Order; or (ii) as to which a timely written request for payment has been made in accordance with any bar date on such requests set by the Bankruptcy Court (if such written request is required), and in each case as to which the Debtor, the Old Debtor or any other party-in-interest (x) has not filed a timely objection or (y) has filed a timely objection and such objection has been settled, withdrawn, waived through payment, or has been denied by a Final Order. Unless otherwise specified in the Plan, "Allowed Claim" shall not include interest, penalties or other charges accruing on a Claim from and after the Petition Date.

1.4 Avoidance Actions. Individually and collectively, all avoidance or recovery actions of the Debtor, Debtor in Possession or its Estate under Sections 542, 544, 545, 547, 548, 549, 550, 551, and/or 553 of the Bankruptcy Code, or under similar or related state or federal statutes and common law, including, without limitation, fraudulent transfer or conveyance laws, whether or not such actions are pending on the Effective Date or are thereafter asserted or commenced by the Debtor in Possession or the Debtor against any Entity, and whether asserted or unasserted as of the Effective Date.

1.5 Ballot. Each of the ballot form or forms distributed to each holder of an Impaired Claim on which such holder is to indicate acceptance or rejection of the Plan.

1.6 Bankruptcy Case. The case pending in the Bankruptcy Court under chapter 11 of the Bankruptcy Code for the Debtor.

1.7 Bankruptcy Code. The Bankruptcy Reform Act of 1978, as amended, and as codified in Title 11 of the United States Code.

1.8 Bankruptcy Court. The United States Bankruptcy Court for the Eastern District of Arkansas, Little Rock Division, having jurisdiction over the Bankruptcy Case or any successor court.

1.9 Bankruptcy Rules. The Federal Rules of Bankruptcy Procedure, as promulgated by the United States Supreme Court and the Official Bankruptcy Forms, as amended, the Federal Rules of Civil Procedure, as amended, as applicable to the Bankruptcy Case or proceedings therein, and all local rules adopted by the Bankruptcy Court, as applicable to the Bankruptcy Case or proceedings therein, as the case may be.

1.10 Business Day. Any day other than a Saturday, Sunday or legal holiday set forth in Rule 9006(a) of the Bankruptcy Rules.

1.11 Calendar Year. A period of twelve months ending on December 31 of each year.

1.12 Cash. Legal tender of the United States.

1.13 Causes of Action. Any and all actions, causes of action, causes in action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, covenants, controversies, agreements, promises, variances, trespasses, damages, judgments, third-party claims, counterclaims, cross-claims, Avoidance Actions, rights to recovery, rights to legal remedies, rights to equitable remedies, rights to payment, and demands whatsoever, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or assertable directly or indirectly or derivatively, in law, admiralty or equity or otherwise.

1.14 Claim. (a) Any right to payment from one or more of the Debtor or against any property of the Estate, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, known or unknown; (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from one or more of the Debtor or against any property of the Estate, whether or not such right to an equitable remedy is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured, known or unknown; or (c) any claim against the Estate of a kind specified in Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code.

1.15 Claimant. The holder of a Claim.

1.16 Class. A category of Claims described in 0 of the Plan.

1.17 Collateral. Any property or interest in property of a Debtor's Estate that is subject to a valid and enforceable Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or other applicable law.

1.18 Confirmation Date. The date on which the Confirmation Order is entered on the docket(s) maintained by the clerk of the Bankruptcy Court with respect to the Bankruptcy Case.

1.19 Confirmation Hearing. The hearing on confirmation of the Plan pursuant to Section 1128 of the Bankruptcy Code.

1.20 Confirmation Order. The order entered by the Bankruptcy Court confirming the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

1.21 Creditor. Any Entity that holds a Claim against any Debtor that arose or is deemed to have arisen on or before the Petition Date.

1.22 Debtor. Eastern Star Baptist Church, a debtor in the Bankruptcy Case.

1.23 Debtor in Possession. The Debtor in its capacity as debtor in possession in the Bankruptcy Case under Sections 1101, 1107 and 1108 of the Bankruptcy Code.

1.24 Disallowed. (a) When used with respect to a Claim, (i) a Claim, or any portion thereof, that is disallowed by a Final Order or which is withdrawn, in whole or in part, by the holder thereof, (ii) a Claim listed by the Debtor in its Schedules at zero or as contingent, disputed, or unliquidated and as to which no proof of Claim is timely filed or deemed timely filed with the Bankruptcy Court pursuant to the Bankruptcy Code, the Bankruptcy Rules, a Final Order, other applicable bankruptcy law, or the Plan, or (iii) a Claim not listed on the Schedules and as to which no proof of Claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code, the Bankruptcy Rules, a Final Order, other applicable bankruptcy law, or the Plan; or (b) with respect to an Administrative Expense that requires Bankruptcy Court approval as a precondition to payment, such amount as shall be disallowed by Final Order or which is withdrawn, in whole or in part, by the holder thereof.

1.25 Disclosure Statement. The written disclosure statement (including all schedules and exhibits thereto or referenced therein) that relates to the Plan as approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017, as it may be amended, modified, supplemented and restated from time to time.

1.26 Disputed. With respect to a Claim, any such Claim proof of which has been filed with the Bankruptcy Court and (a) which is listed on the Schedules at zero or as unliquidated, disputed or contingent, and which has not been resolved by written agreement of the parties or a Final Order, or (b) as to which the Debtor or any other party in interest has filed an objection in accordance with the Bankruptcy Code, the Bankruptcy Rules, and this Plan, which objection has not been settled, withdrawn, waived through payment, or denied by a Final Order. Prior to (i) the time an objection is filed and (ii) the expiration of the time within which an objection to such Claim must be filed as established by this Plan or a Final Order, a Claim shall be considered a Disputed Claim to the extent that the amount of such Claim specified in a proof of Claim exceeds the amount of such Claim scheduled by the Debtor as undisputed, non-contingent and liquidated.

1.27 Distribution. The Cash or property to be paid or distributed under the Plan to the holders of Allowed Claims or Allowed Interests on account of Allowed Claims or Allowed Interests.

1.28 Effective Date. At least eleven Business Days after the Confirmation Date that (i) all conditions precedent to the occurrence of the Effective Date have been satisfied and (ii) no stay of the Confirmation Order is in effect.

1.29 Entity. An individual, a corporation, a partnership, an association, a joint stock company, a joint venture, an estate, a trust, an unincorporated organization, a government or any subdivision thereof or any other entity.

1.30 Estate. Collectively, the estate of the Debtor created by Section 541 of the Bankruptcy Code upon the commencement of the Debtor's Bankruptcy Case.

1.31 Final Order. An order or judgment that has not been reversed, vacated, stayed, or amended, and is no longer subject to appeal, *certiorari* proceeding or other proceeding for review, re-argument, or rehearing, or as to which no appeal, *certiorari* proceeding or other proceeding for review, re-argument, or rehearing has been requested or is then pending and the time to file any such appeals, *certiorari*, proceeding or other proceeding for review, re-argument, or rehearing has expired, or as to which any right to appeal, petition for *certiorari*, reargue, or rehear shall have been waived in writing in form and substance satisfactory to the Debtor; or, in the event that an appeal, writ of *certiorari* or re-argument or rehearing thereof has been sought, such order or judgment shall have been determined by the highest court to which such order or judgment was appealed, or *certiorari*, re-argument or rehearing shall have been denied and the time to take any further appeal, petition for *certiorari* or move for re-argument or rehearing shall have expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or other applicable laws, may be filed with respect to such order or judgment shall not preclude it from being a Final Order.

1.32 General Unsecured Claim. An Allowed Unsecured Claim against the Debtor that is not a Priority Tax Claim, or a Priority Non-Tax Claim.

1.33 Governmental Unit. Shall have the meaning set forth in Section 101(27) of the Bankruptcy Code.

1.34 Impaired. With respect to any Claim or Interest, shall have the meaning set forth in Section 1124 of the Bankruptcy Code.

1.35 Lien. Any security interest, charge against, encumbrance upon or other interest in property, the purpose of which is to secure payment of a debt or performance of an obligation.

1.36 Petition Date. February 3, 2017, the date on which the Debtor filed its petition for relief commencing the Bankruptcy Case under Chapter 11 of the Bankruptcy Code.

1.37 Plan. This chapter 11 plan of reorganization (including the Plan Documents and exhibits hereto), as it may be amended, supplemented or otherwise modified from time to time thereafter, and all exhibits and schedules to the foregoing, as the same may be in effect at the time such reference becomes operative.

1.38 Plan Documents. The agreements, documents and instruments to be executed, delivered, filed, recorded, or issued on or after the Confirmation Date or on or after the Effective Date as the case may be and as contemplated by, and in furtherance of, the Plan.

1.39 Professionals. Those Entities and individuals employed pursuant to an order of the Bankruptcy Court under Section 327 or 1103 of the Bankruptcy Code.

1.40 Schedules. The schedules of assets and liabilities and the statement of financial affairs filed by the Debtor with the Bankruptcy Court pursuant to Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as they may be amended, supplemented or

otherwise modified from time to time in accordance with Bankruptcy Rule 1009 or orders of the Bankruptcy Court.

