

MISSIONARY CHURCH INVESTMENT FOUNDATION, INC.
3811 Vanguard Drive, Fort Wayne, IN 46809
(260) 747-2027 ext. 1205 – Email: mcif@mcusa.org
\$15,000,000 INVESTMENT CERTIFICATES

We – Missionary Church Investment Foundation, Inc. (the “Foundation,” “we,” or “us”) – are offering up to \$15,000,000 of Investment Certificates as shown below:

Description	Type	Minimum Purchase
Liquid Account	Demand	\$0
Employee Savings	Demand	\$0
Church Reserve	Demand	\$0
1-year Term Investment Certificate	Term	\$1,000
2-year Term Investment Certificate	Term	\$1,000
3-year Term Investment Certificate	Term	\$1,000

The Investment Certificates are unsecured, general obligations of the Foundation. Because of the continuous nature of this offering, the type of Investment Certificates available and the interest rates paid on the Investment Certificates are expected to change from time to time based on the Foundation’s financial needs and current market conditions. Current interest rates are shown on the Investment Application and Agreement accompanying this Offering Circular. You may also call us at (260) 747-2027 x1205 or visit our website (www.mcifusa.org) to obtain our current interest rates. Term Investment Certificates have fixed terms and interest rates of up to 3 years. Demand Investment Certificates have rates that can vary as often as monthly and can be redeemed, in whole or in part, upon written request. We use the proceeds of the Investment Certificates primarily to fund loans to churches and other church-related organizations affiliated with Missionary Church, Inc. (the “Denomination”).

We offer Investment Certificates only to persons who are, prior to the receipt of an Offering Circular, members of, contributors to, or participants in the Denomination, the Foundation or in any program activity or organization which constitutes a part of the Denomination or the Foundation, or in other religious organizations that have a programmatic relationship with the Denomination or the Foundation, a region or a district or other program, activity or organization which constitutes a part of the Missionary Church, a region, or one of its districts, or a successor in interest to such person. Investment Certificates are not available in all states.

This offering is not underwritten and no commissions will be paid on the sales of the Investment Certificates. We will receive 100% of the proceeds from the sales of the Investment Certificates, less all expenses of this offering. We will pay the expenses of this offering, which should not exceed \$45,000, or less than ½ of 1% of the offering.

Your purchase of Investment Certificates is subject to certain risks. Please read “Risk Factors,” beginning on page 8.

The date of this Offering Circular is April 30, 2023, and may be used until the expiration of the periods of time authorized in the various states, which is typically twelve months.

Not FDIC or SIPC Insured

Not a Bank Deposit

No Missionary Church, Inc. Guarantee

THESE SECURITIES MAY EITHER BE REGISTERED OR EXEMPT FROM REGISTRATION IN THE VARIOUS STATES OR JURISDICTIONS IN WHICH THEY ARE OFFERED OR SOLD BY THE FOUNDATION. THIS OFFERING CIRCULAR HAS BEEN FILED WITH THE SECURITIES ADMINISTRATORS IN SUCH STATES OR JURISDICTIONS THAT REQUIRE IT FOR REGISTRATION OR EXEMPTION.

THE INVESTMENT CERTIFICATES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 3(a)(4) OF THE SECURITIES ACT OF 1933. A REGISTRATION STATEMENT RELATING TO THE INVESTMENT CERTIFICATES HAS NOT BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY, ADEQUACY TRUTHFULNESS, OR COMPLETENESS OF THIS DOCUMENT AND HAVE NOT PASSED UPON THE MERIT OR VALUE OF THESE SECURITIES, OR APPROVED, DISAPPROVED, OR ENDORSED THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FOUNDATION AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURE, MERITS AND RISKS INVOLVED.

THE INVESTMENT CERTIFICATES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, OR ANY STATE BANK INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IN THE INVESTMENT CERTIFICATES IS DEPENDENT UPON OUR FINANCIAL CONDITION. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW OUR FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST. THE INVESTMENT CERTIFICATES ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY THE DENOMINATION OR BY ANY CHURCH, CONFERENCE, INSTITUTION OR AGENCY AFFILIATED WITH THE DENOMINATION.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT WITH OUR WRITTEN CONSENT AND AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NO PERSON HAS BEEN AUTHORIZED TO GIVE INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THIS OFFERING, OTHER THAN THOSE CONTAINED IN THIS OFFERING CIRCULAR AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN MADE BY US.

INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF INVESTMENT CERTIFICATES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS.

THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY STATE IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED, OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS OFFERING CIRCULAR NOR ANY SALES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY

IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE FOUNDATION SINCE THE DATE OF THIS OFFERING CIRCULAR.

SPECIAL NOTICES TO PROSPECTIVE INVESTORS

The securities laws of some states restrict the offering of the Investment Certificates in certain cases, and the Foundation will not accept subscriptions from persons in the following states unless they meet the applicable state requirements and confirm the same in their subscription agreement. The states and applicable restrictions are noted below.

AN INVESTOR MUST PURCHASE A SECURITY HEREUNDER FOR HIS OWN BONA FIDE INVESTMENT AND NOT WITH A VIEW TO RESALE.

PLEASE NOTE THESE ADDITIONAL STATE-SPECIFIC DISCLOSURES:

CALIFORNIA RESIDENTS

ALL INVESTORS WILL RECEIVE A MATURITY NOTICE AND A CURRENT OFFERING CIRCULAR WITHIN THIRTY DAYS OF THE MATURITY DATE OF EACH OF THEIR INVESTMENT CERTIFICATES AND CALIFORNIA INVESTORS WILL HAVE THE OPPORTUNITY TO NOTIFY THE FOUNDATION IF THEY INTEND TO RENEW THEIR INVESTMENTS. IF RENEWAL IS NOT REQUESTED, INVESTORS' FUNDS WILL BE PROMPTLY RETURNED. RENEWALS CAN BE MADE ONLY IF MISSIONARY CHURCH INVESTMENT FOUNDATION, INC. IS QUALIFIED TO MAKE SALES IN CALIFORNIA.

"IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES."

FLORIDA RESIDENTS

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE STATE OF FLORIDA, DEPARTMENT OF BANKING AND FINANCE, DIVISION OF SECURITIES. UPON APPROPRIATE NOTICE TO THE FOUNDATION, SOME FLORIDA PURCHASERS MAY RESCIND THEIR PURCHASE OF INVESTMENT CERTIFICATES WITHIN THREE BUSINESS DAYS OF THEIR PURCHASE.

GEORGIA RESIDENTS

ANY PERSON WHO PURCHASES THE SECURITIES OFFERED HEREBY SHALL HAVE THE UNQUALIFIED AND UNWAIVABLE RIGHT TO RESCIND SUCH PURCHASE WITHIN 72 HOURS OF THE EXECUTION OF A WRITTEN AGREEMENT TO PURCHASE ANY SECURITIES OFFERED HEREBY, THE DELIVERY OF A CONFIRMATION OF SALE, OR THE PAYMENT FOR ANY SECURITIES OFFERED HEREBY, WHICHEVER SHALL OCCUR FIRST. RESCISSION MAY BE ACCOMPLISHED BY COMPLETING AND MAILING THE FORMS CONTAINED IN THE ACCOMPANYING GEORGIA SUPPLEMENT.

THESE SECURITIES ARE OFFERED AND SOLD PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 10-5-10(7) OF THE GEORGIA UNIFORM SECURITIES ACT OF 2008. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE GEORGIA SECURITIES COMMISSION.

KENTUCKY RESIDENTS

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER KRS 292.400(9) OF THE KENTUCKY SECURITIES ACT.

INDIANA RESIDENTS

THESE ARE SPECULATIVE SECURITIES. THE INDIANA SECURITIES DIVISION HAS NOT IN ANY WAY PASSED UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, THE SECURITIES HEREBY OFFERED, OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PENNSYLVANIA RESIDENTS

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES, NOR HAS THE DEPARTMENT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. A REGISTRATION STATEMENT WITH RESPECT TO THE SECURITIES OFFERED BY THIS OFFERING CIRCULAR HAS BEEN FILED IN THE OFFICES OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES IN HARRISBURG, PENNSYLVANIA THAT INCLUDES CERTAIN EXHIBITS ONLY SUMMARIZED OR ALLUDED TO IN THE OFFERING CIRCULAR AND WHICH IS AVAILABLE FOR INSPECTION AT THE DEPARTMENT OFFICE DURING REGULAR BUSINESS HOURS: 17 N. SECOND STREET, SUITE 1300, HARRISBURG, PA 17101, PHONE: (800) 600-0007 or (717) 787-8059, FAX: (717) 783-5122. REGULAR OFFICE HOURS ARE MONDAY-FRIDAY 8:30 AM TO 5:00 PM.

IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THESE SECURITIES MADE PURSUANT TO AN OFFERING CIRCULAR WHICH CONTAINS A WRITTEN NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(m)(1) OF THE PENNSYLVANIA SECURITIES ACT OF 1972, YOU MAY ELECT, WITHIN TWO BUSINESS DAYS AFTER THE FIRST TIME YOU HAVE RECEIVED THIS NOTICE AND AN OFFERING CIRCULAR (WHICH IS NOT MATERIALLY DIFFERENT FROM THE FINAL OFFERING CIRCULAR) TO WITHDRAW FROM YOUR PURCHASE AGREEMENT AND RECEIVE A FULL REFUND OF ALL MONIES PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A WRITTEN NOTICE (INCLUDING A NOTICE BY FACSIMILE OR ELECTRONIC MAIL) TO THE ISSUER INDICATING YOUR INTENTION TO WITHDRAW.

IT IS THE POSITION OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES THAT INDEMNIFICATION FOR VIOLATIONS OF THE PENNSYLVANIA SECURITIES ACT OF 1972 IS NULL AND VOID AS AGAINST PUBLIC POLICY.

SOUTH CAROLINA RESIDENTS

ALL INVESTORS WILL RECEIVE A MATURITY NOTICE AND A CURRENT OFFERING CIRCULAR WITHIN THIRTY DAYS OF THE MATURITY DATE OF EACH OF THEIR INVESTMENT CERTIFICATES AND SOUTH CAROLINA INVESTORS WILL HAVE THE OPPORTUNITY TO NOTIFY THE FOUNDATION IF THEY INTEND TO RENEW THEIR INVESTMENTS. IF RENEWAL IS NOT REQUESTED, INVESTORS' FUNDS WILL BE PROMPTLY RETURNED.

IF AN INVESTOR WAS A RESIDENT OF THE STATE OF SOUTH CAROLINA AT THE TIME OF PURCHASE OF AN INVESTMENT CERTIFICATE, THE INVESTOR HAS THE RIGHT TO DECLARE AN EVENT OF DEFAULT ON

THAT INVESTMENT CERTIFICATE IF AND ONLY IF (A) THE FOUNDATION FAILS TO PAY PRINCIPAL AND INTEREST DUE ON THAT INVESTMENT CERTIFICATE WITHIN 30 DAYS OF RECEIPT OF WRITTEN NOTICE FROM THE INVESTOR NOTIFYING THE FOUNDATION OF ITS FAILURE TO PAY SUCH PRINCIPAL OR INTEREST ON THE DUE DATE, OR (B) A SOUTH CAROLINA RESIDENT WHO OWNS AN INVESTMENT CERTIFICATE OF THE SAME ISSUE (i.e., THE SAME TYPE, TERM AND OFFERING) HAS RIGHTFULLY DECLARED AN EVENT OF DEFAULT AS TO THAT INVESTOR'S INVESTMENT CERTIFICATE. THE OWNER OF A CERTIFICATE DECLARES AN EVENT OF DEFAULT ON THAT CERTIFICATE BY SUBMITTING A WRITTEN DECLARATION TO THE FOUNDATION.

