# THE REFORMED CHURCH IN AMERICA
# CHURCH GROWTH FUND, INC.

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888-722-4958
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## OFFERING CIRCULAR
## $35,000,000
## DEBT SECURITIES

We – The Reformed Church in America Church Growth Fund, Inc. ("**CGF**") – are offering $35 million of our unsecured debt securities ("**debt securities**"), which we call Term Savings Certificates and Demand Savings Certificates, to raise money primarily to make loans to current or former churches, classes, assemblies, institutions, and other agencies (and their corporate affiliates) of the Reformed Church in America ("**RCA**"). We offer Term Savings Certificates that have a fixed duration of up to ten years, and are payable at maturity if not automatically or otherwise reinvested, and Demand Savings Certificates that may be redeemed by you, in whole or in part, at any time upon at least 30 days' prior written notice to us, subject to the availability of funds, a limitation of three transactions per calendar month and minimum thresholds per transaction. All of our debt securities are offered for any amount, subject to minimum investment thresholds and a maximum total investment limitation, each as described in "Debt Securities" on page 10. Interest rates we pay on our Term Savings Certificates are generally fixed for their term, but the available interest rates offered on new Term Savings Certificates vary from time to time. Interest rates we pay on our Demand Savings Certificates vary from time to time. The interest rates available on the date this Offering Circular was mailed are set forth on the accompanying sheet entitled "Current Interest Rates." Current interest rates may also be obtained by calling us at 888-722-4958, emailing us at cgf@rca.org, or visiting our website at www.rca.org/cgf.

The expenses of this offering, which we expect to be less than one percent of the total offering amount, are paid from our operating funds. This offering is not underwritten and no commissions will be paid for the sale of our debt securities. As a result, we will receive 100% of the proceeds from this offering. We offer and sell our debt securities through our officers, directors and employees; there are no outside selling agents involved in this offering.

This offering is subject to certain risks described in "Risk Factors" beginning on page 2.

**This Offering Circular is dated February 1, 2024, and may be used until the expiration of the periods of time authorized in the various states, which is typically twelve months.**

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 ISSUER. THIS OFFERING CIRCULAR HAS BEEN FILED WITH THE SECURITIES ADMINISTRATORS IN SUCH STATES OR JURISDICTIONS THAT REQUIRE IT FOR REGISTRATION OR EXEMPTION.

THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 3(a)(4) OF THE FEDERAL SECURITIES ACT OF 1933 AND SECTION 3(C)(10) OF THE FEDERAL INVESTMENT COMPANY ACT OF 1940. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES 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 DETERMINED 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 ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURE, MERITS, AND RISKS INVOLVED.

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

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY 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 INFORMATION OR REPRESENTATION MUST NOT BE RELIED ON AS HAVING BEEN GIVEN OR MADE BY CGF.

INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF DEBT SECURITIES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO, RISK TOLERANCE AND PERSONAL FINANCIAL NEEDS. THE INFORMATION IN THIS OFFERING CIRCULAR IS NOT INTENDED TO BE LEGAL, INVESTMENT OR PROFESSIONAL TAX ADVICE. EACH INVESTOR'S UNIQUE CIRCUMSTANCES—FINANCIAL AND OTHERWISE—ARE IMPORTANT FACTORS IN DETERMINING THE CONSEQUENCES OF AN INVESTMENT. FOR INFORMATION ABOUT THE LEGAL, INVESTMENT OR TAX CONSEQUENCES OF INVESTING IN DEBT SECURITIES, YOU SHOULD CONSULT YOUR OWN ATTORNEY, ACCOUNTANT OR INVESTMENT ADVISOR.

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 UNDER THIS OFFERING CIRCULAR SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN OUR AFFAIRS SINCE THE DATE OF THIS OFFERING CIRCULAR.

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# STATE SPECIFIC INFORMATION

**Arizona, California, Idaho, Indiana, Kentucky, Michigan, Ohio, and South Dakota Residents**

In Arizona, California, Idaho, Indiana, Kentucky, Michigan, Ohio, and South Dakota, our debt securities are offered only to individuals, churches, assemblies and other entities who are or were members of or contributors to the RCA, or current or former participants in a program, activity or organization that is or was a part of the RCA, or in an organization that has or had a programmatic relationship with the RCA, including previous investors. For purposes of defining eligible investors, the above reference to individuals includes each individual, as well as the immediate ancestors and descendants of that individual, and trusts and accounts controlled by or for the benefit of that individual or their ancestors or descendants.

**California**

In California, certificate holders are not allowed to consummate a sale or transfer of their Savings Certificate, or any interest in it, or to receive any consideration therefor, without the prior written consent of the Commissioner of the Department of Financial Protection & Innovation of the State of California, except as permitted in the Commissioner's rules.

Automatic renewal at maturity as described in this Offering Circular is not available for California investors. All California investors will receive a maturity notice and a current Offering Circular within 30 days of the maturity date of each Term Savings Certificate, and California investors will have the opportunity to notify us of an intention to renew the investment. If renewal is not requested, the investor's funds will be promptly returned. Any renewal or reinvestment can be made only if we are qualified to make sales in the state of California at the time of renewal or reinvestment.

**Kentucky**

These securities are issued pursuant to a claim of exemption from registration under Section KRS 292.400(9) of the Kentucky Securities Act.

Automatic renewal at maturity as described in this Offering Circular is not available for Kentucky investors. We will notify in writing each Kentucky investor at least 30 days before the investor's Term Savings Certificate matures, at which time the investor will have the opportunity to request repayment or notify us of an intention to renew the investment or use the proceeds to invest in another Savings Certificate. Renewal of the Term Savings Certificate is not automatic in Kentucky, but may occur only upon affirmative action by the investor. If you do not indicate an intention to renew or redeem a maturing Term Savings Certificate, the proceeds of the Term Savings Certificates will be treated and will earn interest as if they are invested upon maturity in a Demand Savings Certificate. Any renewal or reinvestment can only be made if we have an effective claim of exemption in Kentucky at the time of renewal or reinvestment.

**Ohio**

Pastoral Demand Savings Certificates are not available in Ohio.

**South Dakota**

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SDCL 47-31B-201(7)(B) OF THE SOUTH DAKOTA SECURITIES ACT. NEITHER THE SOUTH DAKOTA DIVISION OF INSURANCE (DIVISION) NOR THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION HAS PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THE OFFERING, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

**Washington**

In Washington, our debt securities are offered only to existing security holders of CGF.

# SUMMARY OF THE OFFERING

This summary is provided for your convenience. Before investing, you should read this entire Offering Circular, including the attached audited financial statements (“**Financial Statements**”).

We are a New York not-for-profit corporation. We are offering debt securities called Term Savings Certificates and Demand Savings Certificates. Term Savings Certificates have a fixed duration of up to ten years, and are payable at maturity if not automatically or otherwise reinvested. Demand Savings Certificates may be redeemed by you, in whole or in part, at any time upon at least 30 days’ prior written notice to us, subject to a limitation of three transactions per calendar month and $500 or more per transaction for regular Demand Savings Certificates and $200 or more per transaction for Pastoral Demand Savings Certificates. There are also minimum investment thresholds and a maximum total investment limit, each as described in “Debt Securities” on page 10. The interest rates we pay on our Term Savings Certificates are generally fixed for their term, but the interest rates offered on new Term Savings Certificates vary from time to time. The interest rates we pay on Demand Savings Certificates vary from time to time. The interest rates available on the date this Offering Circular was mailed are set forth on the accompanying sheet entitled “Current Interest Rates.” Current interest rates may also be obtained by calling us at 888-722-4958, emailing us at cgf@rca.org, or visiting our website located at www.rca.org/cgf. Interest on Term Savings Certificates is paid or added to principal either quarterly, semi-annually, or annually at the election of the investor and the interest on Demand Savings Certificates is added to the principal balance of the certificate monthly. See “Debt Securities” on page 10.