1.41 Secured Claim. An Allowed Claim (other than an Administrative Expense) that is secured by a Lien on Collateral to the extent of the value, as of the Effective Date or such later date as the Bankruptcy Court determines is appropriate, of such Collateral (a) as set forth in the Plan, (b) as agreed to by the holder of such Claim and the Debtor, or (c) as determined pursuant to a Final Order in accordance with Section 506 of the Bankruptcy Code or, in the event that such Claim is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of such setoff.

1.42 Unimpaired. When used with reference to a Claim or Class, means such a Claim or Class that is not an Impaired Claim or Class.

1.43 Unsecured Claim. Any Claim that is not an Administrative Expense or a Secured Claim.

ARTICLE II

CLASSIFICATION OF CLAIMS

All Claims, except Administrative Expenses, are placed in the Classes set forth below. In accordance with Section 1123(a)(1) of the Bankruptcy Code, Administrative Expenses have not been classified.

A Claim is classified in a particular Class only to the extent that the Claim falls within the description of that Class, and is classified in another Class or Classes to the extent that any portion of the Claim within the description of such other Class or Classes. A Claim is classified in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released, or otherwise settled prior to the Effective Date. Notwithstanding anything to the contrary contained in the Plan, no Distribution shall be made on account of any Claim that is not an Allowed Claim.

The Plan resolves all Claims against the Debtor or property of the Debtor of whatever character, whether disputed, contingent or unliquidated, or whether Allowed by the Bankruptcy Court pursuant to Section 502(a) of the Bankruptcy Code.

Claims against the Debtor are classified as follows:

Class 1: Secured Claim of Eagle Bank Class 1 consists of the Allowed Claim of Eagle Bank against the Debtor. (Impaired – entitled to vote).

Class 2: Judgment Lien of Green Design & Construction Co., Inc. Class 2 consists of the Allowed Claim of Green Design & Construction Co., Inc. against the Debtor. (Impaired – entitled to vote).

Class 3: **General Unsecured Claims Against Debtor.** Class 3 consists of the Allowed General Unsecured Claims against the Debtor. (Impaired – entitled to vote).

ARTICLE III

TREATMENT OF UNCLASSIFIED ADMINISTRATIVE EXPENSES

3.1 Administrative Expenses. Each holder of an Allowed Administrative Expense shall receive from the Debtor, in full satisfaction, settlement, release, and discharge of, and in exchange for such Allowed Administrative Expense, Cash equal to the unpaid portion of such Allowed Administrative Expense on or as soon as reasonably practicable after the date such Administrative Expense becomes an Allowed Administrative Expense; provided, however, Administrative Expenses for professionals hired by the Debtor with approval of the Court are subject to Court approval but shall be paid first from any pre-petition retainer provided to such professionals by the Debtor and then from the monthly revenues of the Debtor after payments due to Allowed Claims during each month following the Effective Date. The fees of the U.S. Trustee shall also be treated as Administrative Expenses.

ARTICLE IV

TREATMENT OF ALLOWED CLAIMS

The Classes of Claims shall receive the treatment described herein, which treatment shall be in full and complete satisfaction, settlement, release, discharge of, and in exchange for all such Claims. Following the entry of the Confirmation Order, the rights of all Creditors shall be limited exclusively to the specific benefits made available and set forth in the Plan.

4.1 Treatment of Class 1 Claims (Secured Claim of Eagle Bank). Eagle Bank was owed approximately \$777,571.07 as of November 29, 2017. The collateral consists of what is commonly referred to as the “original” or “old” church or sanctuary, and the new church. The old and new churches are located across the street from each other at 2701 E. 2nd Street, also known as the corner of East 2nd and Cherry Street, in North Little Rock, Arkansas 72114. The Church has never missed a payment on the Eagle Bank note, thus, it was current on the filing date and has remained so post-petition.

In order to facilitate compliance with code requirements of the City of North Little Rock, Eagle Bank has agreed to loan the Debtor an additional construction loan of \$394,000.00 on the following conditions:

- A. The proceeds will be used for the purpose of completing construction on the sanctuary, including fire protection alarms, all parking lots, landscaping, and other items necessary to obtain a certificate of occupancy from the City of North Little Rock. \$375,464.00 will be made available for this purpose as \$18,526.00 will be required to pay loan closing and other related costs.
- B. The loan will be secured (as it currently is) by a mortgage on the four (4) parcels comprising of the new sanctuary, old sanctuary, and other contiguous real estate

- located at East 2nd and Cherry Streets, North Little Rock, with priority over any and all other claims or interests but for the existing first mortgage of Eagle Bank.
- C. Order confirming the Plan will require Green’s judgment lien of January 21, 2016 be subordinated to that of the bank. The order will also require the contractor hired to complete the work to sign a subordination agreement in favor of the bank.
 - D. A new appraisal must establish adequate value to support an 85% loan to value ratio. Porter Brownlee will be permitted to inspect the new contractor’s work. Debtor will move all its bank accounts to Eagle Bank.
 - E. All terms of the bank’s new lending are subject to this Court’s approval.
 - F. The loan will be payable as follows: Six (6) months of interest only at 4% followed by 29 monthly payments of principal and interest based on a 25 year amortization and 4% fixed rate with a balloon payment on the 36th month. The interest only payment will fluctuate as it will depend upon how much is drawn on the loan during the initial six (6) month period. The principal and interest payment for the three (3) year period will be \$2,079.68.

Additionally, the terms of the Church’s current financing (promissory note and mortgage) will remain intact, so that the Debtor satisfies all terms and conditions of the current note and mortgage requiring a monthly payment of \$4,612.00.

4.2 Treatment of Class 2 Claims (Secured Claim by Virtue of Judgment Lien to Green Design & Construction Co., Inc. (“Green”)). Green’s judgment lien as of January 20, 2016 was \$294,067.19. It constitutes, therefore, a secured lien on the following properties and their scheduled values:

- 2 Vacant Lots Corner of N. Palm & E. 2nd , NLR \$5,000.00
- Vacant Lot E. 2nd , NLR \$2,500.00
- Vacant Lot Broadway & N. Cherry, NLR \$2,500.00
- ½ lot S. Cherry & Ark. Ave, NLR \$1,250.00
- 3 Vacant lots E. Washington & N. Clover, NLR \$7,500.00
- 2 Vacant lots 18th & Hazel, NLR \$5,000.00
- Vacant lot at corner of E. Washington & Cherry, NLR \$2,500.00
- Vacant lot at 2613 E. 2nd St., NLR \$2,500.00

This list varies slightly from the real estate scheduled, as the church has received additional gifts of land since the filing.

The projected revenue from the Church will be adequate to cover operating expenses and debt service to the bank. It is not anticipated additional revenue over and above that required to pay overhead and debt service will be available to pay other creditors such as Green. Accordingly, upon confirmation, Brad Wooley will be hired as auctioneer to sell the above-described parcels with Green receiving the net income after Wooley’s standard advertising costs and 10% buyer’s premium. Upon payment of these funds, Green’s lien will be satisfied and extinguished.

4.3 Treatment of Class 3 Claims (Allowed General Unsecured Claims). There are approximately a dozen unsecured claims totaling \$172,980.54. As stated above, no excess funds are available to pay unsecured creditors. Accordingly, no payments are proposed. Debtor believes as a non-profit it is exempt from compliance with the absolute priority rule.

ARTICLE V

MEANS FOR THE IMPLEMENTATION OF THE PLAN

In addition to the provisions set forth elsewhere in the Plan, the following shall constitute the means for implementation of the Plan.

5.1 Plan Funding. The Plan shall be funded by, and the Allowed Claims shall be paid by, the revenues generated by the Debtor.

5.2 Continued Corporate Existence. On and after the Effective Date, the Debtor shall continue to exist as a 501(c)(3) entity organized and existing under the laws of the State of Arkansas.

5.3 Approval of Agreements. The solicitation of votes on the Plan shall be deemed a solicitation for the approval of the Plan Documents and all transactions contemplated by the Plan. Entry of the Confirmation Order shall constitute approval of the Plan Documents and such transactions.

5.4 Monthly Operating Reports. Creditors may review monthly operating reports to ascertain feasibility. The last monthly operating report reflecting cumulative data since the filing reflects the Church's ability to make the called for payments under this reorganization plan.

ARTICLE VI

ACCEPTANCE OR REJECTION OF THE PLAN

6.1 Classes Entitled To Vote. Each Impaired Class of Claims or Interests that will (or may) receive or retain property or any interest in property under the Plan, *i.e.*, Classes 1 and 2 shall be entitled to vote to accept or reject the Plan. By operation of law, each Unimpaired Class of Claims is deemed to have accepted the Plan and, therefore, is not entitled to vote to accept or reject the Plan.

6.2 Acceptance By Impaired Classes. An Impaired Class of Claims shall have accepted the Plan if (i) the holders (other than any holder designated under Section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (ii) the holders (other than any holder designated under Section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan. Except as provided in Section 1126(g) of the Bankruptcy Code with regard to Impaired Classes that are deemed to have rejected the Plan, an Impaired Class of Interests shall have accepted the Plan if the holders (other

than any holder designated under Section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Interests actually voting in such Class have voted to accept the Plan.