UPON AN INVESTOR'S RIGHTFUL DECLARATION OF AN EVENT OF DEFAULT ON AN INVESTMENT CERTIFICATE: (A) THE PRINCIPAL AND INTEREST ON THAT INVESTMENT CERTIFICATE BECOMES IMMEDIATELY DUE AND PAYABLE, (B) THE INVESTOR HAS THE RIGHT TO RECEIVE FROM THE FOUNDATION UPON WRITTEN REQUEST A LIST OF NAMES AND ADDRESSES OF ALL OWNERS OF INVESTMENT CERTIFICATES OF THE SAME ISSUE IN THE STATE OF SOUTH CAROLINA, AND (C) THE OWNERS OF 25% OR MORE IN PRINCIPAL AMOUNT OF INVESTMENT CERTIFICATES OF THE SAME ISSUE OUTSTANDING IN THE STATE OF SOUTH CAROLINA HAVE THE RIGHT TO DECLARE THE ENTIRE ISSUE IN THE STATE OF SOUTH CAROLINA DUE AND PAYABLE.

THE RIGHTFUL DECLARATION OF AN EVENT OF DEFAULT AS TO ANY ONE INVESTMENT CERTIFICATE OF THE SAME ISSUE IN THE STATE OF SOUTH CAROLINA CONSTITUTES AN EVENT OF DEFAULT ON THE ENTIRE ISSUE IN SOUTH CAROLINA.

DEMAND INVESTMENT CERTIFICATES ARE NOT AVAILABLE IN THE STATE OF SOUTH CAROLINA.

SPECIAL NOTICE

ANY FUTURE TRANSACTION WITH AN OFFICER, DIRECTOR, KEY EMPLOYEE OR ANY OTHER INDIVIDUAL WILL BE ON TERMS NO LESS FAVORABLE TO THE FOUNDATION THAN COULD BE OBTAINED FROM AN INDEPENDENT THIRD PARTY. THE FOUNDATION DOES NOT EXTEND LOANS TO ANY OFFICER, DIRECTOR, KEY EMPLOYEE OF THE FOUNDATION OR TO ANY OTHER INDIVIDUAL. THE FOUNDATION ONLY PROVIDES FINANCING TO AFFILIATES OF THE DENOMINATION FOR PURPOSES DESCRIBED IN THE SUMMARY OF THE OFFERING.

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SUMMARY OF THE OFFERING

This Summary is provided for your convenience and contains only selected information. Before investing, you should read this entire Offering Circular, including the audited financial statements.

The Foundation. The Foundation is an Indiana nonprofit corporation, affiliated with the Denomination. We assist the Denomination by making loans to churches and other church-related organizations affiliated with the Denomination (hereafter all such types of churches and church-related organizations affiliated with the Denomination will be referred to as “Church Organizations”) for buildings, equipment, land, and other projects.

Our offices are located at 3811 Vanguard Drive, Fort Wayne, Indiana 46809, and our telephone number is (260) 747-2027, ext. 1205. Our mailing address is P.O. Box 9127, Fort Wayne, IN 46899-9127. (See “History and Operations”)

Description of the Investment Certificates. We are offering Term and Demand Investment Certificates. Minimum investment amounts, terms, and interest rates at any particular time are reflected in the Investment Application and Agreement accompanying this Offering Circular and on our website (www.mcfusa.org). All Investment Certificates are unsecured debt obligations of the Foundation and are not insured.

Term Investment Certificates have a fixed rate of interest, and interest is compounded semi-annually unless the investor elects to receive interest payments. Thirty days prior to the maturity date of Term Investment Certificates, investors will receive a maturity notice, together with the latest copy of the Offering Circular. Upon maturity, an investor may request in writing to either: 1) redeem the Investment Certificate or 2) extend the Investment Certificate for a one- to three-year term at the corresponding interest rate in effect at that time. If no redemption or extension request is made, an investor will be deemed to have elected to redeem the Investment Certificate. If we allow early redemption of an Investment Certificate, an early withdrawal penalty may be assessed.

We offer three types of Demand Investment Certificates: Employee Savings Accounts, Church Reserve Accounts, and Liquid Accounts. Demand Investment Certificates have interest rates that can vary as often as monthly, and can be (for certain Demand Investment Certificates) variable based on the amount invested. Interest is compounded monthly for Demand Investment Certificates. You can request partial or full redemption of a Demand Investment Certificate at any time. (See “Description of Investment Certificates”)

Use of Proceeds. The proceeds from the sale of Investment Certificates will be added to the Foundation’s general funds and used primarily to make loans to Church Organizations for buildings, equipment, land and other projects. Some of the funds not used to make loans may be used to maintain liquidity and invested accordingly, used for the costs of this offering, or other purposes. (See “Use of Proceeds”)

Financing of Foundation Activities. The Foundation’s activities are financed mostly by the proceeds from the sale of its Investment Certificates, but also from principal and interest payments from its loans, and income on its investments. (See “Use of Proceeds” and “Financing and Operational Activities”)

Summary of Financial Information. The following is a summary of financial information for the Foundation's most recent fiscal year ending December 31, 2022:

Description	As of December 31, 2022
Cash, cash equivalents, and readily marketable securities (combined)	\$14,436,829
Total Loans Receivable*	\$23,992,449
Unsecured Loans Receivable	\$537,067
Unsecured Loans Receivable as a % of Total Loans Receivable	2.24%
Loan Delinquencies as a % of Total Loans Receivable**	2.97%
Total Assets	\$38,589,685
Total Investment Certificates Payable	\$34,605,724
Investment Certificates Redeemed during fiscal year	\$5,006,104
Other Long-Term Debt	\$0
Net Assets	\$3,741,997
Change in Net Assets	(\$2,051,574)

**Prior to deducting Allowance for Loan Losses of \$888,875*

***Loans on which principal and/or interest were delinquent over 90 days*

RISK FACTORS

The purchase of Investment Certificates involves certain risks. You should carefully consider the risk factors noted below, and all of the other information in this Offering Circular, before making a decision to purchase.

No Security for Repayment of Investment Certificates. The Investment Certificates are unsecured debt obligations of the Foundation and are uninsured. Investors must depend solely on the Foundation's financial condition and operations for repayment of principal and payment of interest on its Investment Certificates. As unsecured obligations, investors will have a claim on the assets of the Foundation ranking equally with all other unsecured creditors of the Foundation.

No Sinking Fund Established for Repayment. No sinking fund or trust indenture has been, or will be, established by the Foundation to provide for the repayment of the Investment Certificates.

Senior Secured Indebtedness. As of the date of this Offering Circular, we had no secured debt obligations or other secured liabilities. We will not incur or issue Senior Secured Indebtedness in an amount greater than 10% of the Tangible Assets of the Foundation.

No Public Market. No public market exists for the Investment Certificates and none will develop. The transferability of the Investment Certificates is limited and restricted.

We May Redeem Investment Certificates. We reserve the right to redeem any of the Investment Certificates for repayment at any time, upon 30 days' prior written notice to an investor.

We Are Not Obligated to Redeem Investment Certificates Prior to Maturity. We are not legally obligated to redeem Investment Certificates prior to their maturity. If early redemption is allowed, there will normally be an early withdrawal penalty. (See Description of Investment Certificates")

Investments Subject to Market Risks. Proceeds of this offering that are not used to fund loans or cover other expenses, along with other funds, may from time to time be invested in readily marketable securities. Readily marketable securities are subject to various market risks and may decline in value,

resulting in losses, which may affect our liquidity and ability to repay its Investment Certificates. (See “Investing Activities”)

Risks may be greater than implied by low interest rates. Other institutions may offer other securities with higher rates of return, greater security, and less risk than our Investment Certificates.

Increased Demand for Repayment Might Adversely Affect Our Financial Position. A substantial portion of the outstanding Investment Certificates is payable in one, two, or three years. The principal amount of the outstanding Investment Certificates scheduled to mature during 2023 is \$11,391,232. Historically, a majority of the maturing Investment Certificates have been extended or reinvested. In the event that demands for repayment upon maturity of Investment Certificates are inconsistent with prior experience, and exceed the availability of funds (including Liquid Assets), the Foundation’s financial condition and its ability to repay Investment Certificates will be adversely affected. (See “Financing and Operational Activities”)

Automatic Renewal of Term Investment Certificates. Although we will notify you prior to the maturity of your Term Investment Certificate, if we have not received a request for redemption or reinvestment within 25 days after the Investment Certificate’s maturity date, you will be deemed to have elected to redeem the Investment Certificate (if permitted under the laws of your state of residency). (See “Description of Investment Certificates”)

Repayment of Term Investment Certificates. We have the option, under the payment deferral right, to repay the principal in equal installments over five years beginning 30 days after the maturity of an Investment Certificate, or request for repayment of an Employee Savings Account or a Church Reserve Account, if the Board of Directors deems it necessary to maintain sufficient funds to meet obligations and maintain liquidity. If we exercise our option to repay the principal over five years, the interest rate that an investor will receive may be less than the then market rate of interest. Investment Certificates issued to investors in California, Kentucky, Michigan, North Carolina, or Pennsylvania are not subject to repayment of principal on an installment basis.

Denomination Not Liable and Custodial Accounts Not Available as Source of Funds for Repayment. Neither the Denomination nor any of the Denomination’s affiliates will be liable for the repayment of the Investment Certificates. Investors must rely solely upon the assets of the Foundation for repayment. While the financial statements of the Foundation include the operations of various other funds managed by the Foundation, most of the assets attributable to such accounts are held under separate endowments and other agreements, and consequently should not be considered as available for the repayment of any of our liabilities, including the Investment Certificates.

Liability for Claims Against the Denomination Could Adversely Affect Foundation. The Foundation is separately incorporated from the Denomination and is not liable for claims against the Denomination or its affiliates. However, it is possible that in claims against the Denomination or its affiliates, the claimants might contend that the Foundation is also liable. Such claims against the Denomination, if upheld by the courts, could negatively affect the financial condition of the Foundation.