No underwriters are participating in the distribution of our debt securities and no direct or indirect underwriting discounts or commissions will be paid to anyone in connection with this offering. Sales of our debt securities will be made solely through our officers, directors and employees.

You will be given the opportunity to redeem your Term Savings Certificate at maturity. If you do not elect to redeem your Term Savings Certificate at maturity, and if permitted by the law of your state of residency, your Term Savings Certificate will renew automatically upon maturity for the same term if that term is then being offered, or if that term is not then being offered, for the closest, shorter term then being offered, but generally in each case at the then current interest rate and other terms offered for our Term Savings Certificates of that term at that time.

Funds received through the sale of our debt securities are intended to be used primarily to make loans to current or former churches, classes, assemblies, institutions, and other agencies (and their corporate affiliates) of the RCA primarily to assist them in the purchase, construction, or improvement of church buildings, parsonages, or other property used in their ministry, or the purchase of land. Most of our loans are secured by a first mortgage or deed of trust, although we do also make unsecured and other types of loans on occasion. See “Lending Activities” on page 13. Some funds that are not used to make loans are used in our general operations, used to make grants, or used to maintain liquidity. See “Use of Proceeds” on page 10 and “Investing Activities” on page 16.

**Summary of Select Audited Financial Information**

| As of September 30, 2023 | | |
|---|---|---|
| **Assets:** | | |
| Cash and cash equivalents | $ | 6,180,589 |
| Investments | | 25,081,866 |
| Beneficial interest in known pool of assets—RCA Endowment Fund | | 675,105 |
| Interest receivable on mortgages and loans receivable | | 123,700 |
| Prepaid expenses and other assets | | 3,922 |
| Mortgages and loans receivable* | | 49,027,439 |
| Allowance for loan losses | | (1,700,000) |
| Total assets | $ | 79,392,621 |
| **Liabilities and Net assets:** | | |
| Debt securities payable | $ | 28,369,966 |
| Other liabilities | | 145,116 |
| Total liabilities | $ | 28,515,082 |
| Total net assets | $ | 50,877,539 |
| Total liabilities and net assets | $ | 79,392,621 |

| For the year ended September 30, 2023 | | |
|---|---|---|
| **Statement of Activities:** | | |
| Net operating income | $ | 2,053,393 |
| Net non-operating gain | | 241,429 |
| Total change in net assets | $ | 2,294,822 |
| **Debt Securities Activity:** | | |
| Debt securities issued | $ | 3,760,022 |
| Debt securities payable reinvested at maturity | $ | 7,737,040 |
| Reinvestment of interest in debt securities payable | $ | 541,322 |
| Cash paid for interest on debt securities payable | $ | 137,615 |
| Debt securities redeemed | $ | (7,604,138) |

* Mortgages and loans receivable include unsecured loans of $405,985, which represent less than 1% of all loans. As of September 30, 2023, we had no loans that were delinquent 90 days or more.

To purchase a debt security, please complete and sign the application form included with this Offering Circular and return it to us with a check payable to RCA Church Growth Fund, Inc. for the amount of your investment.

**Please read the risk factors beginning on the next page.**

- Not FDIC or SIPC insured
- Not a bank instrument
- No RCA guarantee

# RISK FACTORS

The purchase of our debt securities involves risk. You should carefully consider the risk factors below before making a decision to invest.

**Unsecured Obligations**. Our debt securities are our unsecured and uninsured general debt obligations. Interest and principal repayment on our debt securities, therefore, is dependent solely upon our financial condition and operations. As a holder of an unsecured debt obligation, you will have a claim on our assets equal to those of our other unsecured creditors, including our other debt securities holders.

**No Sinking or Trust Fund**. No sinking fund or trust indenture has been or will be established to ensure or secure repayment of our debt securities.

**Senior Secured Indebtedness**. Our debt securities are of equal rank with all of our other previously outstanding and future unsecured debt obligations. The claims of secured creditors, however, would have priority over your claim. Our policy is to limit senior secured indebtedness to 10% of our tangible assets (total assets less intangible assets). As of the date of this Offering Circular, we had no outstanding senior secured indebtedness.

**A prolonged economic slowdown, lengthy or severe recession, or extended period of increased inflation could negatively affect our borrowers' ability to repay their loans**. During a period of economic slowdown, recession, or inflation, our borrowers may experience increased difficulty in making timely payments of principal and interest on our loans, particularly if the period is prolonged. This could result in a need to restructure some loans to provide more flexible payment terms to our borrowers or to rely upon the collateral for repayment, which may not be sufficient to satisfy all amounts owed. This could also result in a need to increase our provision for doubtful loans, which would negatively impact our profitability.

**Geographic Concentration of Loans**. As of September 30, 2023, approximately 28%, 17%, 11%, 8%, 7%, 6% and 6% of the outstanding principal amount of our loans receivable were owed by borrowers in Michigan, California, Illinois, New Jersey, Pennsylvania, Iowa, and New York, respectively. Adverse economic conditions, a reduction in population, or the loss of purchasing power by residents in these states could correspondingly reduce the amount of contributions borrowing churches and organizations receive from their members. This, in turn, could adversely affect the ability of these borrowers to repay their loans. In addition, if real estate values were to decline in these areas due to the above factors, earthquakes, floods, droughts, other acts of nature, acts of terrorism, or any other reason, the decline could adversely affect the value of the properties serving as collateral for these loans. See also "Lending Activities" on page 13.

**Collateral Value May Not Be Sufficient**. We typically do not require appraisals on our collateral as part of the loan application process. Even when we do require appraisals, we do not always obtain formal appraisals. As a result, the fair value of a specific property securing a loan may be less than we believe. We do, however, typically require equity or a cash contribution to a new project equal to at least 15% of the project cost. Nonetheless, the amount outstanding on a loan could exceed the fair value of the property securing it. Accordingly, if we were to foreclose on collateral securing a loan, we may not be able to sell the property at a price sufficient to satisfy the debt it secured. Historically, we have never sold collateral for less than the loan balance it secured.

**Borrowers Supported by Voluntary Contributions**. Our loans are made to current or former churches, classes, assemblies, institutions, and other agencies (and their corporate affiliates) of the RCA. In most instances, the ability of those borrowers to repay their loans will depend upon contributions they receive from their members. Both the number of members of a borrower and the amount of contributions made to a borrower may fluctuate, which could adversely affect its ability to repay its loan. Membership or contributions may fluctuate for a number of reasons, including, but not limited to, the strength of the local, regional, and national economy (including inflation and recession), the economic health of major employers in the area, population shifts in the region where the borrower is located, or changes in the leadership of the borrower. The inability of our borrowers to make timely payments on their loans would adversely affect our ability to make interest and principal payments on our debt securities. See "Lending Activities" on page 13.

**Financial Condition of Issuer**. Our annual operating income would not be sufficient to meet all interest and principal repayment requirements in the event that all maturing debt securities were redeemed at maturity. We may, therefore, be dependent upon principal repayments on our outstanding loans, the sale of new debt securities, the availability of capacity on our line of credit, or the sale of some of our investments in order to repay maturing debt securities. If our borrowers are unable to make principal repayments on their loans, or if our sales of new debt securities decline, our ability to repay the debt securities will be adversely affected.