6.3 Cramdown. The Debtor reserves the right to request confirmation of the Plan, as it may be modified from time to time, under Section 1129(b) of the Bankruptcy Code. The Debtor further reserves the right to modify the Plan to the extent, if any, that confirmation pursuant to Section 1129(b) of the Bankruptcy Code requires modification.

ARTICLE VII

EFFECTS OF PLAN CONFIRMATION

7.1 Binding Effect. Upon the entry of the Confirmation Order, but effective as of the Effective Date, and pursuant to Section 1141(a) of the Bankruptcy Code, the provisions of the Plan will bind the Debtor and all Creditors, including each of their respective heirs, legal representatives, successors and assigns, whether or not they accept the Plan. The Claims and Distributions under the Plan to Creditors and holders of Interests are in full and complete settlement of all Claims and Interests.

7.2 Existence of Debtor. The Debtor shall continue to exist after the Effective Date as a legal entity, with all the powers of a corporation under applicable law, without prejudice to any right to terminate such existence (whether by merger or otherwise) under applicable law after the Effective Date.

7.3 Revesting and Vesting. Except as otherwise provided in the Plan or in the Confirmation Order, on the Effective Date, pursuant to Sections 1123(a)(5) and 1141 of the Bankruptcy Code, all property comprising the Estate shall revert in the Debtor or its successors, free and clear of all Claims, Liens, charges, encumbrances and Interests of Creditors and Interest holders. Except as otherwise provided in the Plan or in the Confirmation Order as of the Effective Date, the Debtor may operate its business and use, acquire and dispose of its property, without supervision of the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and the Confirmation Order. Without limiting the foregoing, the Debtor may pay the charges it incurs for professional fees, disbursements, expenses, or related support services after the Effective Date without any application to the Bankruptcy Court.

ARTICLE VIII

DISCHARGE, RELEASES, INJUNCTION AND INDEMNIFICATION

8.1 Discharge of All Claims and Interests and Releases. Except as otherwise specifically provided by the Plan or in the Confirmation Order, entry of the Confirmation Order (subject to the occurrence of the Effective Date) acts as a discharge of all Claims against, Liens on, the Debtor, the Debtor's assets, and its respective properties, arising at any time before the entry of the Confirmation Order, regardless of whether a proof of Claim therefor was filed or was deemed filed, whether the Claim is an Allowed Claim, or whether the holder thereof votes to accept the Plan or is entitled to receive a Distribution thereunder. The Confirmation Order shall

be a judicial determination of discharge of all liabilities of the Debtor, subject to the occurrence of the Effective Date.

ARTICLE IX

ADMINISTRATIVE PROVISIONS

9.1 Retention of Jurisdiction. Under Sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order and occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, and related to, the Bankruptcy Case and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

- a. Determine the allowance or disallowance of Claims and Interests and to enforce all causes of action which may exist on behalf of Debtor;
- b. Determine any and all disputes arising under or related to the First Amended Plan;
- c. Determine any and all applications, adversary proceedings and contests of litigated matters commenced in connection with the proceeding, both before and after the Confirmation Date; and
- d. Insure that the purpose and intent of the Plan is carried out, and for such other matters as may be proper.

9.2 Other Courts of Competent Jurisdiction. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of this Plan, such abstention, refusal or failure of exercise shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

9.3 Modification of the Plan. The Plan may be modified in accordance with the provisions of the Bankruptcy Code and the applicable Bankruptcy Rules.

9.4 Successors and Assigns. The rights, benefits and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, the heirs, executors, administrators, successors and/or assigns of such Entity.

9.5 Governing Law. Except to the extent that federal law (including the Bankruptcy Code or Bankruptcy Rules) is applicable, the rights and obligations arising under the Plan shall be governed by and construed and enforced in accordance with the laws of the State of Arkansas without giving effect to the principles of conflicts of laws thereof.

9.6 Notices to Debtor. All notices, requests or demands for payments by parties in interest to the Debtor or the Debtor under or in connection with this Plan shall be in writing and served either by (i) certified mail, return receipt requested, postage prepaid, (ii) hand delivery, or

(iii) reputable overnight delivery service, all charges prepaid, and shall be deemed to have been given when received by the following parties:

For the Debtor:

Eastern Star Baptist Church
2701 E. 2nd Street
North Little Rock, AR 72114

With copies to:

James F. Dowden, Attorney at Law
212 Center Street
Tenth Floor
Little Rock, AR 72201

Any of the above may, from time to time, change its address for future notices and other communications hereunder by filing a notice of the change of address with the Bankruptcy Court or by giving notice of the change of address in writing to Creditors and Interest holders.

9.7 Severability. Except as to terms that would frustrate the overall purposes of the Plan, should any provision in the Plan be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any or all other provisions of the Plan.

9.8 Interpretation, Rules of Construction, and Computation of Time.

- a. The provisions of the Plan shall control over any descriptions thereof contained in the Disclosure Statement.
- b. Any term used in the Plan that is not defined in the Plan, either in Article I (Definitions) or elsewhere, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning assigned to that term in (and shall be construed in accordance with the rules of construction under) the Bankruptcy Code or the Bankruptcy Rules, as applicable. Without limiting the foregoing, the rules of construction set forth in Section 102 of the Bankruptcy Code shall apply to the Plan, unless superseded herein.
- c. Unless specified otherwise in a particular reference, all references in the Plan to Articles, Sections and Exhibits are references to Articles, Sections and Exhibits of or to the Plan.
- d. Any reference in the Plan to a contract, document, instrument, release, certificate, indenture or other agreement being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions.

- e. Any reference in the Plan to an existing document or Exhibit means such document or Exhibit as it may have been amended, restated, modified or supplemented as of the Effective Date without limitation to the provisions set forth in the Plan.
- f. Captions and headings to Articles and Sections in the Plan are inserted for convenience of reference only and shall neither constitute a part of the Plan nor in any way affect the interpretation of any provisions hereof.
- g. In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.
- h. All Exhibits and schedules to the Plan are incorporated into the Plan, and shall be deemed to be included in the Plan, regardless of when filed.
- i. Where applicable, references to the singular shall include the plural, and vice-versa, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter gender.
- j. The words “herein” and “hereto” refer to the Plan in its entirety rather than to a particular portion of the Plan.

9.9 No Admissions. Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed as an admission by any Entity with respect to any matter set forth herein.

Dated: November 30, 2017

Eastern Star Baptist Church

James F. Dowden, P. A.

/s/ James F. Dowden
James F. Dowden (#77046)
212 Center St.; 10th Floor
Little Rock, AR 72201
(501) 324-4700 Phone
(501) 374-5463 Fax
jfdowden@swbell.net

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

In re Eastern Star Baptist Church
Debtor

Case No. 4:17-bk-10643

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: March

Date filed: March 21, 2017

Line of Business: Church

NAISC Code: 8131

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:

Calvert J. Jackson, Sr.
Original Signature of Responsible Party

Calvert Jackson, Sr.
Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B 25C (Official Form 25C) (12/08)

- 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?
- 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?
- 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?
- 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?
- 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL INCOME \$ 18,143.90

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ _____

Cash on Hand at End of Month \$ _____

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU TOTAL \$ 18,143.90

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL EXPENSES \$ 13,338.59

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH *(TOTAL FROM EXHIBIT B)* \$ _____

EXPENSES FOR THE MONTH *(TOTAL FROM EXHIBIT C)* \$ _____

(Subtract Line C from Line B)

CASH PROFIT FOR THE MONTH \$ 4,805.77

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ 0

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ 0

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED? 3
NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT? 3

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ _____

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ _____

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ _____

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ _____

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ _____	\$ _____	\$ _____
EXPENSES	\$ _____	\$ _____	\$ _____
CASH PROFIT	\$ _____	\$ _____	\$ _____

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:	\$ <u>19,000.00</u>
TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:	\$ <u>14,000.00</u>
TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:	\$ <u>5,000.00</u>

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

8:47 AM

**Eastern Star Baptist Church Debtor-in-Possession
Profit & Loss**

03/21/17

February 1 - February 2017

Accrual Basis

	<u>Feb 17</u>
Ordinary Income/Expense	
Income	
Tithes/Offerings	18,143.90
Total Income	<u>18,143.90</u>
Expense	
Bank Service Charges	42.60
Computer and Internet Expenses	297.37
Conferences and Meetings	120.00
Food Expenses	288.79
Insurance Expense	1,138.70
Interest Expense	3,239.45
Office Supplies	563.71
Payroll Expenses	4,393.58
Payroll Taxes	1,790.70
Professional Fees	184.50
Reconciliation Discrepancies	57.14
Security	93.34
Telephone Expense	480.78
Utilities	
Gas and Electric	597.60
Utilities - Other	50.33
Total Utilities	<u>647.93</u>
Total Expense	<u>13,338.59</u>
Net Ordinary Income	4,805.31
Other Income/Expense	
Other Income	
Interest Income	0.46
Total Other Income	<u>0.46</u>
Net Other Income	<u>0.46</u>
Net Income	<u><u>4,805.77</u></u>