Repayment of Loans is Dependent upon Contributions. Our loans are to Church Organizations. The ability of these borrowers to repay their loans will primarily depend upon the contributions they receive. To the extent that a borrower experiences a reduction in contributions, the ability to repay a loan may be adversely affected, which in turn, may have an adverse effect on our ability to repay principal and interest on our Investment Certificates. (See “Lending Activities”)

We May Be More Accommodating Than a Commercial Lender. Our lending criteria and policies may be more lenient than those of commercial lenders. We may also be more willing to accommodate partial, deferred or late payments, and have in the past made such accommodations to certain borrowers. (See “Lending Activities”)

The Value of the Security for Loans May Be Less Than Anticipated. Most of our loans are secured by first liens on real estate, which is primarily church buildings. Church buildings may have limited use and limited marketability compared to other commercial real estate. Therefore, if the real estate securing a loan were to be sold in order to satisfy a loan in default, the proceeds from the sale may be less than the amount owed. (See “Lending Activities”)

Not All Loans Are Secured. The Foundation’s loans have typically been secured by a first lien on real estate or other property. However, occasionally we have made loans that are not secured by collateral. (See “Lending Activities”)

Construction Risks. We often make loans that are used for building construction or improvements. Such loans are subject to construction-related risks, such as higher than anticipated construction costs or the inability to complete the construction or improvements. Higher costs and being unable to complete construction or improvements may adversely affect a borrower’s ability to repay and in turn, affect our financial condition. (See “Lending Activities”)

Environmental Risks. We do not usually require an environmental audit prior to making a loan. If environmental pollution or contamination were found on property securing a loan, the value of the property may be impaired. (See “Lending Activities”)

Concentration of Borrowers. At December 31, 2022, seven of our borrowers had loans in the aggregate totaling \$8,747,520, or 36% of our total outstanding loans. A loan default by one or more of these borrowers could have a material adverse impact on our loan collections and, ultimately, our ability to repay our Investment Certificates. (See “Lending Activities”)

Concentration of Investors. At December 31, 2022, 34 of our investors owned Investment Certificates in the aggregate totaling \$17,326,519 or 50% of outstanding Investment Certificates. If a significant number of these investors redeemed their Investment Certificates, with or without penalty, or failed to renew their Term Investment Certificates at maturity, this could adversely impact our liquidity, and ultimately our ability to repay our Investment Certificates. (See “Financing and Operational Activities”)

Geographic Concentration. At December 31, 2022, approximately 80% of the outstanding balance of our loans receivable was to borrowers in Puerto Rico (16.5%), Michigan (13.2%), California (12.1%), Indiana (10.9%), New York (9.6%), Georgia (6.5%), Tennessee (5.9%), and North Carolina (5.2%). There are risks related to geographic concentration of loans within a limited region, such that changes in economic conditions of that region could affect the ability of the borrowers, as a group, to repay the loans. At that same date, approximately 78% of our outstanding Investment Certificates was to investors in Indiana (47.9%), Michigan (16.7%), and Ohio (13.6%). Adverse economic conditions by residents in a region could result in increased redemptions of Demand Investment Certificates and decreased renewal rates for Term Investment Certificates by investors in that region. The contributions that our borrowing churches receive from their members also could be negatively impacted, which could have an adverse effect on their ability to repay their loans. Furthermore, declining real estate values in these areas could adversely affect the value of the properties serving as collateral for our loans.

Potential Claims Under Securities Laws Could Adversely Affect Foundation. The Foundation has undertaken the process of complying with the securities laws of the states in which Investment Certificates will be offered and sold. Any failure to be in compliance with the securities laws of certain states may expose the Foundation to potential securities law liabilities. Any such claims against the Foundation, if successful, could have an adverse effect on the Foundation's financial condition.

Changes in Federal or State Laws. The Foundation's ability to continue to offer and sell Investment Certificates in the future could be adversely affected if state or federal laws were changed to include new or additional requirements on the Foundation. Such an occurrence could result in a decrease in the amount of Investment Certificates sold by the Foundation, which may also affect its ability to meet its obligations. If the Foundation is not able to continue to offer Investment Certificates in a particular state, investors from that state may not be able to reinvest when their Investment Certificates mature.

Federal Income Tax Consequences. You will not receive a charitable tax deduction by investing with the Foundation. Interest paid or accrued on the Investment Certificates will be taxable as ordinary income to an investor in the year paid or accrued. Investors who have invested or loaned more than \$250,000 in the *aggregate* with the Foundation may be subject to tax on imputed income. (See "Tax Aspects").

Right to Change Policies. At various points in this Offering Circular, we describe our policies, including loan and investment policies. These descriptions are intended to help you understand our current operations. We reserve the right to change our policies and procedures in the future from time to time.

Additional Investment Certificates. We expect to sell additional Investment Certificates in this and other offerings, though there can be no assurance that we will do so. The total amount of this offering is not a limitation on the amount of Investment Certificates or other debt securities we may sell in other offerings we may conduct. We have sold Investment Certificates in other offerings in prior years and anticipate that we will continue to sell additional Investment Certificates or other debt securities as part of a continuous offering process.

Other Activities. We manage, invest, and hold endowment funds for the Denomination. We held \$873,720 of investments for endowment as of December 31, 2022, which generally would not be available for payment of our creditors, including investors in our Investment Certificates. We previously served as an issuer of charitable gift annuities, and held \$42,265 of investments for annuities as of December 31, 2022. Although we no longer issue charitable gift annuities, we remain obligated to fund each remaining gift annuity for the life of the annuitant regardless of investment results or the duration of the annuitant's life, which could exceed actuarial expectations.

COVID-19. On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. We cannot reasonably estimate the length or severity of this pandemic or related containment or mitigation measures and also cannot estimate with any certainty the effect COVID-19 or any resultant economic recession, market volatility, or other severe economic disruption will have on our investors, borrowers, financial position, results of operations, and cash flows.

HISTORY AND OPERATIONS

We were incorporated as an Indiana nonprofit corporation in 1958. Our office is located at 3811 Vanguard Drive, Fort Wayne, Indiana 46809, and our telephone number is (260) 747-2027, ext. 1205. Our mailing address is P.O. Box 9127, Fort Wayne, Indiana 46899-9127.

We are organized and operated exclusively for religious, educational, charitable, and benevolent purposes. We are a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code and are included in the group exemption letter issued by the IRS to the Denomination.

We are governed by a Board of Directors which meets at least 4 times per year, in accordance with our organizational documents. Our Executive Director, Steven M. Sisson, manages our day-to-day activities. We are affiliated with the Denomination and support its activities and ministries. Though we are a separate legal entity, the Denomination's General Oversight Council appoints the members of our Board of Directors, and annually approves our Executive Director.

We support the activities and ministries of the Denomination primarily by making loans to Church Organizations for buildings, equipment, land, and other projects. We fund the loans mostly from the proceeds from the sale of our Investment Certificates. We give the Denomination a portion of our operating income each year. We also award other grants to the Denomination or affiliates of the Denomination on a case-by-case basis as approved by our Board of Directors.

We support the Denomination also by educating Church Organizations in areas of financial management, fund raising, budgeting, construction planning, and stewardship training. We have also supported the Denomination by offering planned giving and trust management services. Though we no longer offer planned giving and trust management services, we are still managing a few gift annuities and trust accounts. We have also continued to manage various endowments, including the Denomination's endowment.

Though closely affiliated, we are a separate legal entity from the Denomination. Our assets and liabilities are independent of the financial structure of the Denomination its affiliates, and of assets held under various endowments and other agreements we manage. Such entities have no legal obligations with respect to the Investment Certificates. Our assets generally are not legally available to creditors of the Denomination, its affiliates, or any of the endowments or other agreements managed by the Foundation.

To continue to make loans to Church Organizations available, we are offering \$15,000,000 of Investment Certificates in various states (primarily states where Missionary Churches are located). The Investment Certificates are unsecured and uninsured general debt obligations and are not secured by particular loans to any specific borrowing entities.

USE OF PROCEEDS

We are offering a total of \$15,000,000 in this offering. We will add the proceeds of this offering to our general funds. We use our general funds primarily to make loans to Church Organizations for buildings, equipment, land, and other projects. In our normal course of operations, we are continuously making new loan commitments based on the availability of funds and also continuously have loans in process which may or may not be fully advanced. A portion of this offering may be used to fund these commitments, loans in process, or loans that have not been fully advanced. However, we did not make these commitments in contemplation of this offering and they will be funded regardless of the results of this offering.

We usually invest funds, pending their future use in our lending activities or in accordance with our liquidity policy. Our policy is to maintain a liquidity reserve of 10-15% of the total amount of all outstanding Investment Certificates. We do not anticipate using any of the proceeds of this offering to meet interest or principal payments on the Investment Certificates. However, if amounts from our loans receivable are less than anticipated, or if repayment demands on maturing outstanding Investment

Certificates exceed our historical experience, we may use the proceeds of this offering, along with other available funds, to meet those requirements.

We will pay the expenses of this offering, including printing, mailing, attorneys' fees, accountants' fees, and securities registration fees. We expect the expenses of this offering to be approximately \$45,000, or less than ½ of 1% the total offering amount. We do not anticipate using the proceeds of this offering to pay operating expenses, but may do so in the future.

No underwriters are participating in this offering. No discounts or commissions will be paid in connection with the sale of the Investment Certificates. The Investment Certificates will be sold only through designated representatives of the Foundation.

FINANCING AND OPERATIONAL ACTIVITIES

Our ability to repay principal and interest on our outstanding Investment Certificates depends upon our financial condition and the funds available to us. The primary sources of funds historically have been proceeds from the sale of Investment Certificates, principal and interest payments received on our outstanding loans, and investments.

The following table describes our outstanding Investment Certificates as of December 31, 2022:

<u>Description</u>	<u>Number</u>	<u>Weighted Avg. Interest Rate</u>	<u>Amount</u>
Term Investment Certificates	830	2.35%	\$24,432,882
Demand Investment Certificates	134	1.26%	\$10,172,842
Total	964	2.03%	\$34,605,724

For the Term Investment Certificates as of December 31, 2022, the following table shows the amounts maturing by year:

<u>Year Maturing</u>	<u>Amount</u>
2023	\$11,391,232
2024	\$7,465,131
2025	\$5,576,519
Total	\$24,432,882

The following table shows sales and redemptions of Investment Certificates for the past 3 years:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Sales	\$4,234,705	\$6,793,142	\$6,793,620
Redemptions	\$5,006,104	\$3,188,808	\$4,863,794

The following table summarizes the amount and nature of our loans receivable as of December 31, 2022:

	<u>Number</u>	<u>Amount</u>	<u>Percentage</u>
Secured*	106	\$23,455,382	97.76%
Unsecured	8	\$537,067	2.24%
Total	114	\$23,992,449	100.00%

The following table shows, as of December 31, 2022, the schedule of contractual maturities of our loans receivable, which are not necessarily forecasts of future cash flows:

<u>Receivable in</u>	<u>Principal</u>
2023	\$8,930,038
2024	\$7,699,468
2025	\$6,047,449
2026	\$276,803
2027	\$72,959
Thereafter	\$965,732
Total	\$23,992,449

Our loan terms usually range from 3 to 20 years. As of December 31, 2022, the interest rates on our loans ranged from 4.00% to 6.25%. Our overall average rate on our loans as of December 31, 2022, was 4.50%.

LENDING ACTIVITIES

Nature and Type of Loans Receivable. We only make loans to Church Organizations. Most of our loans are for the purchase, construction, and improvement of church buildings, including parsonages. We also make loans for equipment or other capital and expense needs.

Most of our loans are secured by a 1st mortgage or deed of trust on the buildings or land we are financing. In the event that our loans are secured by a 2nd mortgage or deed of trust, we usually hold the 1st mortgage also. We also make loans secured by personal property, such as equipment or fixtures. Although we occasionally make loans that are unsecured, it is our policy that at least 90% of our loans will be secured.

Securitization of Loan Portfolio. The Foundation will not securitize its loan portfolio or any portion thereof.

Loan Policies. We usually make loans for up to 80% of the lower of cost or market value of the buildings, land or equipment we are financing, thus we usually require borrowers to make a down payment. We may make exceptions and allow a smaller down payment on a case-by-case basis, as approved by the Board of Directors. If the loan is secured by real estate, we normally require an appraisal or opinion of value, but may at times waive this requirement, especially if making a smaller loan or if we are confident that the real estate has substantial equity. We may or may not require a survey or environmental audit. We usually require title insurance or, if it is a smaller real estate loan, a title search, and also require fire and extended insurance coverage naming the Foundation as additional insured or mortgagee.

Our loans usually are made for terms of up to 20 years at our then current interest rates. Terms may in actuality occasionally become longer in the event that we offer payment deferrals to borrowers. The Foundation may change the interest rates offered on new loans at any time, depending on market conditions and other factors. The interest rate on each loan may adjust every 3 years, unless the term of the loan is 5 years or less. Most of our loans require equal monthly installments of principal and interest, but other more customized payment schedules may be allowed. All of our loans may be prepaid at any time without penalty.