**Requests to Redeem Our Debt Securities Could Exceed Available Funds**. As of September 30, 2023, $13,834,860 of our Term Savings Certificates were scheduled to mature in the fiscal year ending September 30, 2024, and we had $8,624,575 of outstanding Demand Savings Certificates, each of which would be payable upon 30 days' notice of redemption by our investors. As of that same date, we had funds available in cash, cash equivalents, and liquid invested funds totaling $31,262,455, representing approximately 110% of the total principal amount of our outstanding debt securities, and an unsecured $5,000,000 line of credit from PNC Bank for the purpose of providing additional liquidity if necessary. Notwithstanding these resources, it is possible that future redemption requests could exceed our available funds, making it difficult for us to honor all redemptions. If this happens, we might be required to sell or liquidate assets, including our loans receivable. We cannot assure you that we would be able to sell or liquidate assets on a timely basis, or that the proceeds from such a sale or liquidation would cover all requests to redeem our outstanding debt securities at maturity or otherwise.

**Our Ability to Repay Debt Securities Will Be Subject to the Availability of Funds**. If we have insufficient liquid assets or available credit to repay your Term Savings Certificate when it matures or your Demand Savings Certificate within 30 days of your notice of demand, you will not be repaid unless and until we have sufficient cash to do so. Nonpayment of a debt security when due will constitute a default, but only as to that debt security. Furthermore, in the event of a default in the payment of interest only, you will have no right to accelerate payment of your debt security's principal amount. Historically, we have never failed to make an interest or principal payment on our debt securities on time. We have a policy requiring us to maintain liquid assets equal to 10% of outstanding Term Savings Certificates, and 15% of outstanding Demand Savings Certificates. There can be no assurance, however, that these policies will be continued in the future or that we will be able to maintain cash, cash equivalents and invested funds in accordance with these policies.

**Historical Renewal Rates May Not Continue**. For the years ending September 30, 2023, 2022, and 2021, 79%, 76%, and 79%, respectively, of the aggregate principal amount of our maturing Term Savings Certificates were reinvested back into Term Savings Certificates. We cannot guarantee that this historical rate of renewal will continue. If significantly more investors redeem their Term Savings Certificates at maturity, or if a significant amount of Demand Savings Certificates are redeemed in a short period of time, we could have difficulty repaying our Term Savings Certificates when they mature or our Demand Savings Certificates upon demand. See "Debt Securities – Outstanding Debt Securities" on page 13 for information on our maturing debt securities.

**Not Comparable to a Commercial Lender**. We only loan funds to current or former churches, classes, assemblies, institutions, and other agencies (and their corporate affiliates) of the RCA. The interest rates for those loans may be at or below the rate of interest charged by commercial lenders at the time of the loan. On occasion, we may make an exception to our loan policies to permit a loan to a borrower if there are other compensating factors. In addition, because of our relationship with our borrowers, we may accommodate partial, deferred or late payments from our borrowers, and may restructure or refinance loans in situations where a typical commercial lender would not. Accordingly, we may make loans to borrowers who are not able to secure financing from commercial lenders. In the fiscal years ended September 30, 2023 and 2021, we restructured four loans and two loans, respectively, with aggregate principal balances of $4,054,734 and $1,070,496 as of those dates to accommodate the borrower's financial condition. See "Lending Activities" on page 13.

**Special Purpose Collateral**. Property securing our loans is generally considered special purpose property and typically has a limited resale market. If we were to foreclose on collateral securing a loan, we may not be able to sell the property promptly or at a price sufficient to satisfy the debt it secured. Historically, we have never sold collateral for less than the loan balance it secured.

**Not All Loans Secured**. The loans we make historically have been secured by a first lien on the real property purchased, constructed or improved with the funds provided by the loans. Some of our loans, however, are unsecured or may be secured by a pledge of personal property or by a junior lien. The absence of adequate collateral for these loans may increase the likelihood of not collecting them in full. See "Lending Activities – Unsecured Loans" on page 14.

**Construction Loan Risks**. Many of the loans we make are used for the construction of new facilities or the renovation of existing facilities. There may not be a fixed-price construction contract for this work and the contractor may not post a completion bond. In addition, possible delays in completion may occur due to, among other things, shortages of materials, possible strikes, acts of nature, delays in obtaining necessary building permits or architectural certificates, environmental regulations or fuel or energy shortages. We may not obtain architectural certifications, or lien waivers for smaller loans, prior to the disbursement of partial or final construction payments, and we may rely instead on the representations of the borrower. If these representations are incorrect, we may advance more money than is warranted by the construction completed or the lien waivers obtained. Substantial increases in construction costs or delays in or failure to complete construction could adversely affect the borrower's ability to repay its loan and the value of the collateral securing the loan.

**Right to Change Policies**. At various points in this Offering Circular we describe our policies, such as our loan policies described on page 15 and our investment policies described on page 16. These descriptions are intended to help you understand our current operations. We reserve the right to change our policies and procedures generally, including our loan and investment policies.

**No Market or Transferability; No Right to Early Redemption of Term Savings Certificates; Early Redemption Fee**. There is no public market for our debt securities and none is expected to develop. Our debt securities, once issued, are ordinarily not transferable. Further, unless we make an exception or offer different terms on a periodic or promotional basis, investors have no right to redeem our Term Savings Certificates prior to their maturity, and if we permit an early redemption, we may assess an early redemption fee. As of the date of this Offering Circular, that fee was equal to 90 days of interest for debt securities with terms of three years or less and 180 days of interest for debt securities with terms of more than three years. Investors who purchase our Term Savings Certificates through their IRA or other retirement account should be aware that they may not be able to provide for minimum distributions that may be required by those accounts if interest earned on our Term Savings Certificates is insufficient to make those payments and there are not enough other liquid assets in the account to do so. See "Debt Securities – Retirement Accounts" on page 12. Accordingly, prospective investors should view their purchase of our Term Savings Certificates as an investment of the full amount for its full term. See "Debt Securities" on page 10.

**Individual Retirement Accounts**. A self-directed Individual Retirement Account ("**IRA**") may invest in our debt securities if permitted by the IRA trustee or custodian. A self-directed IRA is an individual retirement account that allows the holder the option of selecting investment vehicles for the IRA account. Investors who invest through their IRA should consider whether the investment is in accordance with the documents and instruments governing the IRA; whether there is sufficient liquidity in the IRA should the IRA's beneficiary need to take a mandatory distribution; and whether the investment could constitute a non-exempted prohibited transaction under applicable law. Consultation with a competent financial and tax adviser is recommended. See "Debt Securities – Retirement Accounts" on page 12.

**Book Value May Not Equal Actual Value**. The book value of our financial instruments and other assets set forth in this Offering Circular and our Financial Statements may not reflect the actual value we would receive in a sale of these assets. From time to time, we may sell certain assets to provide liquidity or for other purposes. See "Investing Activities" on page 16.

**Investment Risks**. Any assets we invest directly or indirectly are subject to various market and investment risks that may cause us to incur losses if investment values decline. Our investments include both fixed income and equity securities. This risk also applies to assets we invest in the Reformed Church in America Endowment Fund ("**RCA Endowment Fund**"). To be faithful to the values of the RCA, we may limit our investments in companies that produce products or engage in activities we believe are inconsistent with the values of the RCA. Our investment portfolio may include socially responsible investments and restrictions. This may impact the relative financial performance of our investment portfolio compared to performance that may have been achieved if we had not followed any socially responsible investment restrictions. For information regarding our investment results and a general discussion of our investment policies, see "Investing Activities" on page 16. Our past investment performance does not indicate how our investments will perform in the future.