8:49 AM

Eastern Star Baptist Church Debtor-in-Possession
Balance Sheet

03/21/17

As of February 28, 2017

Accrual Basis

	Feb 28, 17
ASSETS	
Current Assets	
Checking/Savings	6,157.14
Centennial 7762	296.96
Centennial Savings 4864	6,454.10
Total Checking/Savings	6,454.10
Total Current Assets	6,454.10
Fixed Assets	
Buildings	
2701 Washington Rental House	26,500.00
After Care Center	15,000.00
Fellowship Hall	25,000.00
Worship Center - Church	375,000.00
Buildings - Other	3,000.00
Total Buildings	444,500.00
Equipment	
Church Furniture	25,000.00
Computer Equipment	3,000.00
Copy Machine	7,960.08
Fellowship Furniture	1,395.00
Kitchen Appliances	20,000.00
Office Furniture	500.00
Organ	4,218.94
Piano	8,000.00
Sound Equipment	6,064.88
Total Equipment	76,138.90
Land	
1710 Tyler Lot	2,500.00
2519 E 2nd Lot	10,325.00
2606 E 2nd Lot	3,000.00
2619 E 2nd Lot	2,500.00
2700 E 2nd - Church Lot	2,500.00
2701 E 2nd - Fellowship Lot	2,500.00
2704 Broadway Lot	10,500.00
2709 E 2nd Lot	2,500.00
2713 E 2nd Lot	5,000.00
2900 E Washington Lot	2,500.00
Total Land	43,825.00
Vehicles	
Ford Church Van	26,500.00
Total Vehicles	26,500.00
Total Fixed Assets	590,963.90
Other Assets	
Capitalized Legal Fees	40,822.26
Capitalized Loan Interest	92,902.68
New Church Construction	885,386.90
Total Other Assets	1,019,111.84
TOTAL ASSETS	1,616,529.84
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	585.39
Sam's Club Credit Card	31,076.19
US Bank Credit Card	31,076.19

8:49 AM

Eastern Star Baptist Church Debtor-in-Possession**Balance Sheet**

03/21/17

As of February 28, 2017

Accrual Basis

	<u>Feb 28, 17</u>
Total Credit Cards	31,661.58
Total Current Liabilities	31,661.58
Long Term Liabilities	
Eagle Bank & Trust Note	790,613.14
Total Long Term Liabilities	790,613.14
Total Liabilities	822,274.72
Equity	
Unrestricted Net Assets	787,601.21
Net Income	6,653.91
Total Equity	794,255.12
TOTAL LIABILITIES & EQUITY	1,616,529.84

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

In re Eastern Star Baptist Church
Debtor

Case No. 4:17-bk-10643

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: March

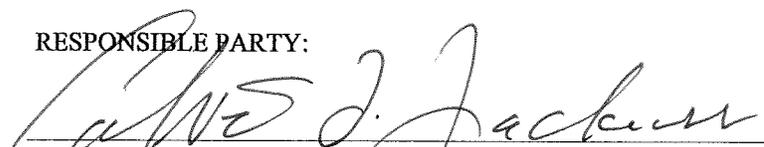
Date filed: April 21, 2017

Line of Business: Church

NAISC Code: 8131

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:


Original Signature of Responsible Party

Calvert Jackson, Sr.
Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B 25C (Official Form 25C) (12/08)

- 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?
- 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?
- 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?
- 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?
- 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL INCOME \$ 21,762.32

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ _____

Cash on Hand at End of Month \$ _____

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU **TOTAL** \$ 21,762.32

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL EXPENSES \$ 13,674.62

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH *(TOTAL FROM EXHIBIT B)* \$ _____

EXPENSES FOR THE MONTH *(TOTAL FROM EXHIBIT C)* \$ _____

(Subtract Line C from Line B) **CASH PROFIT FOR THE MONTH** \$ 8,087.70

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ 0

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ 0

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

3

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

3

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ _____

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ _____

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ _____	\$ _____	\$ _____
EXPENSES	\$ _____	\$ _____	\$ _____
CASH PROFIT	\$ _____	\$ _____	\$ _____

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:

\$ 26,150

TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:

\$ 19,000

TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:

\$ 2,150

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

11:23 AM

Eastern Star Baptist Church Debtor-in-Possession

04/21/17

Assets, Liabilities and Equity

Accrual Basis

As of March 31, 2017

	<u>Mar 31, 17</u>
ASSETS	
Current Assets	
Checking/Savings	
Centennial 7762	9,585.07
Centennial Savings 4864	496.97
US Bank Edge - 4410	-10.00
Total Checking/Savings	<u>10,072.04</u>
Total Current Assets	10,072.04
Fixed Assets	
Buildings	
2701 Washington Rental House	26,500.00
After Care Center	15,000.00
Fellowship Hall	25,000.00
Worship Center - Church	375,000.00
Buildings - Other	3,000.00
Total Buildings	<u>444,500.00</u>
Equipment	
Church Furniture	25,000.00
Computer Equipment	3,000.00
Copy Machine	7,960.08
Fellowship Furniture	1,395.00
Kitchen Appliances	20,000.00
Office Furniture	500.00
Organ	4,218.94
Piano	8,000.00
Sound Equipment	6,064.88
Total Equipment	<u>76,138.90</u>
Land	
1710 Tyler Lot	2,500.00
2519 E 2nd Lot	10,325.00
2606 E 2nd Lot	3,000.00
2619 E 2nd Lot	2,500.00
2700 E 2nd - Church Lot	2,500.00
2701 E 2nd - Fellowship Lot	2,500.00
2704 Broadway Lot	10,500.00
2709 E 2nd Lot	2,500.00
2713 E 2nd Lot	5,000.00
2900 E Washington Lot	2,500.00
Total Land	<u>43,825.00</u>
Vehicles	
Ford Church Van	26,500.00
Total Vehicles	<u>26,500.00</u>
Total Fixed Assets	590,963.90
Other Assets	
Capitalized Legal Fees	40,822.26
Capitalized Loan Interest	92,902.68
New Church Construction	885,386.90
Total Other Assets	<u>1,019,111.84</u>
TOTAL ASSETS	<u><u>1,620,147.78</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Sam's Club Credit Card	585.39

11:23 AM

Eastern Star Baptist Church Debtor-in-Possession**Assets, Liabilities and Equity**

04/21/17

Accrual Basis

As of March 31, 2017

	Mar 31, 17
US Bank Credit Card	31,076.19
Total Credit Cards	31,661.58
Total Current Liabilities	31,661.58
Long Term Liabilities	
Eagle Bank & Trust Note	789,026.39
Total Long Term Liabilities	789,026.39
Total Liabilities	820,687.97
Equity	
Unrestricted Net Assets	787,601.21
Net Income	11,858.60
Total Equity	799,459.81
TOTAL LIABILITIES & EQUITY	1,620,147.78

11:16 AM

Eastern Star Baptist Church Debtor-in-Possession

04/21/17

Revenue and Expenses

Accrual Basis

March 1- March 31, 2017

	<u>Mar 17</u>
Ordinary Income/Expense	
Income	
Tithes/Offerings	21,761.35
Total Income	<u>21,761.35</u>
Expense	
Automobile Expense	50.00
Bank Service Charges	10.00
Computer and Internet Expenses	262.50
Flowers	86.75
Food Expenses	936.88
Insurance Expense	893.41
Interest Expense	3,025.19
Ministry Expenses	1,241.76
Payroll Expenses	4,918.56
Payroll Taxes	216.57
Repairs and Maintenance	46.66
Security	44.17
Speaker Expense	300.00
Telephone Expense	961.16
Utilities	
Gas and Electric	597.05
Water	83.96
Total Utilities	<u>681.01</u>
Total Expense	<u>13,674.62</u>
Net Ordinary Income	8,086.73
Other Income/Expense	
Other Income	
Interest Income	0.97
Total Other Income	<u>0.97</u>
Net Other Income	<u>0.97</u>
Net Income	<u><u>8,087.70</u></u>

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

In re Eastern Star Baptist Church
Debtor

Case No. 4:17-bk-10643

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: April

Date filed: May

Line of Business: Church

NAISC Code: 8131

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:

Calvert Jackson Sr.
Original Signature of Responsible Party

Calvert Jackson, Sr.
Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B 25C (Official Form 25C) (12/08)

- 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?
- 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?
- 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?
- 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?
- 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL INCOME \$ 17,968.40

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ _____

Cash on Hand at End of Month \$ _____

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU **TOTAL** \$ 17,968.40

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL EXPENSES \$ 17,760.83

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH *(TOTAL FROM EXHIBIT B)* \$ _____

EXPENSES FOR THE MONTH *(TOTAL FROM EXHIBIT C)* \$ _____

(Subtract Line C from Line B)

CASH PROFIT FOR THE MONTH \$ 207.57

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ 0

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ 0

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

3
3

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ _____

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ _____

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ _____	\$ _____	\$ _____
EXPENSES	\$ _____	\$ _____	\$ _____
CASH PROFIT	\$ _____	\$ _____	\$ _____

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:

\$ 17,805

TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:

\$ 15,430

TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:

\$ 2,375

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

2:39 PM

05/12/17

Accrual Basis

Eastern Star Baptist Church Debtor-in-Possession
Assets, Liabilities and Equity
 As of April 30, 2017

	Apr 30, 17
ASSETS	
Current Assets	
Checking/Savings	8,397.99
Centennial 7762	496.97
Centennial Savings 4864	
Total Checking/Savings	8,894.96
Total Current Assets	8,894.96
Fixed Assets	
Buildings	
2701 Washington Rental House	26,500.00
After Care Center	15,000.00
Fellowship Hall	25,000.00
Worship Center - Church	375,000.00
Buildings - Other	3,000.00
Total Buildings	444,500.00
Equipment	
Church Furniture	25,000.00
Computer Equipment	3,000.00
Copy Machine	7,960.08
Fellowship Furniture	1,395.00
Kitchen Appliances	20,000.00
Office Furniture	500.00
Organ	4,218.94
Piano	8,000.00
Sound Equipment	6,064.88
Total Equipment	76,138.90
Land	
1710 Tyler Lot	2,500.00
2519 E 2nd Lot	10,325.00
2606 E 2nd Lot	3,000.00
2619 E 2nd Lot	2,500.00
2700 E 2nd - Church Lot	2,500.00
2701 E 2nd - Fellowship Lot	2,500.00
2704 Broadway Lot	10,500.00
2709 E 2nd Lot	2,500.00
2713 E 2nd Lot	5,000.00
2900 E Washington Lot	2,500.00
Total Land	43,825.00
Vehicles	
Ford Church Van	26,500.00
Total Vehicles	26,500.00
Total Fixed Assets	590,963.90
Other Assets	
Capitalized Legal Fees	40,822.26
Capitalized Loan Interest	92,902.68
New Church Construction	885,386.90
Total Other Assets	1,019,111.84
TOTAL ASSETS	1,618,970.70
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	585.39
Sam's Club Credit Card	31,076.19
US Bank Credit Card	

2:39 PM
05/12/17
Accrual Basis

Eastern Star Baptist Church Debtor-in-Possession
Assets, Liabilities and Equity
As of April 30, 2017

	Apr 30, 17
Total Credit Cards	31,661.58
Total Current Liabilities	31,661.58
Long Term Liabilities	
Eagle Bank & Trust Note	787,641.74
Total Long Term Liabilities	787,641.74
Total Liabilities	819,303.32
Equity	
Unrestricted Net Assets	787,601.21
Net Income	12,066.17
Total Equity	799,667.38
TOTAL LIABILITIES & EQUITY	1,618,970.70

2:36 PM

05/12/17

Accrual Basis

Eastern Star Baptist Church Debtor-in-Possession
Revenue and Expense
April 2017

	Apr 17
Ordinary Income/Expense	
Income	
Tithes/Offerings	17,967.11
Total Income	17,967.11
Expense	
Automobile Expense	19.00
Bank Service Charges	35.00
Bankruptcy Fee	650.00
Cleaning Supplies	48.78
Computer and Internet Expenses	589.14
Copier Lease	1,850.73
Flowers	86.70
Insurance Expense	893.41
Interest Expense	3,227.34
Lawn Care Expense	250.00
Ministry Expenses	174.00
Office Supplies	31.00
Payroll Expenses	4,393.56
Payroll Taxes	2,605.28
Postage and Delivery	50.00
Professional Fees	219.00
Security	44.59
Telephone Expense	140.33
Utilities	
Gas and Electric	2,364.04
Water	88.93
Total Utilities	2,452.97
Total Expense	17,760.83
Net Ordinary Income	206.28
Other Income/Expense	
Other Income	
Interest Income	1.29
Total Other Income	1.29
Net Other Income	1.29
Net Income	207.57

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

In re Eastern Star Baptist Church
Debtor

Case No. 4:17-bk-10643

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: May

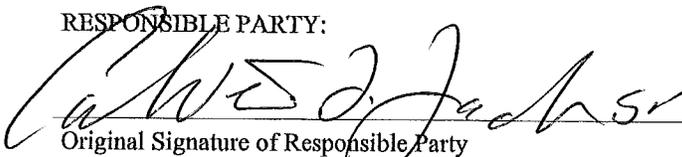
Date filed: June 21, 2017

Line of Business: Church

NAISC Code: 8131

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:


Original Signature of Responsible Party

Calvert Jackson, Sr.
Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B 25C (Official Form 25C) (12/08)

- 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?
- 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?
- 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?
- 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?
- 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL INCOME \$ 19,439.01

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ _____
 Cash on Hand at End of Month \$ _____

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU **TOTAL** \$ 19,439.01

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL EXPENSES \$ 16,291.87

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH *(TOTAL FROM EXHIBIT B)* \$ _____
 EXPENSES FOR THE MONTH *(TOTAL FROM EXHIBIT C)* \$ _____
(Subtract Line C from Line B) **CASH PROFIT FOR THE MONTH** \$ 3,147.14

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ 0

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ 0

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

3

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

3

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ _____

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ _____

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ _____	\$ _____	\$ _____
EXPENSES	\$ _____	\$ _____	\$ _____
CASH PROFIT	\$ _____	\$ _____	\$ _____

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:

\$ 17,000

TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:

\$ 15,500

TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:

\$ 1,500

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

1:03 PM
06/15/17
Accrual Basis

Eastern Star Baptist Church Debtor-in-Possession
Balance Sheet
As of May 31, 2017

	May 31, 17
ASSETS	
Current Assets	
Checking/Savings	
Centennial 7762	9,951.33
Centennial Savings 4864	496.97
Total Checking/Savings	10,448.30
Other Current Assets	
Prepaid Legal	5,201.70
Total Other Current Assets	5,201.70
Total Current Assets	15,650.00
Fixed Assets	
Buildings	
2701 Washington Rental House	26,500.00
After Care Center	15,000.00
Fellowship Hall	25,000.00
Worship Center - Church	375,000.00
Buildings - Other	3,000.00
Total Buildings	444,500.00
Equipment	
Church Furniture	25,000.00
Computer Equipment	3,000.00
Copy Machine	7,960.08
Fellowship Furniture	1,395.00
Kitchen Appliances	20,000.00
Office Furniture	500.00
Organ	4,218.94
Piano	8,000.00
Sound Equipment	6,064.88
Total Equipment	76,138.90
Land	
1710 Tyler Lot	2,500.00
2519 E 2nd Lot	10,325.00
2606 E 2nd Lot	3,000.00
2619 E 2nd Lot	2,500.00
2700 E 2nd - Church Lot	2,500.00
2701 E 2nd - Fellowship Lot	2,500.00
2704 Broadway Lot	10,500.00
2709 E 2nd Lot	2,500.00
2713 E 2nd Lot	5,000.00
2900 E Washington Lot	2,500.00
Total Land	43,825.00
Vehicles	
Ford Church Van	26,500.00
Total Vehicles	26,500.00
Total Fixed Assets	590,963.90
Other Assets	
Capitalized Legal Fees	40,822.26
Capitalized Loan Interest	92,902.68
New Church Construction	885,386.90
Total Other Assets	1,019,111.84
TOTAL ASSETS	1,625,725.74
LIABILITIES & EQUITY	
Liabilities	

1:03 PM

Eastern Star Baptist Church Debtor-in-Possession

06/15/17

Balance Sheet

Accrual Basis

As of May 31, 2017

	May 31, 17
Current Liabilities	
Credit Cards	
Sam's Club Credit Card	585.39
US Bank Credit Card	31,076.19
Total Credit Cards	31,661.58
Total Current Liabilities	31,661.58
Long Term Liabilities	
Eagle Bank & Trust Note	785,939.64
Total Long Term Liabilities	785,939.64
Total Liabilities	817,601.22
Equity	
Opening Balance Equity	5,661.00
Unrestricted Net Assets	787,601.21
Net Income	14,862.31
Total Equity	808,124.52
TOTAL LIABILITIES & EQUITY	1,625,725.74

12:57 PM

Eastern Star Baptist Church Debtor-in-Possession

Profit & Loss

May 31, 2017

06/15/17

Accrual Basis

	<u>May 17</u>
Ordinary Income/Expense	
Income	
Tithes/Offerings	19,437.86
Total Income	19,437.86
Expense	
Bank Service Charges	3.00
Bankruptcy Fee	459.30
Cleaning Supplies	173.70
Computer and Internet Expenses	81.50
Flowers	81.95
Food Expenses	262.05
Insurance Expense	1,786.82
Interest Expense	2,909.89
Lawn Care Expense	350.00
Ministry Expenses	124.93
Office Supplies	119.22
Payroll Expenses	5,491.95
Payroll Taxes	2,580.28
Pest Control	125.00
Repairs and Maintenance	761.38
Security	44.59
Utilities	
Gas and Electric	821.09
Water	115.22
Total Utilities	936.31
Total Expense	16,291.87
Net Ordinary Income	3,145.99
Other Income/Expense	
Other Income	
Interest Income	1.15
Total Other Income	1.15
Net Other Income	1.15
Net Income	<u>3,147.14</u>