Church Organizations request loans by sending us a written loan application. With each loan application, we typically obtain the following information:

- Financial statements and attendance information for the past 2 years and current year-to-date;

- Information regarding the project to be financed (cost, building size and description, construction plans & specifications, etc.);
- A description of how the project will help the Church Organization achieve its mission;
- Information regarding fund raising or a capital campaign for the project;
- Plans for generating sufficient funds to repay the loan; and
- Approval from the Region or District in which the Church Organization is located.

We approve or deny loan applications based on our evaluation of the applicant’s financial condition and cash flow, the proposed project, and the collateral available.

We limit loans to a single borrower to 75% of Undesignated Assets Without Donor Restrictions. We also limit loans concentrated in any particular state to no more than 30% of total assets, and limit loans to churches under 5 years old to 33% of total assets.

The above loan policies are determined by our Board of Directors and may be revised at any time.

Material Loans to a Single Borrower. As of December 31, 2022, we had seven borrowers with loans in the aggregate totaling \$8,747,520, or 36% of the total outstanding loan portfolio at that same date.

Participations. We may sell participation interests in our loans to third parties from time to time, including a pro-rata interest in the collateral securing the loan. When we do so, we continue to service the loan and remit a portion of each loan payment we receive from the borrower to the buyer of the participation interest. The portions of the loans we sell are not included in our outstanding loans receivable figures, although the balance of these loans is reflected in loans receivable in our financial statements. It is our practice not to securitize any portion of our loan portfolio, and as of the date of this Offering Circular no portion of our loan portfolio was securitized. At December 31, 2022, we had \$310,772 outstanding in participation interests in loans we made and service but participated to another lender.

Loan Delinquencies. The following table shows loans on which payments were past due over 90 days:

	As of December 31,		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Number of Loans	7	4	5
Total Principal Balance	\$712,944	\$656,677	\$909,803
% of Principal Balance of All Loans	2.97%	2.56%	3.41%

We have frequently been willing to make accommodations and offer refinancing arrangements to borrowers who are not current, including allowing them to defer principal payments or their entire payments for periods of time. Though we are not obligated to continue to do so, we have made these accommodations and refinancing arrangements due to the nature of our relationship with our borrowers. Therefore, our delinquency experience cannot be compared to that of a commercial lender.

As of December 31, 2022, our Allowance for Loan Losses was \$888,875, or 3.7% of total loans. Our management and Board of Directors evaluates the Allowance for Loan Losses regularly, based on our historical loss experience, the nature and amount of our loan portfolio, adverse situations that may affect borrowers’ ability to repay, estimated collateral values, and general economic conditions. Our evaluation of the Allowance for Loan Losses is inherently subjective. We have never had any loan losses charged to the Allowance for Loan Losses.

INVESTING ACTIVITIES

We maintain a portion of our assets in investments in order to maintain reasonable liquidity and pending their use in loan activities.

As of December 31, 2022, our cash and investments were as follows:

Type	% of Total	Total	Operations	Endowment	Annuities
Cash	3.2%	\$485,980	\$485,980	\$0	\$0
Money Market Funds	2.2%	\$335,460	\$262,550	\$67,687	\$5,223
Mutual Funds	75.6%	\$11,608,632	\$10,765,557	\$806,033	\$37,042
Common Stocks	2.6%	\$397,270	\$397,270	\$0	\$0
Exchange Traded Funds	0.2%	\$31,940	\$31,940	\$0	\$0
Government Agency Bonds	4.9%	\$758,815	\$758,815	\$0	\$0
Corporate Bonds	11.3%	\$1,734,717	\$1,734,717	\$0	\$0
Totals	100.00%	\$15,352,814	\$14,436,829	\$873,720	\$42,265

Our policy is to maintain a liquidity reserve of 10-15% of the total of all outstanding Investment Certificates in a separate investment account from other general funds. The liquidity reserve is included in the investment information above. As of December 31, 2022, the liquidity reserve was 13.0% of all outstanding Investment Certificates and our total liquid assets were 41.7% of all outstanding Investment Certificates.

We have an investment policy that provides for reasonable and prudent diversification and preservation of cash, cash equivalents, and readily marketable securities. Per our investment policy, we also seek to avoid investing in industries that are inconsistent with the Denomination's moral and ethical principles. This may impact the relative financial performance of the investment portfolio compared to performance that may have been achieved if we had not made any socially conscious investments. Our Board of Directors sets and changes our investment policies and also approves our investment managers. We employ two investment managers, who have discretion to buy and sell securities in accordance with our investment policies. Our Board of Directors reviews our investments quarterly to verify compliance with our investment policy and to evaluate performance.

The following table shows our aggregate realized and unrealized gains and losses from investments as well as our aggregate interest and dividend income from investments for the past 3 years:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Realized & Unrealized Gains & Losses	(\$2,168,719)	\$26,450	\$540,336
Interest and Dividend Income (net of investment advisory fees)	\$391,064	\$341,023	\$318,818

The endowment fund investments are owned almost entirely by the Denomination, but managed by us. As a result, we are required to include the endowment investments, their interest and dividend income, and their gains and losses in our financial statements. See Notes 3 and 6 to the financial statements.

SELECTED FINANCIAL DATA

The following table shows selected financial data, based on our audited financial statements, for the past 5 years:

	2022	2021	2020	2019	2018
Cash, Cash Equivalents and Readily Marketable Securities	\$14,436,829	\$15,350,178	\$10,572,941	\$11,607,488	\$10,300,068
Total Loans Receivable*	\$23,992,449	\$25,620,926	\$26,699,315	\$23,359,478	\$21,448,959
Amount of Unsecured Loans Receivable	\$537,067	\$667,848	\$529,596	\$296,697	\$51,740
Unsecured Loans Receivable as % of Total Loans Receivable	2.24%	2.61%	1.98%	1.27%	.24%
Percent of Delinquent Loans	2.97%	2.56%	3.41%	1.95%	1.08%
Total Assets	\$38,589,685	\$41,408,854	\$37,702,803	\$35,263,775	\$32,120,223
Total Investment Certificates payable	\$34,605,724	\$35,377,123	\$31,772,789	\$29,842,963	\$27,409,438
Investment Certificates redeemed	\$5,006,104	\$3,188,808	\$4,863,794	\$4,869,087	\$2,447,969
Other Long-Term Debt	\$0	\$0	\$0	\$0	\$0
Net Assets	\$3,741,997	\$5,793,571	\$5,647,357	\$5,020,219	\$4,309,145
Change in Net Assets	(\$2,051,574)	\$146,214	\$627,138	\$711,074	(\$366,550)

*Prior to deducting Allowance for Loan Losses of \$888,875, \$852,875, \$816,875, \$791,513, and \$745,198, for 2022, 2021, 2020, 2019, and 2018, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

The Board of Directors and the Executive Director regularly review our financial condition and operating results. Since our purpose is to support our Denomination, our goal is not to maximize earnings. We seek to maintain positive operating results and sufficient liquidity to meet our obligations. In 2022, 2021, and 2020, we continued to generate an increase in net assets without donor restrictions from operations. Net realized and unrealized gains on investments greatly increased our overall increase in net assets for all three years.

In 2022, redemptions of Investment Certificates exceeded sales. In 2021 and 2020, sales of Investment Certificates exceeded redemptions. Our interest margin (the difference between the average percentage we receive on our loans and the average percentage we pay to our investors) increased to nearly 2.5% in 2022. We believe our interest margin has been adequate.

Here is more detail regarding a few other financial measures:

1. Capital Adequacy, as measured by the amount of our Net Assets without Donor Restrictions (“NAWDR”) as a percentage of our total assets. As capital increases, it offers greater protection to our investors against losses in the value of assets. The following table calculates our capital adequacy as of December 31 of the past 3 years:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
NAWDR	\$3,188,489	\$5,116,681	\$5,030,742
Total Assets	\$38,589,685	\$41,408,854	\$37,702,803
NAWDR as % of Total Assets	8.3%	12.4%	13.3%

2. Liquidity Status as measured by our Liquid Assets (cash, cash equivalents and readily marketable securities) as a percentage of our total outstanding Investment Certificates. The calculations below, as of December 31 of each of the past 3 years, do not include our \$1,000,000 unsecured open line of credit, which could provide additional liquidity if needed.

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash and investments	\$14,436,829	\$15,350,178	\$10,572,941
Investment Certificates	\$34,605,724	\$35,377,123	\$31,772,789
Cash & investments as % of Investment Certificates	41.7%	43.4%	33.3%

3. Cash Flow Performance, as measured by the ratio of available cash as compared to cash redemptions of Investment Certificates. As calculated below, our cash flow performance exceeds 1:1 for each of the past 3 years

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Cash from Operating Activities	(\$193,984)	(\$135,407)	(\$136,506)
Cash and Investments, beginning of fiscal year	\$15,350,178	\$10,572,941	\$11,607,488
Loan Principal repayments, less loan disbursements	\$1,628,477	\$1,078,389	(\$3,339,837)
Cash generated from sale of Investment Certificates	\$4,234,705	\$6,793,142	\$6,793,620
Total Cash Available	\$21,019,376	\$18,309,065	\$14,924,765
Redemptions of Investment Certificates	\$5,006,104	\$3,188,808	\$4,863,794
Ratio	4.2:1	5.7:1	3.1:1

4. Loan Quality as measured by our loans that have scheduled principal and/or interest payments 90 days or more delinquent as a percentage of our total loans. As shown in the table below, our loan delinquency decreased from 2020 to 2021 and increased from 2021 to 2022. The following table shows loans on which payments were past due over 90 days as of December 31 for each of the past 3 years:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Number of Loans	7	4	5
Total Principal Balance	\$712,944	\$656,677	\$909,803
% of Principal Balance of All Loans	2.97%	2.56%	3.41%

5. Operating Trends as measured by our change in net assets. We have had a positive change in Net Assets for 3 of the past 5 years, as shown in the table below:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Change in Net Assets	(\$2,051,574)	\$146,214	\$627,138	\$711,074	(\$366,550)

DESCRIPTION OF INVESTMENT CERTIFICATES

We are offering up to \$15,000,000 in Investment Certificates. The following are the Investment Certificates offered as of the date of this Offering Circular:

Type	Minimum Purchase
Liquid Account	\$0
Employee Savings	\$0
Church Reserve	\$0
1-year Term Investment Certificate	\$1,000
2-year Term Investment Certificate	\$1,000
3-year Term Investment Certificate	\$1,000

Interest rates may vary from time to time, and are determined by our Board of Directors. We may offer different interest rates for Investment Certificates in excess of a specified, minimum investment amount. Investment Certificates below a specified, minimum investment amount may have an interest rate as low as 0%. Applicable interest rates and minimum investment amounts at the time of purchase will be reflected on the Investment Application and Agreement accompanying this Offering Circular and on our website (www.mcfusa.org).

The Investment Certificates may be available as investments for Individual Retirement Accounts (“IRAs”). Individuals who wish to invest in our Investment Certificates through a self-directed IRA may do so through a custodial agreement with Goldstar Trust Company. We recommend that you consult with your tax advisor prior to investing through an IRA. There are risks and considerations associated with investing through an IRA, such as whether there is sufficient liquidity in the IRA should the beneficiary need to take a mandatory distribution.

Our policy is to limit the total investment amount per investor (other than the Denomination) so that it will not exceed the greater of \$500,000 or 3.0% of the total principal balance of all Investment Certificates; the maximum investment amount was \$1,038,171 as of December 31, 2022. In addition, we restrict the total amount of Investment Certificates to a maximum of 10 times our Net Assets. We also seek to maintain an appropriate balance between the Investment Certificates offered. Thus, the total principal balance of all Term Investment Certificates will comprise at least 70% of the principal balance of all Investment Certificates, and the total principal balance of all Demand Investment Certificates will not exceed 30% of the total principal balance of all Investment Certificates.