**Sale of Additional Debt Securities in Other Offerings**. We expect to sell additional debt securities in other offerings. The total amount of up to $35,000,000 to be sold in this offering is not a limitation on the amount of Term Savings Certificates, Demand Savings Certificates, or other debt securities we may sell in other offerings we may conduct at any time. We have sold our debt securities in other offerings in prior years and anticipate that we will continue to make additional offerings of our Term Savings Certificates, Demand Savings Certificates, or other debt securities as part of this continuous offering process.

**No RCA Guarantee**. Neither the RCA nor any of its agencies, assemblies or institutions, including the General Synod Council of the Reformed Church in America ("**GSC**"), have guaranteed the repayment of our debt securities. You must rely solely on the assets and cash flow from operations of the CGF for repayment.

**Not FDIC or SIPC Insured**. Our debt securities are not certificates of deposit or deposit accounts with any bank, savings and loan association, credit union or other financial institution regulated by state or federal authorities, and they are not FDIC insured. In addition, our debt securities are not protected by the Securities Investor Protection Corporation or any other federal or state authority, regulatory agency, or any other person or entity. Furthermore, the risks of investment in our debt securities may be greater than implied by the interest rates paid on them. Our debt securities are subject to investment risks, including the possible loss of principal invested.

**Our Collateral May Be Uninsured or Inadequately Insured**. It is generally our policy to require evidence of property and liability insurance in an amount sufficient to cover our loans at the time they are made. There is a chance, however, that continuing insurance coverage may become unavailable or prohibitively expensive, may be limited, or may be terminated or lapse. As a result, the buildings and other improvements that secure our loans may be uninsured or inadequately insured by the borrower. Accordingly, if fire or other casualty damages our collateral, we may not be able to recover against it. We do, however, carry mortgage impairment insurance that is intended to pay off our loan in the event of uninsured casualty damage to our collateral.

**Federal and State Laws**. Future changes in federal or state laws, rules, or regulations regarding the sale of debt obligations of religious, charitable, or other non-profit organizations may make it more difficult, costly, or even impossible for us to offer and sell our debt securities in the future. This could limit or eliminate your ability to buy our debt securities or reinvest the proceeds of your maturing debt security, and, consequently, our ability to repay our maturing debt securities could be adversely affected. Further, while we strive to comply with all applicable laws, if we find that we have not done so in all cases, it is possible that we may be subject to future regulatory actions, which could include fines, orders or the institution of repurchase offers.

**Concentration of Investors**. As of September 30, 2023, approximately 29%, 25%, 14%, 13%, and 6%, of the outstanding principal amount of our debt securities were owned by investors in Michigan, New York, Iowa, New Jersey, and Illinois, respectively. Adverse economic conditions in these states could correspondingly result in decreased reinvestment rates for maturing debt securities in these states and increased requests for redemptions of outstanding debt securities. In addition, as of that same date, $5,893,523 or 21% of our debt securities were held by 5 investors who each held more than $500,000 in our debt securities, all of whom were churches or affiliated agencies. Decreased reinvestments or increased redemptions by these large investors or the geographically concentrated investors could adversely affect our liquidity, our ability to operate our loan programs, and ultimately our ability to repay our debt securities. We did, however, have funds available in cash, cash equivalents, and liquid invested funds totaling $31,262,455, representing approximately 110% of the total principal amount of our outstanding debt securities as of that same date. See also "Debt Securities" on page 10.

**Purpose Tied to RCA Objectives**. While we are a separate corporation, we are closely affiliated with other agencies, assemblies and institutions in the RCA and exist primarily to assist the GSC by making loans to current or former churches, classes, assemblies, institutions, and agencies (and their corporate affiliates) of the RCA and by making grants to the GSC for the purpose of funding church multiplication, revitalization endeavors, and middle school through post college young adults scholarships to support volunteer opportunities, advocacy experiences, and mission internships ("**Next Generation Missional Engagement Fund**"). See "History and Operations" on page 9, "Use of Proceeds" on page 10, and "Management" on page 20. Because our purposes are so closely related to the mission and ministry of the RCA in general and the GSC in particular, our actions may not be entirely independent, and may be influenced by the direction set for the RCA by the General Synod of the Reformed Church in America ("**General Synod**") from time to time (which direction is in turn implemented by the GSC in its role as the General Synod's executive committee).

**Our Term Savings Certificates Renew Automatically**. Although we will notify you when your Term Savings Certificate is about to mature, if you do not inform us in writing by the date of maturity that you want to redeem the Term Savings Certificate, we will automatically reinvest the principal and accrued interest in a new Term

Savings Certificate of the same or similar term (if permitted to do so under the laws of your state of residency) and generally at the interest rate and other terms then in effect for our Term Savings Certificates of that term.

**Debt Securities May Become Unclaimed Property**. If periodic statements or other pieces of mail sent to you pertaining to our debt securities are returned to us as undeliverable, applicable state laws may consider the debt securities to be unclaimed property. The debt securities will continue to accrue interest until redeemed or until disposed of by us pursuant to applicable state unclaimed property laws.

**Fluctuation in Interest Rates; Unmatched Terms to Maturity; Liquidity Risk**. Interest rates may vary in the future. Interest rates may fluctuate for a number of reasons, including, but not limited to, inflation, recession, and actions taken by the federal government in response to the economy or for other reasons. Investors should be aware that should interest rates rise, investors in Term Savings Certificates will generally not have the right to redeem their Term Savings Certificate prior to its maturity for the purpose of purchasing higher yielding instruments. Further, if we permit an early redemption of a Term Savings Certificate, we may assess an early redemption fee. As of the date of this Offering Circular, that fee was equal to 90 days of interest for debt securities with terms of three years or less and 180 days of interest for debt securities with terms of more than three years. On occasion, we may offer investors the option to adjust the interest rate on their outstanding Term Savings Certificates, such as to the rate then being offered for newly issued Term Savings Certificates of the same duration. The decision to offer this option and any related conditions or terms will be subject to our sole discretion. In the event interest rates fluctuate, our net income may be impacted positively or negatively depending on the relative mix of our outstanding loans and debt securities. In periods of time when we are unable to obtain an average return on our investments and loans that is greater than our average interest payment obligations, our financial condition, and therefore our ability to repay our debt securities, would be negatively impacted.

**Liquidity Risk**. Our loans receivable have an average term to maturity that is significantly longer than the average maturity term of our outstanding Savings Certificates, including some Demand Savings Certificates which are payable within 30 days of demand for repayment. As a result, the liquidity of our assets is not matched to the potential liquidity demands necessary for the repayment of our debt securities. If a significant number of investors did not reinvest their Term Savings Certificates upon maturity, or if a significant amount of Demand Savings Certificates were redeemed within a short amount of time, we could have difficulty repaying our Term Savings Certificates when they mature or our Demand Savings Certificates upon demand. See "Debt Securities – Outstanding Debt Securities" on page 13 for information on our maturing debt securities.