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

In re Eastern Star Baptist Church
Debtor

Case No. 4:17-LK-10643

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: June

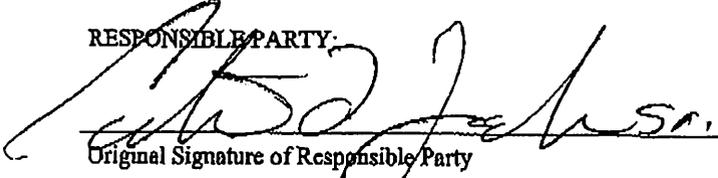
Date filed: July 21, 2017

Line of Business: Church

NAISC Code: 8131

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:


Original Signature of Responsible Party

Calvert Jackson, SR.
Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B 25C (Official Form 25C) (12/08)

- 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?
- 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?
- 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?
- 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?
- 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL INCOME \$ 16,513.52

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ 10,448.30
 Cash on Hand at End of Month \$ 8,766.47

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU TOTAL \$ 8,766.47

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL EXPENSES \$ 17,061.22

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH (TOTAL FROM EXHIBIT B) \$ 16,513.52

EXPENSES FOR THE MONTH (TOTAL FROM EXHIBIT C) \$ 17,061.22

(Subtract Line C from Line B) CASH PROFIT FOR THE MONTH \$ (547.70)

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ 0

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ 0

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

3

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

3

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ _____

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ _____

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ _____	\$ _____	\$ _____
EXPENSES	\$ _____	\$ _____	\$ _____
CASH PROFIT	\$ _____	\$ _____	\$ _____

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:

\$ 17,000

TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:

\$ 15,500

TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:

\$ 1,500

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

2:31 PM

Eastern Star Baptist Church Debtor-in-Possession

Profit & Loss

07/17/17

June 2017

Accrual Basis

	<u>Jun 17</u>
Ordinary Income/Expense	
Income	
Tithes/Offerings	16,512.46
Total Income	<u>16,512.46</u>
Expense	
Automobile Expense	383.50
Bankruptcy Fee	183.10
Churrh OutReach Fund	80.00
Cleaning Supplles	213.33
Computer and Internet Expenses	576.59
Copier Lease	447.05
Flowers	163.27
Food Expenses	580.82
Insurance Expense	401.50
Interest Expense	3,638.72
Lawn Care Expense	400.00
Ministry Expenses	149.18
Office Supplles	497.92
Payroll Expenses	4,393.58
Payroll Taxes	1,793.15
Professional Fees	104.25
Repairs and Maintenance	85.00
Scholarships	500.00
Security	44.59
Small Tools and Equipment	155.10
Speaker Expense	130.00
Telephone Expense	956.84
Utilities	
Gas and Electric	1,103.20
Water	80.55
Total Utilities	<u>1,183.75</u>
Total Expense	<u>17,061.22</u>
Net Ordinary Income	-548.76
Other Income/Expense	
Other Income	
Interest Income	1.06
Total Other Income	<u>1.06</u>
Net Other Income	<u>1.06</u>
Net Income	<u><u>-547.70</u></u>

2:33 PM

**Eastern Star Baptist Church Debtor-in-Possession
Balance Sheet
As of June 30, 2017**

07/17/17

Accrual Basis

	<u>Jun 30, 17</u>
ASSETS	
Current Assets	
Checking/Savings	
Centennial 7762	8,189.44
Centennial Savings 4864	577.03
Total Checking/Savings	<u>8,766.47</u>
Other Current Assets	
Prepaid Legal	5,018.60
Total Other Current Assets	<u>5,018.60</u>
Total Current Assets	13,785.07
Fixed Assets	
Buildings	
2701 Washington Rental House	26,500.00
After Care Center	15,000.00
Fellowship Hall	25,000.00
Worship Center - Church	375,000.00
Buildings - Other	3,000.00
Total Buildings	<u>444,500.00</u>
Equipment	
Church Furniture	25,000.00
Computer Equipment	3,000.00
Copy Machine	7,960.08
Fellowship Furniture	1,395.00
Kitchen Appliances	20,000.00
Office Furniture	500.00
Organ	4,218.94
Piano	8,000.00
Sound Equipment	6,064.88
Total Equipment	<u>76,138.90</u>
Land	
1710 Tyler Lot	2,500.00
2519 E 2nd Lot	10,325.00
2606 E 2nd Lot	3,000.00
2619 E 2nd Lot	2,500.00
2700 E 2nd - Church Lot	2,500.00
2701 E 2nd - Fellowship Lot	2,500.00
2704 Broadway Lot	10,500.00
2709 E 2nd Lot	2,500.00
2713 E 2nd Lot	5,000.00
2900 E Washington Lot	2,500.00
Total Land	<u>43,825.00</u>
Vehicles	
Ford Church Van	26,500.00
Total Vehicles	<u>26,500.00</u>
Total Fixed Assets	590,963.90
Other Assets	
Capitalized Legal Fees	40,822.26
Capitalized Loan Interest	92,902.88
New Church Construction	885,386.90
Total Other Assets	<u>1,019,111.84</u>
TOTAL ASSETS	<u>1,823,860.81</u>
LIABILITIES & EQUITY	
Liabilities	

2:33 PM

Eastern Star Baptist Church Debtor-in-Possession

07/17/17

Balance Sheet

Accrual Basis

As of June 30, 2017

	<u>Jun 30, 17</u>
Current Liabilities	
Credit Cards	
Sam's Club Credit Card	585.39
US Bank Credit Card	31,076.19
Total Credit Cards	<u>31,661.58</u>
Total Current Liabilities	31,661.58
Long Term Liabilities	
Eagle Bank & Trust Note	784,542.37
Total Long Term Liabilities	<u>784,542.37</u>
Total Liabilities	816,203.95
Equity	
Opening Balance Equity	5,661.00
Unrestricted Net Assets	787,601.21
Net Income	14,394.65
Total Equity	<u>807,656.86</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,623,860.81</u></u>

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

In re Eastern Star Baptist Church
Debtor

Case No. 4:17-bk-10643

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: July

Date filed: August 21, 2017

Line of Business: Church

NAISC Code: 8131

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:

Calvert Jackson, Sr.
Original Signature of Responsible Party

Calvert Jackson, Sr.
Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B 25C (Official Form 25C) (12/08)

- 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?
- 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?
- 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?
- 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?
- 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL INCOME \$ 19,403.23

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ 8,746.47
 Cash on Hand at End of Month \$ 9,698.87

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU **TOTAL** \$ 9,698.87

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL EXPENSES \$ 16,964.32

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH *(TOTAL FROM EXHIBIT B)* \$ 19,403.23
 EXPENSES FOR THE MONTH *(TOTAL FROM EXHIBIT C)* \$ 16,964.32
(Subtract Line C from Line B) **CASH PROFIT FOR THE MONTH** \$ 2,438.91

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ 0

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ 0

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

3
3

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ _____

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ _____

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ _____	\$ _____	\$ _____
EXPENSES	\$ _____	\$ _____	\$ _____
CASH PROFIT	\$ _____	\$ _____	\$ _____

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:

\$ 17,600

TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:

\$ 18,750

TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:

\$ 1,000

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

1:43 PM
08/08/17
Accrual Basis

Eastern Star Baptist Church Debtor-in-Possession
Profit & Loss
July 2017

	Jul 17
Ordinary Income/Expense	
Income	
Tithes/Offerings	19,402.02
Total Income	19,402.02
Expense	
Automobile Expense	25.00
Bankruptcy Fee	650.00
Churh OutReach Fund	25.00
Cleaning Supplies	54.66
Computer and Internet Expenses	319.95
Copier Lease	955.90
Flowers	295.07
Food Expenses	538.65
Insurance Expense	1,015.41
Interest Expense	3,105.48
Lawn Care Expense	500.00
Ministry Expenses	724.20
Miscellaneous Expense	46.08
Office Supplies	350.94
Payroll Expenses	5,015.53
Payroll Taxes	288.76
Recording Fees	22.30
Repairs and Maintenance	945.00
Security	44.59
Speaker Expense	1,325.00
Utilities	
Gas and Electric	565.03
Water	151.77
Total Utilities	716.80
Total Expense	16,964.32
Net Ordinary Income	2,437.70
Other Income/Expense	
Other Income	
Interest Income	1.21
Total Other Income	1.21
Net Other Income	1.21
Net Income	2,438.91