We do not issue physical certificates, as we use a book-entry system for our Investment Certificates. Upon opening an Investment Certificate, investors will receive an investment confirmation as a receipt, and will also receive periodic statements showing the balance and activity of their Investment Certificate.

All Investment Certificates are unsecured general obligations of the Foundation. The Foundation will not incur secured indebtedness in an amount greater than 10% of its tangible assets. As of the date of this Offering Circular, the Foundation has no secured indebtedness, though we reserve the right to issue future

secured obligations up to the 10% limit. Claims made by investors will be subordinate to claims of any secured creditors, and will be equal in priority to all other unsecured creditors of the Foundation. Investors have no equity interest in the Foundation and no right to vote on matters brought before the Foundation or its Board of Directors.

Although we have never done so, if our Board of Directors deems it necessary to maintain sufficient liquidity to meet obligations, we have the option to repay the principal of an Investment Certificate in equal installments over 5 years, beginning 30 days after the maturity of a Term Investment Certificate, or request for repayment of a Demand Investment Certificate. Investment Certificates issued to investors in California, Kentucky, Michigan, North Carolina, or Pennsylvania are not subject to repayment of principal on an installment basis.

We reserve the right to redeem any of the Investment Certificates for repayment at any time, upon 30 days' prior written notice to an investor.

Investment Certificates are not transferable, except by operation of law, or with our consent, transfers between accounts owned by the same person or entity. Investment Certificates are not negotiable and no market exists or will develop.

Term Investment Certificates

Term Investment Certificates accrue interest daily from the date of receipt. We add the interest to the principal ("compound") semi-annually, or you may elect for us to pay you the interest via check semi-annually. However, if the Investment Certificate has a balance of \$10,000 or more, you may elect for us to pay you the interest via check monthly.

Upon maturity of your Investment Certificate and until 25 days after the maturity date, you may request in writing to either redeem the principal and any accrued interest, or to reinvest your Investment Certificate. You can reinvest your Investment Certificate for an additional term of 1, 2, or 3 years at the then current interest rate for the term selected. Thirty days prior to the maturity of your Investment Certificate, we will send you a maturity notice and a copy of the current Offering Circular. In the event that we elect not to accept reinvestment of an Investment Certificate, the principal and any accrued interest will be paid to you. If, 25 days after an Investment Certificate's maturity date, we have not received a written request for redemption or reinvestment, you will be deemed to have elected to redeem the Investment Certificate (if permitted under the laws of your state of residency).

Though you have no right to redeem your Term Investment Certificate prior to maturity, we generally have honored requests for early redemption, subject to an early withdrawal penalty. We cannot offer any assurance that we will honor requests for early redemption of Term Investment Certificates in the future, and whether or not we allow early redemption is subject to our sole discretion. Currently, the early withdrawal penalty for early redemption of a Term Investment Certificate is 3 months of interest. In certain circumstances, such as the death of the Investment Certificate holder, we have waived early withdrawal penalties, but cannot offer any assurance that we will waive early withdrawal penalties in the future.

Demand Investment Certificates

Demand Investment Certificates have no stated maturity. You may request a partial or full withdrawal at any time, upon your written request. Interest rates for Demand Investment Certificates are adjustable monthly, as determined by our Board of Directors. You may make additions to principal of your Demand Investment Certificate at any time and in any amount, except that Liquid Account Investment Certificates are limited to three transactions per month and are subject to a \$10 fee if that limit is exceeded. We add

the interest to the principal (“compound”) of the Demand Investment Certificate monthly. However, if the Demand Investment Certificate has a balance of \$10,000 or more, if the investor elects for us to do so, we will pay the interest to the investor via check monthly. Demand Investment Certificates are not available in the state of South Carolina.

We offer 3 types of Demand Investment Certificates. Below are the 3 types and some of their unique features:

Employee Savings Accounts – offered only to missionaries and employees of the Denomination.

Church Reserve Accounts – offered only to Church Organizations.

Liquid Accounts – have a 4-tiered interest rate, based on the principal balance at each addition to principal or redemption. If the principal balance exceeds \$500,000, interest will be paid only on the first \$500,000 and not on any excess.

PLAN OF DISTRIBUTION

We will primarily solicit the sale of Investment Certificates through direct mailings of the Offering Circular and advertising materials, where permitted. Occasionally, our representatives may discuss the nature and purpose of the Foundation and its recent activities at national, regional, or district conferences or at a church.

In order to purchase an Investment Certificate, you must, prior to the receipt of the Offering Circular, be a member of, contributor to (including previous investors), or participant in the Denomination, the Foundation, or in any program, activity or organization which constitutes a part of the Denomination or the Foundation, or in other religious organizations that have a programmatic relationship with the Denomination or the Foundation, or a successor in interest to such person.

Prospective investors can obtain, via mail or email, an Offering Circular and other materials related to Investment Certificates upon request by contacting our Fort Wayne, Indiana office at 260-747-2027, extension 1205. The Offering Circular and other materials are also available online at www.mcifusa.org.

To purchase one of our Investment Certificates you must review the Offering Circular, complete an Investment Application, and send the completed Investment Application along with a check payable to Missionary Church Investment Foundation, Inc., P.O. Box 9127, Fort Wayne, IN 46899-9127. If we accept your offer to purchase, we will notify you by sending you a confirmation and receipt.

No underwriting or selling agreements exist, and no direct or indirect commissions or other remuneration will be paid to any individuals or organizations in connection with the offer and sale of the Investment Certificates. We will offer and sell Investment Certificates only through our Executive Director and employees.

The amount of Investment Certificates offered is not a limitation on the total amount of Investment Certificates that we may authorize. We reserve the right to withdraw all or any part of the Investment Certificates offered without notice at any time. There is no minimum amount that must be raised, and if the entire amount of the offering is not required, the offering may be withdrawn and the acceptance of the applications suspended.

TAX ASPECTS

You will not receive a charitable deduction for the purchase of Investment Certificates. The interest paid or accrued on Investment Certificates will be taxable as ordinary income to you in the year it is paid or accrued. If interest is accrued over the life of an Investment Certificate and is paid at the time of redemption or maturity, you must still report the interest income on your federal tax returns, and state tax returns, if applicable, as it is earned over the life of the Investment Certificate. You will not be taxed on the return of the principal amount or on the payment of previously accrued and taxed interest. We will notify you of interest earned each year on your Investment Certificates by mailing you an IRS Form 1099 or comparable form by January 31 of the following year.

We may withhold federal income tax from interest on Investment Certificates if you do not provide us with your correct social security number (for individuals) or employer identification number (for organizations) when you make an investment, or if the Internal Revenue Service notifies us that you are subject to backup withholding.

If you (or you and your spouse together) have invested or loaned more than \$250,000 in the aggregate with or to us and other charitable organizations that control, or are controlled by or under common control with us, you may have deemed to receive additional taxable interest under section 7872 of the tax code, if the interest actually accruing on your Investment Certificate is less than the applicable federal rate. You should consult your tax advisor if you believe this applies to you.

This description of the federal income tax consequences was written to support the promotion or marketing of the Investment Certificates and is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties. This description was written as of the date of this Offering Circular and may not accurately reflect the federal tax consequences of investment in our Investment Certificates after the date of this Offering Circular. In addition, this summary does not address every aspect of tax law that may be significant to an investor's particular circumstances, such as purchasing an Investment Certificate through an IRA or other tax-deferred account. You are advised to consult with your tax advisor as to the federal, state, local, foreign, or other tax consequences particular to your investment in our Investment Certificates.

LITIGATION AND OTHER MATERIAL TRANSACTIONS

As of the date of this Offering Circular, there were no suits, actions, or other legal proceedings pending against the Foundation. There have been no material legal proceedings against the Foundation since the date of its inception.

MANAGEMENT

Our affairs are governed by a Board of Directors, which has 4 regularly scheduled meetings per year. Currently, we have 11 individuals serving on the Board of Directors, of which 4 are ex-officio members. Per our Bylaws, the ex-officio members are the President, Treasurer, and one executive-level Director of the Denomination; and our Executive Director. Other than the ex-officio members, members of our Board of Directors are elected to staggered 3-year terms. An Executive Committee is empowered to act on behalf of our Board of Directors between meetings, with actions ratified by the Board of Directors at the next regular meeting.

Members of the Board of Directors are appointed by the General Oversight Council of the Denomination, upon recommendation by our Board of Directors. In addition, the Executive Director is approved annually

by the Denomination's General Oversight Council upon recommendation by our Board of Directors. Only the Executive Director is actively engaged in day-to-day management of our affairs.

Daniel Bridges, Director, was born in 1976. Mr. Bridges taught in the public school system for 8 years, served as a church consultant with Church Growth Services, and most recently, serves as the Assistant to the District Superintendent of the North Central District. He also serves on the Board of Directors of United Missionary Loans and Investments and is a member of California Road Missionary Church in Elkhart, IN. He has a B.A. in Biology from Goshen College and Master of Nonprofit Administration (MNA) degree from the University of Notre Dame. Mr. Bridges also serves as a Director of Hubbard Hill Estates. Mr. Bridges' term on the Foundation's Board of Directors expires in 2024.

Tondra Call, Director, was born in 1973. Ms. Call is the Chief Financial Officer of Remedy – Soulmedic Media. She holds a B.S. in Accounting and Systems and an M.B.A., both from Taylor University. Ms. Call also serves as the Treasurer of the Board of Directors of the Denomination. Ms. Call is an Ex Officio member of the Foundation's Board of Directors.

Ryan King, Director, was born in 1979. Mr. King is a CPA and part owner of King and King CPAs, an accounting firm with offices in Imlay City and Marlette, both in Michigan. Ryan graduated from Bethel College with an Accounting major and a minor in Economics and is also a member of Orchards Community Church in Romeo, MI. Ryan enjoys leading other members of his church on mission trips and also serves as a member of the Board of Directors of Michigan Missionary Loans and Investments. Mr. King's term on the Foundation's Board of Directors expires in 2025.

Reverend Dale Rinke, Director, was born in 1963. Reverend Rinke is Associate Pastor of Orchard Community Church and, along with his wife Geri, leads the Strengthening Local Churches initiative within the Michigan Region. In addition, he is the Senior Manager of AWS Automotive business Unit at Amazon AWS Automotive. He holds a Bachelor of Science degree in Electrical Engineering from Ohio Institute of Technology, a Master in Business from Central Michigan University, and a Master in Ministry degree from Bethel University. Reverend Rinke's term on the Foundation's Board of Directors expires in 2025.

Reverend Geri Rinke, Director, was born in 1964. Reverend Rinke, along with her husband Dale, leads the Strengthening Local Churches initiative within the Michigan Region. In addition, she works at General Motors, where she leads growth initiatives and dealership training. She has a Bachelor of Science degree in Computer Information Systems from DeVry University, a Master of Science in Administration from Central Michigan University and Pastoral Ministry Certification from Christian Ministries, Inc. Reverend Rinke's term on the Foundation's Board of Directors expires in 2025.

Reverend Jimmy Santiago, Director, was born in 1953. As of October 2019, Reverend Santiago joined the Missionary Church Investment Foundation, Inc. staff as Church Relationship Specialist. He was a pastor in the Missionary Church for over eleven years prior to becoming the Central District's director of Ethnic Ministries and Hispanic Church Multiplication in 2006. Reverend Santiago was elected Interim President of the Denomination in June, 2022. Reverend Santiago is on the advisory board of New Life for Girls, a women's life rehabilitation ministry and attends Cornerstone Community Church in Chicago, IL. Reverend Santiago is an Ex Officio member of the Foundation's Board of Directors.