**Potential Environmental Liability**. We do not typically conduct a complete environmental audit before approving a loan, although it is our policy to obtain a completed environmental questionnaire from our borrowers when their loan will be secured by real estate. If environmental pollution or other contamination is found on or near property securing a loan, we could, in some cases, face environmental liability or our security for the loan could be impaired. In addition, changes in environmental regulations could require the borrower to incur substantial unexpected expenses to comply with such regulations, and this could impair both the value of the collateral and the borrower's ability to repay us. If we foreclose on property containing environmental waste, we could be assessed substantial clean-up costs and penalties as an owner of that property, as would any lender in a similar situation. Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances or petroleum products released at the property, and may be held liable to a government entity or to third parties for property damage and for investigation and clean-up costs incurred by these parties in connection with the contamination. The costs of investigation, remediation or removal of these substances may be substantial, and the presence of these substances, or the failure to properly remediate the property, may adversely affect the borrower's ability to sell or rent the property or to borrow using the property as collateral. In addition, some environmental laws create a lien on the contaminated site in favor of the government for damages and costs incurred in connection with the contamination. Persons who arrange for disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of these substances at the disposal or treatment facility. Finally, the owner of a site may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from a site.

**There Are Differences Within the RCA Regarding Theology and Ministry Practices**. As a way to address these issues and the disagreement surrounding them within the denomination, the General Synod in June 2018 appointed a vision team to explore possible scenarios in light of these divisions. The vision group presented a report to the General Synod in October 2021, which passed recommendations to, among other things, (1) appoint a team to develop a restructuring plan for the denomination, and (2) detail provisions for mutually generous separation when churches leave the RCA. The restructuring team was approved by the General Synod in October 2021, presented an update on its progress to the General Synod in 2023 and is expected to present final proposals to the General Synod in 2024. Depending on how our borrowers and investors view the General Synod's actions, including the ultimate development of a restructuring plan, there remains the possibility that some churches borrowing from us may leave the RCA and pay off loans, that we or the borrower's classis may not approve continuance of the loans of one or more churches that leave the RCA, or that our historic rates of making new loans may not continue, each of which could result in decreased operating income. Likewise, there is a possibility that some investors may choose to redeem their debt securities, either immediately if they hold Demand Savings Certificates, or upon maturity if they hold Term Savings Certificates, or that our historic rates of sales of new debt securities may not continue. Decreased reinvestments or sales or increased redemptions could affect our liquidity, our ability to operate loan programs, and our ability to repay our debt securities.

**We Make Loans to Former RCA Churches**. Churches that leave the RCA are no longer subject to the RCA's oversight or support. If the church's new denomination, network, or other association does not provide at least the same level of oversight and support as the RCA, there is a possibility that we may not approve continuance of the loan. Even if we do continue the loan, there is a possibility that the decrease of oversight or support could adversely affect the church's ability to repay its loan, which could adversely affect our ability to make interest and principal payments on our debt securities.

**Liability for Debts of the RCA**. As a separate corporation in the RCA, we are generally not liable for claims against any of the RCA's other agencies, assemblies or institutions. It is possible, however, that in the event of claims against any of the RCA's other agencies, assemblies or institutions, the claimants might contend that we also are liable. See "History and Operations – Relationship to the RCA; Related Party Transactions" on page 9 and "Investing Activities" on page 16.

**No Right to Participate in Management**. Purchasing a debt security will not give you voting rights or any other rights to participate in our management.

**Investor's Tax Consequences**. Interest paid or payable on our debt securities will be taxable as ordinary income to you, regardless of whether interest is paid or accrued. See "Tax Aspects" on page 19.

**We May Redeem Debt Securities Prior to Their Maturity**. We reserve the right to redeem our outstanding debt securities. See "Debt Securities – Prepayment" on page 13.

**You May Not Be Able to Add to, or Reinvest in, Debt Securities**. While we intend to maintain all required securities registrations and exemptions, we are not now registered or exempt in all states and our debt securities may not continue to be registered or exempt in the states where we currently sell debt securities. Accordingly, you may not be able to invest additional amounts in your debt securities or reinvest the proceeds of your maturing Term Savings Certificate with us if you live in a state where our debt securities are not registered or exempt at the time of the attempted addition or reinvestment. In addition, we are not obligated to accept any investment.

**Our Ability to Foreclose on Collateral May Be Limited**. Our remedies as a creditor upon default by any of our borrowers are subject to limitations and borrower protections imposed under various laws, regulations and legal principles that provide protections to borrowers. Our legal and contractual remedies, including those specified in our commitment letters, promissory notes, mortgages and deeds of trust, pledge agreements and other loan documents (collectively, "**Loan Documents**"), typically require judicial actions, which are often subject to discretion and delay. Under existing law (including, without limitation, the Federal Bankruptcy Code), the remedies specified by our Loan Documents may not be readily available or may be limited. A court may refuse to order the specific performance of the covenants contained in the Loan Documents. In addition, the laws of a particular jurisdiction may change or make it impractical or impossible to enforce specific covenants in the Loan Documents.

**Collateral May Be Impaired**. The various security interests established under our Loan Documents will be subject to other claims and interests that may reduce or eliminate the value of collateral to us. Examples of these claims and interests are statutory liens; rights arising in favor of the United States, or any agency thereof; constructive trusts or equitable liens otherwise imposed or conferred by any court, including the exercise of its equitable jurisdiction; and federal bankruptcy laws or bankruptcy laws of another jurisdiction affecting amounts earned by the borrower after institution of bankruptcy proceedings by or against the borrower.

**Reliance on Tax-exempt Status of the General Synod**. We are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("**Internal Revenue Code**") pursuant to our inclusion in the General Synod's group exemption ruling issued by the Internal Revenue Service. We are subject to federal income tax on any unrelated business taxable income and we and the General Synod are subject to a number of requirements affecting our operations in order to receive and maintain tax-exempt status. If we or the General Synod at any time fail to qualify for tax-exemption under Section 501(c)(3) of the Internal Revenue Code, that failure could affect the funds available for payment to investors by limiting our ability to continue selling debt securities under otherwise applicable securities law exemptions and by subjecting us to federal or state income taxation.

**Volatility of Current Economy**. Given the volatility of current economic conditions, including the potential for rapidly increasing or decreasing federal funds rate, inflation, and various investment market rates, the values of our assets and liabilities could change, resulting in future adjustments in asset values, the allowance for loan losses, or net assets, and our ability to make additional loans, sell new debt securities, borrow on our line of credit, or meet our investment objectives may be limited.

**We Utilize Digital Technologies in Our Operations**. We utilize digital and cloud-based technologies and services in our operations, many of which are provided by third party vendors. We rely upon these vendors and these technologies and services for maintaining, processing, delivering, transmitting, and storing proprietary data and other records related to our business. This data includes confidential customer information. Unauthorized disclosure of this information could lead to loss of faith in our ability to protect confidential information and therefore harm our ability to retain customers, borrowers and investors and gain new ones. Storing and delivering electronic data has inherent risks, including, without limit, intentional or unintentional unauthorized access to data, data theft, temporary or permanent loss of data, and hardware and software failure. While we and our vendors have taken steps to protect against these risks, due in part to the evolving nature of these risks there is no guarantee these measures will be 100% effective in safeguarding the electronic data we maintain or the services we utilize, and they may be insufficient, circumvented, or become obsolete. Our insurance coverage may not be adequate to cover all the costs related to cyber incidents or disruptions resulting from such events. If you choose to utilize our digital services, including our online access, we can offer no assurances or make any warranties as to the accuracy, availability and security of such technologies or the data contained therein.

We utilize the services of Blackbaud Inc. ("**Blackbaud**"), a third-party cloud services company that provides database solutions and payment processing services to nonprofit organizations. In May, 2020, Blackbaud experienced a cybersecurity incident that resulted in the compromise of one of our investor's bank account information. We have notified the investor, and Blackbaud has assured us that they "have no reason to believe that any data went beyond the cybercriminal, was or will be misused; or will be disseminated or otherwise made available publicly" and that they "have already implemented changes to prevent this specific issue from happening again."