1:46 PM

Eastern Star Baptist Church Debtor-in-Possession

Balance Sheet

As of July 31, 2017

08/08/17

Accrual Basis

	Jul 31, 17
ASSETS	
Current Assets	
Checking/Savings	
Centennial 7762	9,121.82
Centennial Savings 4864	577.05
Total Checking/Savings	9,698.87
Other Current Assets	
Prepaid Legal	5,018.60
Total Other Current Assets	5,018.60
Total Current Assets	14,717.47
Fixed Assets	
Buildings	
2701 Washington Rental House	26,500.00
After Care Center	15,000.00
Fellowship Hall	25,000.00
Worship Center - Church	375,000.00
Buildings - Other	3,000.00
Total Buildings	444,500.00
Equipment	
Church Furniture	25,000.00
Computer Equipment	3,000.00
Copy Machine	7,960.08
Fellowship Furniture	1,395.00
Kitchen Appliances	20,000.00
Office Furniture	500.00
Organ	4,218.94
Piano	8,000.00
Sound Equipment	6,064.88
Total Equipment	76,138.90
Land	
1710 Tyler Lot	2,500.00
2519 E 2nd Lot	10,325.00
2606 E 2nd Lot	3,000.00
2619 E 2nd Lot	2,500.00
2700 E 2nd - Church Lot	2,500.00
2701 E 2nd - Fellowship Lot	2,500.00
2704 Broadway Lot	10,500.00
2709 E 2nd Lot	2,500.00
2713 E 2nd Lot	5,000.00
2900 E Washington Lot	2,500.00
Total Land	43,825.00
Vehicles	
Ford Church Van	26,500.00
Total Vehicles	26,500.00
Total Fixed Assets	590,963.90
Other Assets	
Capitalized Legal Fees	40,822.26
Capitalized Loan Interest	92,902.68
New Church Construction	885,386.90
Total Other Assets	1,019,111.84
TOTAL ASSETS	1,624,793.21
LIABILITIES & EQUITY	
Liabilities	

1:46 PM

Eastern Star Baptist Church Debtor-in-Possession**Balance Sheet**

As of July 31, 2017

08/08/17

Accrual Basis

	<u>Jul 31, 17</u>
Current Liabilities	
Credit Cards	
Sam's Club Credit Card	585.39
US Bank Credit Card	31,076.19
Total Credit Cards	<u>31,661.58</u>
Total Current Liabilities	31,661.58
Long Term Liabilities	
Eagle Bank & Trust Note	783,035.86
Total Long Term Liabilities	<u>783,035.86</u>
Total Liabilities	814,697.44
Equity	
Opening Balance Equity	5,661.00
Unrestricted Net Assets	787,601.21
Net Income	16,833.56
Total Equity	<u>810,095.77</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,624,793.21</u></u>

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

In re Eastern Star Baptist Church
Debtor

Case No. 4:17-bk-10643

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: August

Date filed: Sept. 21, 2017

Line of Business: Church

NAISC Code: _____

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:

Calvert L. Jackson
Original Signature of Responsible Party

Calvert L. Jackson
Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B 25C (Official Form 25C) (12/08)

- 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?
- 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?
- 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?
- 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?
- 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL INCOME \$ 22,636.71

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ 9,698.87
 Cash on Hand at End of Month \$ 11,636.60

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU TOTAL \$ 11,636.60

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL EXPENSES \$ 20,698.98

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH (TOTAL FROM EXHIBIT B) \$ 22,636.71
 EXPENSES FOR THE MONTH (TOTAL FROM EXHIBIT C) \$ 20,698.98
 (Subtract Line C from Line B) CASH PROFIT FOR THE MONTH \$ 1,937.73

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ 0

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ 0

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

3

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

3

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ _____

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ _____

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ _____	\$ _____	\$ _____
EXPENSES	\$ _____	\$ _____	\$ _____
CASH PROFIT	\$ _____	\$ _____	\$ _____

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:

\$ 17,600

TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:

\$ 17,500

TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:

\$ 100.00

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

1:16 PM

Eastern Star Baptist Church Debtor-in-Possession

Profit & Loss

August 2017

09/08/17

Accrual Basis

	Aug 17
Ordinary Income/Expense	
Income	
Tithes/Offerings	22,635.71
Total Income	22,635.71
Expense	
Automobile Expense	25.00
Bank Service Charges	3.00
Churh OutReach Fund	60.00
Cleaning Supplies	205.27
Computer and Internet Expenses	354.95
Food Expenses	173.92
Insurance Expense	768.16
Interest Expense	1,202.48
Lawn Care Expense	750.00
Ministry Expenses	150.00
Office Supplies	375.36
Payroll Expenses	5,491.95
Payroll Taxes	1,445.53
Repairs and Maintenance	4,315.07
Security	44.59
Speaker Expense	125.00
Telephone Expense	1,070.46
Utilities	
Gas and Electric	648.23
Water	80.55
Total Utilities	728.78
Total Expense	17,289.52
Net Ordinary Income	5,346.19
Other Income/Expense	
Other Income	
Interest Income	1.00
Total Other Income	1.00
Net Other Income	1.00
Net Income	5,347.19

1:19 PM

Eastern Star Baptist Church Debtor-in-Possession

Balance Sheet

As of August 31, 2017

09/08/17

Accrual Basis

	Aug 31, 17
ASSETS	
Current Assets	
Checking/Savings	
Centennial 7762	5,859.45
Centennial Savings 4864	5,777.15
Total Checking/Savings	11,636.60
Other Current Assets	
Prepaid Legal	5,018.60
Total Other Current Assets	5,018.60
Total Current Assets	16,655.20
Fixed Assets	
Buildings	
2701 Washington Rental House	26,500.00
After Care Center	15,000.00
Fellowship Hall	25,000.00
Worship Center - Church	375,000.00
Buildings - Other	3,000.00
Total Buildings	444,500.00
Equipment	
Church Furniture	25,000.00
Computer Equipment	3,000.00
Copy Machine	7,960.08
Fellowship Furniture	1,395.00
Kitchen Appliances	20,000.00
Office Furniture	500.00
Organ	4,218.94
Piano	8,000.00
Sound Equipment	6,064.88
Total Equipment	76,138.90
Land	
1710 Tyler Lot	2,500.00
2519 E 2nd Lot	10,325.00
2606 E 2nd Lot	3,000.00
2619 E 2nd Lot	2,500.00
2700 E 2nd - Church Lot	2,500.00
2701 E 2nd - Fellowship Lot	2,500.00
2704 Broadway Lot	10,500.00
2709 E 2nd Lot	2,500.00
2713 E 2nd Lot	5,000.00
2900 E Washington Lot	2,500.00
Total Land	43,825.00
Vehicles	
Ford Church Van	26,500.00
Total Vehicles	26,500.00
Total Fixed Assets	590,963.90
Other Assets	
Capitalized Legal Fees	40,822.26
Capitalized Loan Interest	92,902.68
New Church Construction	885,386.90
Total Other Assets	1,019,111.84
TOTAL ASSETS	1,626,730.94
LIABILITIES & EQUITY	
Liabilities	

1:19 PM

Eastern Star Baptist Church Debtor-in-Possession

09/08/17

Balance Sheet

Accrual Basis

As of August 31, 2017

	<u>Aug 31, 17</u>
Current Liabilities	
Credit Cards	
Sam's Club Credit Card	585.39
US Bank Credit Card	31,076.19
Total Credit Cards	<u>31,661.58</u>
Total Current Liabilities	31,661.58
Long Term Liabilities	
Eagle Bank & Trust Note	779,626.40
Total Long Term Liabilities	<u>779,626.40</u>
Total Liabilities	811,287.98
Equity	
Opening Balance Equity	5,661.00
Unrestricted Net Assets	787,601.21
Net Income	22,180.75
Total Equity	<u>815,442.96</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,626,730.94</u></u>

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

In re Eastern Star Baptist Church
Debtor

Case No. 4:17-bk-10643

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: September

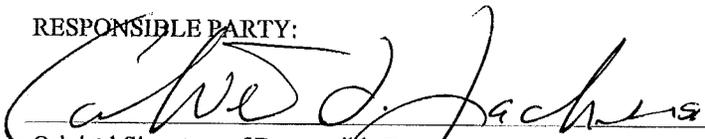
Date filed: October 21, 2017

Line of Business: Church

NAISC Code: _____

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:


Original Signature of Responsible Party
Calvert L. Jackson Sr.
Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B 25C (Official Form 25C) (12/08)

- 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?
- 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?
- 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?
- 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?
- 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL INCOME \$ 14,598.97

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ 11,636.60
 Cash on Hand at End of Month \$ 9,892.59

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU TOTAL \$ 9,892.59

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

(Exhibit C) *Principal 14,722.64*
Eagle 1620.34
 TOTAL EXPENSES \$ 16,342.98
16,342.98

CASH PROFIT

INCOME FOR THE MONTH (TOTAL FROM EXHIBIT B) \$ 14,598.97
 EXPENSES FOR THE MONTH (TOTAL FROM EXHIBIT C) \$ 16,342.98
 (Subtract Line C from Line B) CASH PROFIT FOR THE MONTH \$ (1,744.01)

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ 0

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ 0

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

3

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

3

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ _____

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ _____

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ _____	\$ _____	\$ _____
EXPENSES	\$ _____	\$ _____	\$ _____
CASH PROFIT	\$ _____	\$ _____	\$ _____

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:

\$ 17,500

TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:

\$ 17,500

TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:

\$ 0

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

12:11 PM

Eastern Star Baptist Church Debtor-in-Possession

Profit & Loss

September 2017

10/16/17

Accrual Basis

	Sep 17
Ordinary Income/Expense	
Income	
Tithes/Offerings	14,598.02
Total Income	14,598.02
Expense	
Automobile Expense	93.74
Charitable Contributions	25.00
Computer and Internet Expenses	116.50
Copier Lease	447.05
Food Expenses	171.11
Insurance Expense	768.16
Interest Expense	2,991.60
Lawn Care Expense	500.00
Ministry Expenses	1,227.00
Office Supplies	106.47
Payroll Expenses	4,754.51
Payroll Taxes	1,432.20
Professional Fees	141.75
Repairs and Maintenance	724.78
Security	44.59
Speaker Expense	75.00
Telephone Expense	423.45
Utilities	
Gas and Electric	590.80
Water	88.93
Total Utilities	679.73
Total Expense	14,722.64
Net Ordinary Income	-124.62
Other Income/Expense	
Other Income	
Interest Income	0.95
Total Other Income	0.95
Net Other Income	0.95
Net Income	-123.67

12:14 PM

Eastern Star Baptist Church Debtor-in-Possession Balance Sheet

10/16/17

As of September 30, 2017

Accrual Basis

	Sep 30, 17
ASSETS	
Current Assets	
Checking/Savings	4,115.20
Centennial 7762	5,777.39
Centennial Savings 4864	9,892.59
Total Checking/Savings	9,892.59
Other Current Assets	5,018.60
Prepaid Legal	5,018.60
Total Other Current Assets	5,018.60
Total Current Assets	14,911.19
Fixed Assets	
Buildings	
2701 Washington Rental House	26,500.00
After Care Center	15,000.00
Fellowship Hall	25,000.00
Worship Center - Church	375,000.00
Buildings - Other	3,000.00
Total Buildings	444,500.00
Equipment	
Church Furniture	25,000.00
Computer Equipment	3,000.00
Copy Machine	7,960.08
Fellowship Furniture	1,395.00
Kitchen Appliances	20,000.00
Office Furniture	500.00
Organ	4,218.94
Piano	8,000.00
Sound Equipment	6,064.88
Total Equipment	76,138.90
Land	
1710 Tyler Lot	2,500.00
2519 E 2nd Lot	10,325.00
2606 E 2nd Lot	3,000.00
2619 E 2nd Lot	2,500.00
2700 E 2nd - Church Lot	2,500.00
2701 E 2nd - Fellowship Lot	2,500.00
2704 Broadway Lot	10,500.00
2709 E 2nd Lot	2,500.00
2713 E 2nd Lot	5,000.00
2900 E Washington Lot	2,500.00
Total Land	43,825.00
Vehicles	
Ford Church Van	26,500.00
Total Vehicles	26,500.00
Total Fixed Assets	590,963.90
Other Assets	
Capitalized Legal Fees	40,822.26
Capitalized Loan Interest	92,902.68
New Church Construction	885,386.90
Total Other Assets	1,019,111.84
TOTAL ASSETS	1,624,986.93
LIABILITIES & EQUITY	
Liabilities	

Draft Statement no Assurance Provided Depreciation of fixed assets not computed

12:14 PM

Eastern Star Baptist Church Debtor-in-Possession
Balance Sheet
 As of September 30, 2017

10/16/17

Accrual Basis

	Sep 30, 17
Current Liabilities	
Credit Cards	585.39
Sam's Club Credit Card	31,076.19
US Bank Credit Card	31,661.58
Total Credit Cards	31,661.58
Total Current Liabilities	31,661.58
Long Term Liabilities	778,006.06
Eagle Bank & Trust Note	778,006.06
Total Long Term Liabilities	809,667.64
Total Liabilities	
Equity	5,661.00
Opening Balance Equity	787,601.21
Unrestricted Net Assets	22,057.08
Net Income	815,319.29
Total Equity	1,624,986.93
TOTAL LIABILITIES & EQUITY	1,624,986.93

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

In re Eastern Star Baptist Church
Debtor

Case No. 4:17-bk-10643

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: October

Date filed: November 21, 2017

Line of Business: Church

NAISC Code: _____

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:

Calvert L. Jackson Sr.
Original Signature of Responsible Party

Calvert L. Jackson Sr. Trustee Chair
Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B 25C (Official Form 25C) (12/08)

- 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?
- 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?
- 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?
- 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?
- 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL INCOME \$ 18,915.34

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ 9,892.59

Cash on Hand at End of Month \$ 4,704.19

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU TOTAL \$ 4,704.19

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

Expenses 22,820.99
 Cash Bank Principle 1,317.75
 (Exhibit C) 24,138.74
 TOTAL EXPENSES \$ 24,138.74

CASH PROFIT

INCOME FOR THE MONTH (TOTAL FROM EXHIBIT B) \$ 18,915.34
 EXPENSES FOR THE MONTH (TOTAL FROM EXHIBIT C) \$ 24,138.74
 (Subtract Line C from Line B) CASH PROFIT FOR THE MONTH \$ (5,223.40)

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ 0

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ 0

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

3
3

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ _____

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ _____

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ _____

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ _____	\$ _____	\$ _____
EXPENSES	\$ _____	\$ _____	\$ _____
CASH PROFIT	\$ _____	\$ _____	\$ _____

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:

\$ 19,625.⁰⁰

TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:

\$ 19,000.⁰⁰

TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:

\$ 625.00**ADDITIONAL INFORMATION**

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

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Eastern Star Baptist Church Debtor-in-Possession

11/15/17

Profit & Loss

Accrual Basis

October 2017

	<u>Oct 17</u>
Ordinary Income/Expense	
Income	
Tithes/Offerings	18,914.44
Total Income	18,914.44
Expense	
Automobile Expense	30.00
Bank Service Charges	6.00
Bankruptcy Fee	650.00
Churh OutReach Fund	180.00
Cleaning Supplies	200.37
Computer and Internet Expenses	567.87
Conferences and Meetings	130.00
Copier Lease	350.01
Food Expenses	8.93
Insurance Expense	2,041.05
Interest Expense	3,294.19
Lawn Care Expense	500.00
Ministry Expenses	367.41
Miscellaneous Expense	112.56
Office Supplies	71.23
Outside Services	125.00
Payroll Expenses	5,780.89
Payroll Taxes	1,145.76
Professional Fees	141.00
Property Taxes	320.70
Repairs and Maintenance	250.00
Security	5,374.88
Speaker Expense	50.12
Telephone Expense	500.63
Utilities	
Gas and Electric	543.61
Water	78.78
Total Utilities	622.39
Total Expense	22,820.99
Net Ordinary Income	-3,906.55
Other Income/Expense	
Other Income	
Interest Income	0.90
Total Other Income	0.90
Net Other Income	0.90
Net Income	-3,905.65

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Eastern Star Baptist Church Debtor-in-Possession

11/15/17

Balance Sheet

Accrual Basis

As of October 31, 2017

	Oct 31, 17
ASSETS	
Current Assets	
Checking/Savings	
Centennial 7762	1,926.58
Centennial Savings 4864	2,777.61
Total Checking/Savings	4,704.19
Other Current Assets	
Prepaid Legal	5,018.60
Total Other Current Assets	5,018.60
Total Current Assets	9,722.79
Fixed Assets	
Buildings	
2701 Washington Rental House	26,500.00
After Care Center	15,000.00
Fellowship Hall	25,000.00
Worship Center - Church	375,000.00
Buildings - Other	3,000.00
Total Buildings	444,500.00
Equipment	
Church Furniture	25,000.00
Computer Equipment	3,000.00
Copy Machine	7,960.08
Fellowship Furniture	1,395.00
Kitchen Appliances	20,000.00
Office Furniture	500.00
Organ	4,218.94
Piano	8,000.00
Sound Equipment	6,064.88
Total Equipment	76,138.90
Land	
1710 Tyler Lot	2,500.00
2519 E 2nd Lot	10,325.00
2606 E 2nd Lot	3,000.00
2619 E 2nd Lot	2,500.00
2700 E 2nd - Church Lot	2,500.00
2701 E 2nd - Fellowship Lot	2,500.00
2704 Broadway Lot	10,500.00
2709 E 2nd Lot	2,500.00
2713 E 2nd Lot	5,000.00
2900 E Washington Lot	2,500.00
Total Land	43,825.00
Vehicles	
Ford Church Van	26,500.00
Total Vehicles	26,500.00
Total Fixed Assets	590,963.90
Other Assets	
Capitalized Legal Fees	40,822.26
Capitalized Loan Interest	92,902.68
New Church Construction	885,386.90
Total Other Assets	1,019,111.84
TOTAL ASSETS	1,619,798.53
LIABILITIES & EQUITY	
Liabilities	

Draft Statement no Assurance Provided Depreciation of fixed assets not computed

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Eastern Star Baptist Church Debtor-in-Possession

11/15/17

Balance Sheet

Accrual Basis

As of October 31, 2017

	Oct 31, 17
Current Liabilities	
Credit Cards	
Sam's Club Credit Card	585.39
US Bank Credit Card	31,076.19
Total Credit Cards	31,661.58
Total Current Liabilities	31,661.58
Long Term Liabilities	
Eagle Bank & Trust Note	776,688.31
Total Long Term Liabilities	776,688.31
Total Liabilities	808,349.89
Equity	
Opening Balance Equity	5,661.00
Unrestricted Net Assets	787,601.21
Net Income	18,186.43
Total Equity	811,448.64
TOTAL LIABILITIES & EQUITY	1,619,798.53