Reverend Santiago is employed part-time by the Foundation as a Church Relations Specialist.

Steven M. Sisson, Executive Director, was born in 1968. Mr. Sisson has been Executive Director of the Missionary Church Investment Foundation since January 1, 2011. He is a member of Fellowship Missionary Church in Fort Wayne, Indiana. Mr. Sisson had been Vice President of Grabill Bank of Fort

Wayne, Indiana for over 13 years prior to joining the Foundation. He holds a B.S. degree in Finance from Franklin University and, by reason of his office with the Foundation, is an Ex Officio member of the Foundation's Board of Directors.

Mr. Sisson is responsible for the day-to-day operation of the Foundation under the procedures, guidelines, and policies established by its Board of Directors. As such, he is responsible for the development and direction of the staff and programs of the Foundation. This includes the pre-screening of loan applications, maintenance and monitoring of data and accounting systems, product management, policy review, budget development, and all financial and program reporting.

Jeremy Steup, Director and Treasurer, was born in 1978. Mr. Steup was hired as Assistant Director of Financial Services for the Denomination in 2012, and was named Comptroller in May of 2018. Mr. Steup is a member of Life Community Church of Fort Wayne, IN. Mr. Steup is a CPA and has held various accounting and administrative positions prior to his joining the Denomination. Mr. Steup's term on the Foundation's Board of Directors expires in 2023.

Wesley Steury, Director and President, was born in 1950. Since 1979, Mr. Steury has been with the law firm of Burt, Blee, Dixon, Sutton & Bloom in Fort Wayne, Indiana. He is past Treasurer and Vice President of the Foundation. Mr. Steury has a B.A. from Taylor University and J.D. from the University of Michigan. He is a member of First Missionary Church of Fort Wayne, Indiana. He is also Treasurer and Director of Hope House, Inc., a halfway house for chemically dependent women in Fort Wayne, Indiana. Mr. Steury's term on the Foundation's Board of Directors expires in 2023.

Doug Stitt, Director and Vice President, was born in 1963. Mr. Stitt is the Founder and Owner of Sensible Creative, a marketing communications company in Fort Wayne, Indiana. Mr. Stitt has a B.S. in Bible and pastoral studies from Philadelphia College of Bible (now Cairn University). He attends Pathway Community Church and serves on the design team. Doug also founded and leads Serving Simply, a feeding and caring ministry in downtown Fort Wayne, serving the homeless and needy every Saturday. Mr. Stitt's term on the Foundation's Board of Directors expires in 2023.

Reverend Don Williams, Director and Secretary, was born in 1962. Rev. Williams serves as the Director of Operations of the Missionary Church, Inc., denominational headquarters. Mr. Williams previously served as a local church pastor for 26 years. He earned a D. Min. in Spiritual Formation from Asbury Seminary, and has taught undergraduate courses in church administration, biblical studies, and spiritual formation. He is an Ex-Officio member of the Foundation's Board of Directors.

Except for our Executive Director and Church Relations Specialist, members of our Board of Directors receive no compensation from the Foundation. Members of our Board of Directors are reimbursed for expenses incurred in attending board meetings, at actual cost and at the IRS approved reimbursement rate for mileage. None of our officers or employees receive any remuneration for the sale of the Investment Certificates.

Some of our directors and officers may serve in various roles with their local churches or other Church Organizations. We may periodically have loans, lines of credit, or Investment Certificates outstanding with Church Organizations with whom directors or officers are affiliated and may have Investment Certificates outstanding with the directors or officers themselves and their family members. Generally, we do not consider these affiliations to be strong enough to constitute related party transactions in either our Certificate or loan programs. Any such transactions in all instances have been made in the ordinary course of business and at the prevailing terms and interest rates available to similarly situated parties.

The total remuneration, including salary and benefits, to all officers of the Foundation is \$150,723.

LEGAL MATTERS

As of the date of this Offering Circular, our management is not aware of any present, pending, or threatened material legal proceedings to which the Foundation is or may become a party, or against any individual in his or her capacity as our officer or director.

INDEPENDENT AUDITORS

Our financial statements as of the end of and for the year ended 12/31/2022 have been audited by DWD CPAs & Advisors, independent auditors as stated in their reports appearing herein. Our financial statements as of the end of and for the years ended 12/31/2020 and 12/31/2021 have been audited by Katz, Sapper & Miller, LLP, independent auditors as referenced in the report appearing herein. We will send you a copy of our latest audited financial statement within 120 days of the end of our fiscal year.

**MISSIONARY CHURCH INVESTMENT
FOUNDATION, INC.
A PROGRAM OF
MISSIONARY CHURCH, INC.**

FINANCIAL STATEMENTS

Years Ended December 31, 2022, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Missionary Church Investment Foundation, Inc.
A Program of Missionary Church, Inc.
Fort Wayne, Indiana

Opinion

We have audited the accompanying financial statements of Missionary Church Investment Foundation, Inc. a program of Missionary Church, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Missionary Church Investment Foundation, Inc. a program of Missionary Church, Inc., as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Missionary Church Investment Foundation, Inc. a program of Missionary Church, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Missionary Church Investment Foundation, Inc.'s, a program of Missionary Church, Inc., ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

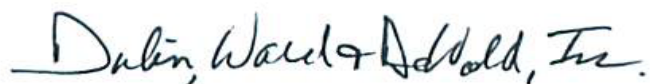
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Missionary Church Investment Foundation, Inc.'s, a program of Missionary Church, Inc., internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Missionary Church Investment Foundation, Inc.'s, a program of Missionary Church, Inc., ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

The financial statements of Missionary Church Investment Foundation, Inc., a program of Missionary Church, Inc., as of December 31, 2021 and 2020 were audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements in their report dated March 24, 2022.



Fort Wayne, Indiana
April 20, 2023

MISSIONARY CHURCH INVESTMENT FOUNDATION, INC.
A PROGRAM OF MISSIONARY CHURCH, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2022, 2021 and 2020

	2022	2021	2020
ASSETS			
Cash	\$ 485,980	\$ 277,941	\$ 723,107
Interest receivable	116,859	107,474	150,582
Prepaid expenses and other assets	-	-	75
Loans receivable - net	23,103,574	24,768,051	25,882,440
Investments	13,950,849	15,072,237	9,849,834
Investments held for annuities	42,265	72,172	90,199
Furniture and equipment - net	16,438	30,722	26,860
Investments held for endowment	873,720	1,080,257	979,706
	Total Assets	\$ 41,408,854	\$ 37,702,803
	\$ 38,589,685	\$ 41,408,854	\$ 37,702,803
LIABILITIES AND NET ASSETS			
Accounts payable and accrued expense	\$ 74,758	\$ 64,791	\$ 46,592
Term investment certificates	24,432,882	27,206,128	25,289,143
Demand investment certificates	10,172,842	8,170,995	6,483,646
Ministry gifts payable	128,182	104,438	83,780
Annuities payable	39,024	68,931	85,618
Refundable reserve	-	-	66,667
	Total Liabilities	35,615,283	32,055,446
	34,847,688	35,615,283	32,055,446
Net assets:			
Without donor restrictions	3,188,489	5,116,681	5,030,742
With donor restrictions	553,508	676,890	616,615
	Total Net Assets	5,793,571	5,647,357
	3,741,997	5,793,571	5,647,357
	Total Liabilities and Net Assets	\$ 41,408,854	\$ 37,702,803
	\$ 38,589,685	\$ 41,408,854	\$ 37,702,803

The accompanying notes are an integral part of these financial statements.

MISSIONARY CHURCH INVESTMENT FOUNDATION, INC.
A PROGRAM OF MISSIONARY CHURCH, INC.
STATEMENTS OF ACTIVITIES

Years Ended December 31, 2022, 2021 and 2020

	2022	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS			
Support, Revenue and Gains:			
Contributions	\$ 99	\$ 93	\$ 1,112
Interest income on loans	1,118,511	1,184,444	1,110,995
Investment income - net	364,584	303,626	286,115
Gain on investments	-	-	500,744
Other income	2,805	32,189	2,298
Net Assets Released From Restrictions	26,967	26,882	25,275
Total Support, Revenue and Gains	1,512,966	1,547,234	1,926,539
Expenses and Losses:			
Program Services:			
Loan management and grants	450,224	384,317	366,824
Investment interest	752,808	833,479	784,358
Management and general	192,303	214,957	191,834
Fundraising	-	5,232	3,405
Loss on investments	2,045,824	23,310	-
Total Expenses and Losses	3,441,158	1,461,295	1,346,421
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(1,928,192)	85,939	580,118
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS			
Support, Revenues, Gains and Losses:			
Investment income - net	26,480	37,397	32,703
Gain (loss) on investments	(122,895)	49,760	39,592
Net assets released from restriction	(26,967)	(26,882)	(25,275)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(123,382)	60,275	47,020
CHANGE IN NET ASSETS	(2,051,574)	146,214	627,138
NET ASSETS - beginning of year	5,793,571	5,647,357	5,020,219
NET ASSETS - end of year	\$ 3,741,997	\$ 5,793,571	\$ 5,647,357

The accompanying notes are an integral part of these financial statements.

MISSIONARY CHURCH INVESTMENT FOUNDATION, INC.
A PROGRAM OF MISSIONARY CHURCH, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2022 and 2021

2022	Program				
	Loan Management and Grants	Investment Interest	Management and General	Fundraising	Total
Interest expense	\$ -	\$ 752,808	\$ 437	\$ -	\$ 753,245
Wages and benefits	141,904	-	116,001	-	257,905
Grants	152,300	-	-	-	152,300
Legal and professional fees	30,000	-	48,450	-	78,450
Headquarter expense	34,661	-	14,855	-	49,515
Provision for loan losses	36,000	-	-	-	36,000
Travel	25,315	-	-	-	25,315
Technology support	20,045	-	-	-	20,045
Promotion and advertising	-	-	8,275	-	8,275
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses Before Depreciation	440,225	752,808	188,018	-	1,381,050
Depreciation	9,999	-	4,285	-	14,284
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Total Functional Expenses	<u>\$ 450,224</u>	<u>\$ 752,808</u>	<u>\$ 192,303</u>	<u>\$ -</u>	<u>\$ 1,395,334</u>
2021	Program				
	Loan Management and Grants	Investment Interest	Management and General	Fundraising	Total
Interest expense	\$ -	\$ 833,479	\$ -	\$ -	\$ 833,479
Wages and benefits	119,016	-	119,016	-	238,032
Grants	134,492	-	3,700	-	138,192
Legal and professional fees	31,965	-	46,175	-	78,140
Headquarter expense	25,959	-	15,187	5,232	46,378
Provision for loan losses	36,000	-	-	-	36,000
Travel	16,250	-	-	-	16,250
Technology support	20,635	-	-	-	20,635
Promotion and advertising	-	-	19,838	-	19,838
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses Before Depreciation	384,317	833,479	203,916	5,232	1,426,944
Depreciation	-	-	11,041	-	11,041
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Functional Expenses	<u>\$ 384,317</u>	<u>\$ 833,479</u>	<u>\$ 214,957</u>	<u>\$ 5,232</u>	<u>\$ 1,437,985</u>

The accompanying notes are an integral part of these financial statements.