**The Coronavirus Situation or Another Pandemic or Emergency Could Adversely Impact Our Business**. Fluctuating restrictions, warnings, advice, guidance, and mandates of government authorities and infectious disease experts, as well as preferential or protective government actions, related to the novel strain of coronavirus, SARS-CoV-2, which causes COVID-19, or another pandemic or emergency could interrupt our key activities, limit our employee resources, increase our use of digital technologies and the risks associated with them, and have a material adverse impact on our operations, financial condition, compliance with loan covenants, and financial results. We are exposed to the risks of an economic recession, market volatility, and economic and financial crisis. The coronavirus situation and any economic recession or other severe economic disruption in the U.S. or a particular region may also result in decreased contributions to our borrowers and could adversely affect their ability to fulfill their obligations to us and the value of our collateral. We have and may again defer loan payments, allow interest-only payments, or make other loan payment relief options to accommodate our borrowers, which could negatively impact our operations.

***This Offering Circular contains forward-looking statements about our plans, strategies, objectives, goals and expectations. These forward-looking statements are identifiable by words or phrases indicating that we "expect," "anticipate," "project," "plan," "believe," or "intend" that a particular event may or will occur in the future or similarly stated expectations. These forward-looking statements are subject to many factors, including the risks above, which could cause actual results to differ materially from the stated expectations. We undertake no obligations to update or revise any forward-looking statement to reflect developments or information obtained after the date of this Offering Circular.***

# HISTORY AND OPERATIONS

### General

We are a New York not-for-profit corporation originally incorporated in 1958 as The Reformed Church in America - Extension Foundation, Inc. We changed our name in 1994 to The Reformed Church in America Building and Extension Fund, Inc. and again in 2007 to The Reformed Church in America Church Growth Fund, Inc. While we are a separately-governed legal entity, we are affiliated with the General Synod, which elects our Board of Directors. See "Management" on page 20.

We are organized and operated exclusively for religious and charitable purposes and are a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code. No part of our net earnings inures to the benefit of any person. We do not have members or shareholders. Unlike a for-profit corporation, we seek primarily to fulfill our charitable mission rather than focus on maximizing or increasing profits. Nonetheless, we believe that maintaining certain financial condition benchmarks and achieving reasonable levels of profitability are important for the long-term interests of our organization and our stakeholders.

We were formed primarily to assist RCA congregations in the purchase, construction, or improvement of church buildings, parsonages, and other property used in their ministry, or the purchase of land, and we continue in this mission today. We provide assistance primarily in the form of loans, but also through grants to the GSC for the funding of church multiplication, revitalization endeavors, and the Next Generation Missional Engagement Fund. Although most loans are made directly to current or former RCA churches, loans may also be made to classes and other assemblies, institutions, and agencies (or their corporate affiliates) of the RCA.

The funds we use to make loans and grants come from (a) our operations, including interest earned on the loans we make and interest and dividends received on our investments, (b) gifts and bequests, and (c) the sale of our debt securities. Information about our debt securities can be found in "Debt Securities" on page 10; information about our lending activities can be found in "Lending Activities" on page 13; information about our investment activities can be found in "Investing Activities" on page 16; information about our management can be found in "Management" on page 20; and information about our grants can be found below.

We operate primarily out of two offices located at 612 8th Street SE, Orange City, Iowa 51041, with a telephone number of 888-722-4958; and 4500 60th Street SE, Grand Rapids, Michigan 49512, with a telephone number of 616-698-7071. We also have an office at 475 Riverside Drive, Suite 1606, New York, New York 10115.

Personnel in our Orange City office are currently responsible for management, answering questions prospective investors may have about our debt securities or this offering, for managing all aspects of our loan operations, for processing loan payments and investments in Savings Certificates, for distributing offering materials, and for managing our outstanding debt securities. Personnel in our Grand Rapids office are currently responsible for development, accounting and other financial operations for the CGF (other than loan payment processing).

### Relationship to the RCA; Related Party Transactions

Although we are a separate not-for-profit corporation, we function as a part of the RCA under the ultimate ecclesiastical supervision of the General Synod through the GSC. We have a close working relationship with the GSC based on our primary purpose of supplementing and assisting the GSC through the making of loans to current and former RCA churches and other assemblies, institutions, and other agencies (and their corporate affiliates); and the making of grants to the GSC for the purpose of funding church multiplication, revitalization endeavors, and the Next Generation Missional Engagement Fund; and the *ex officio* position of the General Secretary of the RCA on our Board of Directors. See "Management" on page 20. As a result, our mission and purpose are unavoidably intertwined with those of the RCA and its agencies, assemblies and institutions, and we have numerous relationships with these parties. Those relationships include the sharing of certain employees (see "Management" on page 20); the service of some of our board members on the GSC Audit Subcommittee and Investment Advisory Committee; the participation of a board member as a corresponding delegate to the General Synod's annual meeting; our investments in the RCA Endowment Fund, the GSC's management of those assets, and the potential for the GSC, participants in GSC, and other RCA classes, agencies and affiliates to invest in our debt securities (see "Investing Activities" on page 16); the potential for the RCA 403(b) Retirement Program, which is operated by The Board of Benefits Services of the Reformed Church in America, Inc. ("**BOBS**"), to invest in our debt securities; the making of grants to churches and the GSC (see below); the sharing of office space, office supplies, computers and other office resources; and the provision of various services to us by the GSC, such as development and promotional services, computer support, accounting and other financial services, and combined purchasing of supplies, printing and similar services. For the year ending September 30, 2023, we paid $105,731 to the GSC as reimbursement for these services. LaFleur & Godfrey LLC ("**L&G**") managed approximately $1,000,000 of our investment funds until the account was closed in March 2021; one of the partners of L&G also served as a member of the GSC Investment Advisory Committee through June 30, 2020.

We also have Savings Certificates outstanding to agencies, churches, assemblies and institutions of the RCA and to their and our employees, officers and directors, or their family members, each on the same terms as are available generally at the time of purchase. It is our policy to limit the amount a member of our Rate Setting Committee may invest in our Savings Certificates. As of September 30, 2023, 2022, and 2021, our officers, directors, and executive staff held debt securities aggregating $69,365, $57, 933, and $16,503, respectively. Some of our board members and officers may be members of, or serve in a leadership role in, their local churches, although we do not consider these affiliations strong enough to constitute related party transactions when considering making loans to those churches. Any such loan is extended on the same terms and conditions as other loans. Our board members may perform services for us on an arms-length basis in the ordinary course of business, with compensation paid at or below market rates. Finally, we may issue a debt security to BOBS for the RCA 403(b) Retirement Program, which will have a variable interest rate and will not be available to other investors.

### Grants

To fulfill our purpose of making grants to the GSC for the funding of church multiplication, revitalization endeavors, and the Next Generation Missional Engagement Fund, we have adopted a policy of giving a portion of our net income to the GSC on an annual basis. These uses are not directly related to our operations. At various points in the past the amount of these grants has been either a fixed sum or based on a formula. For our fiscal year ending September 30, 2023, we made grants to the GSC of $633,500 for the purposes described above. As of the date of this Offering Circular, we anticipate making additional grants to the GSC for church revitalization, the Next Generation Missional Engagement Fund, and church multiplication endeavors, with the total of all grants being up to 50% of our net income for our fiscal year ending September 30, 2024, less excluded items. Excluded items include Canadian exchange adjustments, loan loss reserve adjustments, and unrealized gains/losses on endowment investments. We expect to make similar grants for similar purposes in subsequent years. We may also make other grants from time to time at the discretion of our Board of Directors.

## USE OF PROCEEDS

Proceeds received from the sale of our debt securities are added to our general funds, which are used primarily to make loans to current or former churches, classes, assemblies, institutions, and agencies (or their corporate affiliates) of the RCA primarily for the purchase, construction, or improvement of buildings, parsonages, or other property used in their ministry, or the purchase of land, and to pay our operating costs. Proceeds also may be used to pay interest and principal on debt securities, to maintain liquidity, to cover operating expenses, to fund grants for church multiplication, revitalization endeavors, and the Next Generation Missional Engagement Fund, and to reimburse the GSC for providing various services to us.

## DEBT SECURITIES

### General Terms

We have issued debt securities since 1958. All sales of our debt securities are for cash and we do not offer financing terms. We offer Term Savings Certificates that have a fixed duration of up to ten years from the date of issuance, and are payable at maturity if not automatically or otherwise reinvested. We also offer Demand Savings Certificates that may be redeemed by you, in whole or in part, at any time upon at least 30 days' prior written notice to us, subject to availability of funds, a limitation of three transactions per calendar month and $500 or more per transaction. While the general terms of our debt securities are described below, we reserve the right to vary the terms of our debt securities from time to time for promotional or other purposes.

### Minimum Investment

Generally, the minimum investment in one of our Term Savings Certificates or Pastoral Demand Savings Certificates is $1,000, and the minimum investment in one of our regular Demand Savings Certificates is $10,000, though we may waive or vary these requirements from time to time in our discretion. Our debt securities are available for any amount in excess of these minimums, subject to the limitations on investments held by a single investor described below, except that the maximum investment by a single investor in our Pastoral Demand Savings Certificates is $100,000, though we may waive or vary this requirement from time to time in our discretion. Debt securities that are issued to replace maturing Term Savings Certificates may be issued in amounts that are less than the then effective minimum investment amount, as long as all proceeds of the maturing Term Savings Certificate are reinvested. If the balance of a Demand Savings Certificate falls below the then effective minimum investment amount, we may redeem that Demand Savings Certificate at our discretion.

**Maximum Investment by a Single Investor**

It is our policy to not issue a Term Savings Certificate or Demand Savings Certificate that would cause a single investor to (a) hold more than 10% of the aggregate principal balance of all of our debt securities that would be outstanding immediately upon the effectiveness of the applicable investment, or (b) hold debt securities maturing in any twelve month period with an aggregate principal balance equal to more than 5% of the aggregate principal balance of all of our debt securities that would be outstanding immediately upon the effectiveness of the applicable investment. We have, however, made exceptions to this policy in the past on a case by case basis. It is our policy that funds equal to the amount of Certificates held by a single investor with an aggregate amount of $1,000,000 or more and maturity dates within 90 days will be segregated and invested into securities allowed by our investment policy with a maturity date not later than the maturity date of the Certificates. For a description of our investment policy, see "Investing Activities" starting on page 16.

**Jumbo Term Savings Certificates**

We refer to Term Savings Certificates issued for $100,000 or more as Jumbo Savings Certificates, though we may vary this threshold from time to time. Jumbo Savings Certificates have all of the same terms as our regular Term Savings Certificates, except we may offer a different interest rate for these types of Certificates or we may negotiate a different interest rate for these types of Certificates with the investor.

**Pastoral Demand Savings Certificates**

Investors who are ordained or commissioned pastors in the RCA and who are actively involved in ministry may purchase Pastoral Demand Savings Certificates, which are a type of Demand Savings Certificate with all the same terms as our regular Demand Savings Certificates except that they have a lower initial investment requirement and minimum balance of $1,000, a lower minimum additional investment amount of $200, a maximum investment balance of $100,000, and generally earn higher interest rates. Current interest rates for Pastoral Demand Savings Certificates are published on our "Current Interest Rates" sheet, and we may modify these rates and the other investment and transaction requirements from time to time in our discretion.

**Interest Rates**

Interest rates we pay on our Term Savings Certificates are generally fixed for their term, but the available interest rates offered on new Term Savings Certificates vary from time to time. Interest rates we pay on our Demand Savings Certificates vary from time to time. The interest rates available on our debt securities as of the date this Offering Circular was sent to you are set forth on the "Current Interest Rates" sheet that accompanied the Offering Circular. Current interest rates may also be obtained by calling us at 888-722-4958, emailing us at cgf@rca.org, or visiting our website at www.rca.org/cgf. We also may publish our available interest rates from time to time in publications or on websites that serve members of the RCA. Our debt securities begin earning interest from the date of purchase. Interest on Term Savings Certificates is paid to the investor or, at the investor's option, added to the principal balance of the debt security, each at either quarterly, semi-annual, or annual intervals as selected by the investor at the time of the initial investment in the Term Savings Certificates. Interest on Demand Savings Certificates is added to the principal balance of the debt security monthly.

On occasion, we may also allow investors holding one or more types of Term Savings Certificates to adjust the interest rate on their outstanding Term Savings Certificates, such as to the interest rate then being offered on newly-issued Term Savings Certificates of the same duration or some other promotional rate. The decision to offer these special terms or promotions, and the other conditions and terms on which they are offered, will be determined in our sole discretion.

**Retirement Accounts**

Our Term Savings Certificates and Demand Savings Certificates may be purchased by IRAs or other types of retirement accounts. Any individual who wishes to purchase one of our debt securities as part of an IRA or retirement account portfolio may do so through the custodian of a self-directed IRA or other self-directed retirement account. Due to the fixed term of our Term Savings Certificates, however, we may not be able to provide for minimum distributions that may be required by an IRA or other retirement account that has purchased a Term Savings Certificate if interest earned on the Term Savings Certificate is insufficient to make those payments, and IRA or other retirement account investors should take this into consideration when making their investment decision, including the decision of whether to purchase a Term Savings Certificate instead of a Demand Savings Certificate. See also "Tax Aspects" on page 19.

If you do not already have an IRA account or if you wish to open a new one, we have made arrangements with GoldStar Trust Company of Canyon, Texas to act as a custodian on behalf of investors wishing to invest through an IRA account. Under these arrangements, GoldStar Trust Company acts as the custodian of a self-directed IRA, and invests the IRA's funds in our debt securities as directed by the investor. More information on these arrangements for IRAs is available upon request from GoldStar Trust Company at 800-486-6888. Please be aware that GoldStar Trust Company may assess fees, including a processing fee for annual distributions or closure of an IRA account, and you will need to enter into a separate and independent account agreement with GoldStar Trust Company. If your IRA account investment in our debt securities equals or exceeds $10,000, we will pay the GoldStar Trust Company annual fees on your behalf. Other than covering these fees, we do not pay any compensation to, or receive any compensation from, GoldStar Trust Company for this arrangement or their services.

**Book Entry System**

We use a book entry system to record ownership and invested balances for all of our newly issued debt securities. Under this system, we keep an electronic record of your investments in debt securities. The actual terms of your debt securities will be as set forth in the Offering Circular, including the Summary of Term Savings Certificate Terms or Summary of Demand Savings Certificate Terms, as applicable, attached to the version of our Offering Circular that is effective as of the date of your initial investment or the date of renewal for a maturing Term Savings Certificate, whichever is later. Instead of a paper certificate, we send you confirmation of your initial investment and any subsequent additions to, or redemptions of, your investment. We also send periodic statements showing the amount you have invested with us. Before moving to our current book entry system we issued Term Savings Certificates in the form of paper certificates.