MISSIONARY CHURCH INVESTMENT FOUNDATION, INC.
A PROGRAM OF MISSIONARY CHURCH, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

	Program				
	Loan Management and Grants	Investment Interest	Management and General	Fundraising	Total
Interest expense	\$ -	\$ 784,358	\$ -	\$ -	\$ 784,358
Wages and benefits	113,108	-	113,108	-	226,216
Grants	129,223	-	3,651	-	132,874
Legal and professional fees	36,261	-	45,955	-	82,216
Headquarter expense	24,391	-	15,307	3,405	43,103
Provision for loan losses	36,000	-	-	-	36,000
Travel	10,694	-	-	-	10,694
Technology support	17,147	-	-	-	17,147
Promotion and advertising	-	-	10,526	-	10,526
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Total Expenses Before Depreciation	366,824	784,358	188,547	3,405	1,343,134
Depreciation	-	-	3,287	-	3,287
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Functional Expenses	<u>\$ 366,824</u>	<u>\$ 784,358</u>	<u>\$ 191,834</u>	<u>\$ 3,405</u>	<u>\$ 1,346,421</u>

The accompanying notes are an integral part of these financial statements.

MISSIONARY CHURCH INVESTMENT FOUNDATION, INC.
A PROGRAM OF MISSIONARY CHURCH, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022, 2021 and 2020

	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	\$ (2,051,574)	\$ 146,214	\$ 627,138
Adjustments to reconcile change in net assets to cash flows from operating activities:			
Depreciation	14,284	11,041	3,287
(Gain) loss on investments	2,168,719	(26,450)	(540,336)
Provision for loan losses and acquired loans	36,000	36,000	25,362
Net investment income reinvested in investments	(355,832)	(300,898)	(64,870)
Changes in assets and liabilities:			
(Increase) decrease in:			
Interest receivable	(9,385)	43,108	(93,572)
Other receivables	-	-	10,305
Prepaid expenses and other assets	-	75	14,116
Increase (decrease) in:			
Accounts payable and accrued expenses	9,967	18,199	(26,471)
Ministry gifts payable	23,744	20,658	(8,637)
Annuities payable	(29,907)	(16,687)	(16,162)
Refundable reserve	-	(66,667)	(66,666)
	(193,984)	(135,407)	(136,506)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments	544,945	143,257	2,742,069
Purchase of investments	(1,000,000)	(5,120,836)	(759,909)
Purchase of furniture and equipment	-	(14,903)	(25,338)
Principal payments collected on loans	2,687,352	2,769,589	2,679,356
Loan funds advanced	(1,058,875)	(1,691,200)	(6,019,193)
	1,173,422	(3,914,093)	(1,383,015)
CASH FLOWS FROM FINANCING ACTIVITIES			
Sales of investment certificates and reinvested interest	4,234,705	6,793,142	6,793,620
Redemption of investment certificates	(5,006,104)	(3,188,808)	(4,863,794)
	(771,399)	3,604,334	1,929,826
INCREASE (DECREASE) IN CASH	208,039	(445,166)	410,305
CASH - beginning of year	277,941	723,107	312,802
CASH - end of year	\$ 485,980	\$ 277,941	\$ 723,107

The accompanying notes are an integral part of these financial statements.

MISSIONARY CHURCH INVESTMENT FOUNDATION, INC.
A PROGRAM OF MISSIONARY CHURCH, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2022

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Missionary Church Investment Foundation, Inc. a program of Missionary Church, Inc. (Organization) is an Indiana not-for-profit corporation incorporated in 1958. The Organization is operated to support the people and churches of the Missionary Church, Inc. in their work and outreach for the Lord. The Organization receives its funding primarily from interest received on loans provided to member churches of Missionary Church, Inc. The Organization is a ministry of the Missionary Church, Inc. who controls the board appointments of the Organization. Therefore, the Organization is consolidated in the financial statements of the Missionary Church, Inc.

Taxes

Missionary Church Investment Foundation, Inc. is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

Recent Accounting Guidance

During 2022 the Organization adopted ASU 2016-02, *Leases* (Topic 842), as required by U.S. GAAP. This ASU will require organizations that lease assets to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by the leases. The Organization adopted this standard on January 1, 2022, and elected not to restate comparative periods in the period of adoption. The Organization has no leases, thus there was no effect on net assets in connection with the implementation of ASU 2016-02.

Also, during 2022 the Organization adopted Accounting Standards update (ASU) 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. There is no effect on the net assets in connection with the implementation of ASU 2020-07.

Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

(continued)

1. **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(continued)

Allowance for Loan Losses

The Organization maintains an allowance for loan losses that has been determined by management to be adequate to absorb potential losses in the loan portfolio. Management considers numerous factors in estimating loan losses including current economic conditions, prior loan loss and delinquency experience, composition of the loan portfolio, adverse situations that may affect the borrower's ability to repay, and estimated value of any underlying collateral. Additional amounts may be added to the loan loss allowance to maintain an appropriate allowance as a percentage of the outstanding loan balance as deemed necessary. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. Loan losses are charged against the allowance when management believes the inability to collect a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statement of financial position. These investments are initially recorded at cost if they were purchased or at their fair market value on the date of the gift if they were received as a donation. Thereafter, investments are reported at their fair values in the statement of financial position, and unrealized gains and losses are reported in the statement of activities.

Furniture and Equipment

Furniture and equipment are stated at cost or, if donated, at fair value on the date of the donation. The Organization follows the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets. Property and equipment with an item cost or donated value of \$2,000 or more and a useful life of one year or more are capitalized.

Net Assets

Net assets without donor restrictions are available for use at the discretion of the Organization's management and the board of directors. From time to time the board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue and Revenue Recognition

The Organization recognizes contributions as support when cash, other assets or an unconditional promise is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. Contributed nonfinancial assets are recorded at fair value on the date of donation.

Interest income on interest bearing loans is computed daily based upon the principal amount of the loans outstanding prior to payments being received. The accrual of interest income on the Organization's loans are discontinued when, in management's opinion, the borrower may be unable to meet payments as they become due. Such loans are placed on a nonaccrual status when the principal or interest is past due 180 days or more unless the borrower is making at least interest only payments or the loan is fully collateralized. Interest income on the impaired loans is subsequently recognized only to the extent cash payments are received. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed. Generally, a loan is returned to accrual status when all delinquent interest and principal payments become current in accordance with the terms of the loan agreement.

Functional Allocation of Expenses

The costs of providing the Organization's programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries and related expenses are allocated based on estimates of time and effort. Headquarters expense and depreciation expense are allocated based on square footage of building.

Advertising

Advertising costs are charged to operations when incurred.

Reclassifications

Certain reclassifications have been made to conform prior years' statements to the current presentation. These reclassifications had no effect on previously reported operating results.

Subsequent Events

Management has evaluated subsequent events through April 20, 2023, the date which the financial statements were available for issue.

2. LOANS AND ALLOWANCE FOR LOAN LOSSES

Loans receivable are all interest bearing with rates ranging from 4.00% to 6.25% and have maturities at various dates through January 2028. Net loans receivable was as follows at December 31:

	2022	2021	2020
Loans receivable – secured	\$ 23,455,382	\$ 24,953,078	\$ 26,169,719
Loans receivable – unsecured	<u>537,067</u>	<u>667,848</u>	<u>529,596</u>
	23,992,449	25,620,926	26,699,315
Less: Allowance for loan losses	<u>888,875</u>	<u>852,875</u>	<u>816,875</u>
Loans Receivable – net	<u>\$ 23,103,574</u>	<u>\$ 24,768,051</u>	<u>\$ 25,882,440</u>

In December 2020, the Organization entered into two separate participation agreements with Christian Service Foundation to purchase an interest in separate loans from the Organization for 21.38% and 25.97%. The Organization's share of the outstanding balance on the loans was \$1,102,988 as of December 31, 2022, \$1,565,026 as of December 31, 2021, and \$2,447,839 as of December 31, 2020. The balance of these loans is reflected in loans receivable in the statements of financial position.

(continued)

2. LOANS AND ALLOWANCE FOR LOAN LOSSES (continued)

Contractual maturities of loans receivable, which are not considered to be forecasts of future cash flows, for the next five years and beyond are the following at December 31:

	Principal
2023	\$ 8,930,038
2024	7,699,468
2025	6,047,449
2026	276,803
2027	72,959
Thereafter	<u>965,732</u>
	<u>\$ 23,992,449</u>

The allowance for loan loss activity was as follows for the years ended December 31:

	2022	2021	2020
Balance at beginning of the year	\$ 852,875	\$ 816,875	\$ 791,513
Provision (adjustment) for acquired loans	-	-	(10,638)
Provision for loan losses	<u>36,000</u>	<u>36,000</u>	<u>36,000</u>
Balance at end of year	<u>\$ 888,875</u>	<u>\$ 852,875</u>	<u>\$ 816,875</u>

Information on delinquent loans is summarized below at December 31:

	2022	2021	2020
Total balance of delinquent loans at December 31:	\$ 712,944	\$ 656,677	\$ 909,803
Interest income recognized on delinquent loans during the delinquent period	\$ 62,188	\$ 29,870	\$ 32,264

There were no loans on non-accrual status at December 31, 2022, 2021 and 2020.

(continued)

2. LOANS AND ALLOWANCE FOR LOAN LOSSES (continued)

There were four churches that had outstanding loan balances greater than \$1,000,000 at December 31, 2022. The total loans outstanding for these churches was \$5,067,099 (21%). There were four churches with total loans outstanding of \$5,436,578 (21%) for 2021, and four churches with total loans outstanding of \$6,450,316 (24%) for 2020.

The Organization had future loan commitments of \$266,811 at December 31, 2022.

The Organization acquired church loans totaling \$1,990,426 in 2019 and \$1,332,481 in 2017. The Organization retained \$100,000 from each acquisition price as a refundable reserve from each loan purchase. An amount of \$33,333 will be released and paid to each seller over three years starting on the subsequent year 's anniversary date of the loan closing. For the 2017 loan purchase, \$33,333 will be paid from 2018 through 2020 and for the 2019 loan purchase \$33,333 will be paid from 2019 through 2021, unless the loan losses and collection costs exceed that amount established by the Organization and seller. During 2021 the remaining refundable reserve amount for the 2019 acquired loans was paid in full. There was \$0-remaining for the refundable reserve as of December 31, 2022, and 2021, and \$66,667 remaining as of December 31, 2020.

3. INVESTMENTS

Investments consisted of the following at December 31:

2022	Operations	Endowment	Annuities	Total
Equities	\$ 1,127,711	\$ 614,649	\$ 12,006	\$ 1,754,366
Fixed income	<u>12,560,588</u>	<u>191,384</u>	<u>25,036</u>	<u>12,777,008</u>
	13,688,299	806,033	37,042	14,531,374
Cash and cash equivalents	<u>262,550</u>	<u>67,687</u>	<u>5,223</u>	<u>335,460</u>
Total Investments	<u>\$ 13,950,849</u>	<u>\$ 873,720</u>	<u>\$ 42,265</u>	<u>\$ 14,866,834</u>
2021	Operations	Endowment	Annuities	Total
Equities	\$ 2,820,526	\$ 779,898	\$ 20,961	\$ 3,621,485
Fixed income	<u>11,673,484</u>	<u>219,420</u>	<u>44,973</u>	<u>11,937,877</u>
	14,494,110	999,318	65,934	15,559,362
Cash and cash equivalents	<u>578,127</u>	<u>80,939</u>	<u>6,238</u>	<u>665,304</u>
Total Investments	<u>\$ 15,072,237</u>	<u>\$ 1,080,257</u>	<u>\$ 72,172</u>	<u>\$ 16,224,666</u>

(continued)

3. INVESTMENTS (continued)

2020	Operations	Endowment	Annuities	Total
Equities	\$ 2,378,506	\$ 662,536	\$ 23,391	\$ 3,064,433
Fixed income	<u>7,144,452</u>	<u>243,363</u>	<u>55,955</u>	<u>7,443,470</u>
	9,522,658	905,899	79,346	10,507,903
Cash and cash equivalents	<u>327,176</u>	<u>73,807</u>	<u>10,853</u>	<u>411,836</u>
 Total Investments	 <u>\$ 9,849,834</u>	 <u>\$ 979,706</u>	 <u>\$ 90,199</u>	 <u>\$10,919,739</u>

4. FURNITURE AND EQUIPMENT

Furniture and equipment consist of the following at December 31:

	2022	2021	2020
Furniture	\$ 11,886	\$ 11,886	\$ 11,886
Equipment	40,242	40,242	8,475
Construction in progress	<u>-</u>	<u>-</u>	<u>16,864</u>
	52,128	52,128	37,225
Accumulated depreciation	<u>35,690</u>	<u>21,406</u>	<u>10,365</u>
	 <u>\$ 16,438</u>	 <u>\$ 30,722</u>	 <u>\$ 26,860</u>

5. FAIR VALUE MEASUREMENT

Assets and liabilities recorded at fair value in the statement of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

Level 1. Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2. Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets or quoted market prices for identical assets or liabilities in inactive markets.

(continued)

5. FAIR VALUE MEASUREMENT (continued)

Level 3. Unobservable inputs reflecting management’s own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Investments. Value determined by reference to quoted market prices and other relevant information generated by market transactions.

Investments held for annuities. Value determined by reference to quoted market prices and other relevant information generated by market transactions.

Investments held for endowment. Value determined by reference to quoted market prices and other relevant information generated by market transactions.

Fair value of Level 1 assets and liabilities measured on a recurring basis are as follows at December 31:

	2022	2021	2020
Investments:			
Equities:			
Mutual funds	\$ 1,325,156	\$ 1,628,284	\$ 1,441,706
Exchange traded funds	31,940	45,817	35,379
Financials	50,713	767,363	600,981
Healthcare	71,605	207,833	322,984
Technology	148,820	288,667	124,504
Consumer goods	62,033	275,643	176,931
Industrial goods	18,172	170,805	116,219
Other	45,927	237,073	245,729
Fixed income:			
Mutual funds	10,283,476	325,013	418,569
Corporate bonds	1,734,717	8,840,799	5,543,888
U.S. government	<u>758,815</u>	<u>2,772,065</u>	<u>1,481,013</u>
	<u>\$14,531,374</u>	<u>\$15,559,362</u>	<u>\$10,507,903</u>

6. ENDOWMENT

Missionary Church Investment Foundation, Inc. has currently invested its donor-restricted endowment fund in investment accounts with a mixture of equities and fixed income investments. The Organization's donor-restricted endowment was established to provide operating support for Missionary Church, Inc. Net assets associated with this endowment fund also include funds designated by the board to function as endowment. Funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board of directors of Missionary Church Investment Foundation, Inc. have interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization retains in perpetuity (a) the original value of gifts donated to the permanent endowment fund, (b) the original value of subsequent gifts to the permanent endowment fund, and (c) accumulations to the endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

(continued)

6. **ENDOWMENT** (continued)

Endowment Fund Net Asset Composition by Type of Fund were as follows at December 31:

	Without Donor Restrictions	With Donor Restrictions	Total
2022			
Board-designated funds	\$ 320,212	\$ -	\$ 320,212
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donors	-	519,562	519,562
Accumulated investment earnings	<u>-</u>	<u>33,946</u>	<u>33,946</u>
	<u>\$ 320,212</u>	<u>\$ 553,508</u>	<u>\$ 873,720</u>
2021			
Board-designated funds	\$ 403,367	\$ -	\$ 403,367
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donors	-	519,562	519,562
Accumulated investment earnings	<u>-</u>	<u>157,328</u>	<u>157,328</u>
	<u>\$ 403,367</u>	<u>\$ 676,890</u>	<u>\$ 1,080,257</u>
2020			
Board-designated funds	\$ 363,091	\$ -	\$ 363,091
Original donor-restricted gift amounts and amounts required to be maintained in perpetuity by donors	-	519,562	519,562
Accumulated investment earnings	<u>-</u>	<u>97,053</u>	<u>97,053</u>
	<u>\$ 363,091</u>	<u>\$ 616,615</u>	<u>\$ 979,706</u>

(continued)

6. **ENDOWMENT** (continued)

Changes in Endowment Fund Net Assets for the Years Ended December 31:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment at December 31, 2019	\$ 330,632	\$ 569,595	\$ 900,227
Designations	1,112	-	1,112
Investment income – net	21,802	32,703	54,505
Realized and unrealized gain (loss)	26,395	39,592	65,987
Appropriated for expenditure	<u>(16,850)</u>	<u>(25,275)</u>	<u>(42,125)</u>
Endowment at December 31, 2020	363,091	616,615	979,706
Designations	93	-	93
Investment income – net	24,931	37,397	62,328
Realized and unrealized gain (loss)	33,174	49,760	82,934
Appropriated for expenditure	<u>(17,922)</u>	<u>(26,882)</u>	<u>(44,804)</u>
Endowment at December 31, 2021	403,367	676,890	1,080,257
Designations	99	-	99
Investment income – net	17,653	26,480	44,133
Realized and unrealized gain (loss)	(81,930)	(122,895)	(204,825)
Appropriated for expenditure	<u>(18,977)</u>	<u>(26,967)</u>	<u>(45,944)</u>
Endowment at December 31, 2022	<u>\$ 320,212</u>	<u>\$ 553,508</u>	<u>\$ 873,720</u>

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the board, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount.

(continued)

6. **ENDOWMENT** (continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy (the spending policy) of appropriating expenditure each year up to 5% of its endowment fund's average fair value over the prior twelve quarters through the year-end preceding the year in which expenditure is planned. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at an average of 3% annually. This is consistent with the Organization's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

7. **INVESTMENT CERTIFICATES AND OTHER OBLIGATIONS**

The Organization has unsecured investment certificates issued by the Organization. Term investment certificates have one to three years maturities with interest rates from 1.5% to 2% for 2022, 1.5% to 3% for 2021, and 1.5% to 3% for 2020. Maturities are as follows at December 31:

	Principal
2023	\$11,391,232
2024	7,465,131
2025	<u>5,576,519</u>
	<u>\$24,432,882</u>

Demand investment certificates totaled \$10,172,842 and ministry gifts payable totaled \$128,182 at December 31, 2022, \$8,170,995 and \$104,438 at December 31, 2021, and \$6,483,646 and \$83,780 at December 31, 2020. Demand investment certificates bear interest rates from 0.0% to 1.25%.

8. ANNUITIES PAYABLE

Annuities payable consist of charitable gift annuities issued by the Organization. Annuitants have the option to change beneficiaries to any organization within the Missionary Church denomination during their lifetime; therefore, all annuities are reported as liabilities at the fair value of the contributed assets. The annuity obligations were \$39,024 at December 31, 2022, \$68,391 at December 31, 2021, and \$85,618 at December 31, 2020.

9. LINE OF CREDIT

The Organization has a \$1,000,000 revolving line of credit with First Merchants Bank to draw upon as needed, bearing interest at prime plus .50% (8.00% at December 31, 2022). The line of credit is unsecured and matures on September 14, 2023. No amount was outstanding at December 31, 2022, 2021 and 2020.

10. NET ASSETS

Net assets with donor restrictions are restricted as follows at December 31:

	2022	2021	2020
Time:			
Unappropriated endowment earnings – Missionary Church, Inc.	\$ 33,946	\$ 157,328	\$ 97,053
Endowment subject to spending policy and appropriations:			
Investment in perpetuity – Missionary Church, Inc.	<u>519,562</u>	<u>519,562</u>	<u>519,562</u>
Total net assets with donor restrictions	<u>\$ 553,508</u>	<u>\$ 676,890</u>	<u>\$ 616,615</u>

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. Net assets were released from donor restrictions to support Missionary Church, Inc.'s operations in the amount of \$26,967 in 2022, \$26,882 in 2021 and \$25,275 in 2020.

Net assets without donor restrictions are as follows at December 31:

	2022	2021	2020
Board designated endowment – Missionary Church, Inc.	\$ 320,212	\$ 403,367	\$ 363,091
Undesignated	<u>2,868,277</u>	<u>4,713,314</u>	<u>4,667,651</u>
Total net assets without donor restrictions	<u>\$ 3,188,489</u>	<u>\$ 5,116,681</u>	<u>\$ 5,030,742</u>

11. CREDIT RISK AND CONCENTRATIONS

The Organization maintains cash at a local bank. The cash balance is insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. As of December 31, 2022, deposits in excess of the insured amounts totaled \$583,137.

12. STATEMENT OF CASH FLOWS SUPPLEMENTAL DISCLOSURES

Cash paid for interest was \$753,245 in 2022, \$833,479 in 2021, and \$784,358 in 2020.

13. EMPLOYEE BENEFIT PLAN

The Organization participates in a multi-employer defined contribution 403(b) retirement savings plan for all its qualified employees. All Plan participants are permitted to make salary reduction contributions to the Plan. The Organization may make discretionary contributions to the Plan, determined annually based on eligible earnings of participants. The Organization made contributions to the 403(b) Plan of \$3,600 in 2022, 2021 and 2020.

14. ADVERTISING COSTS

Advertising costs are charged to operations when incurred. The cost of advertising charged to operations was \$8,275 in 2022, \$19,838 in 2021, and \$10,526 in 2020.

15. RELATED PARTY TRANSACTIONS

The Organization has certain transactions with related parties, including holding certain assets at institutions with related entities of Missionary Church, Inc. as follows:

	2022	2021	2020
As presented in the statements of financial position:			
Accounts payable and accrued expenses	\$ 21,303	\$ 24,771	\$ 19,147
Investment certificates	\$ 2,174,431	\$ 988,869	\$ 893,092

(continued)

15. RELATED PARTY TRANSACTIONS (continued)

As presented in the statements of activities
and statements of functional expenses:

Interest income	\$ -	\$ -	\$ 13,600
Interest expense	\$ 19,665	\$ 14,754	\$ 12,254
Legal and professional fees - accounting	\$ 32,400	\$ 32,400	\$ 32,400
Headquarters expense - rent	\$ 12,000	\$ 12,000	\$ 12,000
Grants - to Missionary Church, Inc.	\$ 85,233	\$ 69,463	\$ 70,269
Grants - tithe expense	\$ 21,922	\$ 14,800	\$ 14,604

16. AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year comprise the following at December 31:

	2022	2021	2020
Cash	\$ 485,980	\$ 277,941	\$ 723,107
Interest receivable	116,859	107,474	150,582
Investments	14,866,834	16,224,666	10,919,739
Loans receivable – net	<u>23,103,574</u>	<u>24,768,051</u>	<u>25,871,802</u>
Total financial assets	38,573,247	41,378,132	37,665,230
Less:			
Long term loans receivable	(14,173,536)	(23,464,265)	(24,083,900)
Investments held for annuities	(42,265)	(72,172)	(90,199)
Refundable reserves	-	-	(66,667)
Investments held for endowment	<u>(873,720)</u>	<u>(1,080,257)</u>	<u>(979,706)</u>
	<u>(15,089,521)</u>	<u>(24,616,694)</u>	<u>(25,220,472)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 23,483,726</u>	<u>\$ 16,761,438</u>	<u>\$ 12,444,758</u>

In addition to financial assets available to meet general expenditures over the next year, the Organization has available a \$1,000,000 line of credit.