**Maturity; Failure to Respond to Maturity Notification**

At least 30 days prior to the expiration of the term of a Term Savings Certificate, written notice of the maturity date will be mailed to the investor, together with a current Offering Circular if one has not been provided previously. At maturity of the Term Savings Certificate, the investor will have the option to receive full payment of principal and accrued interest, subject to the availability of funds, or to reinvest all or part of the principal and accrued interest in a new debt security, subject to the minimum and maximum investment requirements described above. If the investor does not respond or make an affirmative election by the date of maturity, and if permitted by the law of the investor's state of residence, we will automatically reinvest the maturing principal and any unpaid interest in a new Term Savings Certificate for the same term if that term is then being offered, or if that term is not then being offered, for the closest, shorter term then being offered, but generally in each case at the then current interest rate and other terms offered for our Term Savings Certificates of that term at that time.

**Early Redemption**

Generally, investors have no right to the early redemption of their Term Savings Certificate prior to its maturity. If we allow early redemption, we may impose an early redemption fee. As of the date of this Offering Circular, that fee was equal to 90 days of interest for debt securities with terms of three years or less and 180 days of interest for debt securities with terms of more than three years. We may waive or vary the early redemption fee from time to time either as part of a larger promotion or in specific circumstances, such as upon the request of a joint tenant, executor, or personal representative following the death of an investor. A letter requesting early redemption accompanied by a death certificate may be required for the waiver or variation of the early redemption fee in the event of a death.

**Prepayment**

We may prepay debt securities at any time, without premium, but with accrued interest to the date of redemption.

**Non-transferable**

Our debt securities are ordinarily not transferable. However, an investor may send in a request for transfer for our consideration. If the request for transfer is acceptable to us in our sole discretion, we will issue a new debt security in book entry form in the name of the requested transferee.

**Priority**

Our debt securities are our unsecured general debt obligations, and each investor will have an equal claim against our assets with other debt security holders and unsecured creditors. In the event of our liquidation or any distribution of our assets upon bankruptcy, reorganization or similar proceedings, all of our unsecured debt obligations, including the debt securities, will have an equivalent claim to our assets. If we incur senior secured indebtedness, the creditor issuing that debt to us will have a higher priority claim to our assets than will holders of our debt securities. While no assurance can be given that we will not at some future date issue obligations that will have a higher priority claim to our assets or incur other senior indebtedness, we do currently have a policy that the amount of any such senior secured indebtedness shall not exceed 10% of our tangible assets. Our failure to pay principal and interest on a debt security when due and requested will be an event of default, but only as to that debt security.

**Outstanding Debt Securities**

The average weighted interest rate on our debt securities was 3.01%, 1.36%, and 1.72%, on September 30, 2023, 2022, and 2021, respectively. The following tables describe our outstanding debt securities as of September 30, 2023:

| Term (months) | Number | | Aggregate Principal Balance |
|---|---|---|---|
| Demand | 110 | $ | 8,624,575 |
| 12 | 86 | | 3,763,222 |
| 18 | 71 | | 5,449,003 |
| 24 | 43 | | 917,412 |
| 30 | 136 | | 5,385,046 |
| 36 | 40 | | 1,141,516 |
| 48 | 19 | | 537,334 |
| 60 | 91 | | 1,747,324 |
| 120 | 28 | | 804,534 |
| Totals | 624 | $ | 28,369,966 |

| Maturing during fiscal year ending September 30, | | Aggregate Principal Balance |
|---|---|---|
| On Demand | $ | 8,624,575 |
| 2024 | | 13,834,860 |
| 2025 | | 3,122,894 |
| 2026 | | 1,218,889 |
| 2027 | | 446,148 |
| 2028 | | 468,521 |
| Thereafter | | 654,079 |
| Total | $ | 28,369,966 |

**Recent Sales and Reinvestments**

For the fiscal year ended September 30, 2023, we sold $11,497,062 of debt securities, of which $3,760,022 was attributable to new sales, $541,322 to interest reinvested, and $7,195,718 to reinvestments of the outstanding principal on matured Term Savings Certificates. It has been our historical experience that only a portion of the principal balance of maturing Term Savings Certificates is reinvested in new debt securities. For the fiscal year ended September 30, 2023, $7,737,040 (which includes reinvested interest) or approximately 79% of the $9,808,730 of Term Savings Certificates that matured were reinvested into Term or Demand Savings Certificates. During that same period, investors redeemed a total of $2,071,690 of Term Savings Certificates at maturity and $1,227,088 prior to maturity due to the death of the owner or other special circumstances.

## LENDING ACTIVITIES

**General**

We make loans primarily to current or former churches, classes, assemblies, institutions, agencies (and their corporate affiliates) of the RCA primarily for the purchase, construction, or improvement of church buildings, parsonages, and other property used in their ministry. On occasion, we also may loan funds for the purchase of land, as a line of credit, or for other purposes. The rate of interest we charge on loans is established by our Staff Loan Committee, Board Credit Committee, or Board of Directors, depending on the size of the loan. Our loan index rate is established by our Staff Loan Committee and reviewed periodically with our Board Credit Committee.

**Loans Outstanding**

As of September 30, 2023, we had 103 loans outstanding with maturities ranging from fiscal years ending 2024 through 2048. The table below shows the distribution of those loans by principal outstanding loan balances in the ranges indicated:

| Principal Loan Balance | Number of Loans | Aggregate Principal Outstanding | Percent of Total Loan Principal Outstanding |
|---|---|---|---|
| Less than $50,001 | 11 | $ 322,383 | 1% |
| $50,001 - $100,000 | 22 | 1,592,724 | 3% |
| $100,001 - $250,000 | 29 | 4,748,511 | 10% |
| $250,001 - $500,000 | 16 | 5,695,444 | 12% |
| $500,001 - $1,000,000 | 11 | 7,599,374 | 15% |
| $1,000,001 - $2,000,000 | 9 | 13,590,346 | 28% |
| $2,000,001 - $5,000,000 | 5 | 15,478,657 | 31% |
| Totals | 103 | $ 49,027,439 | 100% |

Except as noted below under "Unsecured Loans," these loans were secured primarily by mortgages or deeds of trust on property located in 19 states as well as in Canada, though some were also secured by personal property, guaranties, and investment securities. The weighted average of the interest rates on all of our outstanding loans as of September 30, 2023, was 4.80%.

During the fiscal year ended September 30, 2023, we received $5,186,045 in loan payoffs and refinancings and/or payments of principal and $2,294,140 in payments of interest on our outstanding loans. The table below sets forth the principal payments scheduled to be received on all outstanding loans in future calendar years ended December 31, based on September 30, 2023, data:

| Year ended December 31, | Principal Due |
|---|---|
| 2024 | $ 902,540 |
| 2025 | 1,389,101 |
| 2026 | 1,429,522 |
| 2027 | 1,407,334 |
| 2028 | 1,407,230 |
| Thereafter | 42,491,712 |
| Total | $ 49,027,439 |

During the fiscal year ended September 30, 2023, we restructured four loans with an aggregate principal balance of $4,054,734 to accommodate the borrowers' financial conditions.

**Unsecured Loans**

Included in the "Loans Outstanding" table above are $405,985 of unsecured loans, which mature between fiscal years ending 2024 and 2028, and constitute less than 1% of the total dollar amount of our outstanding loans as of September 30, 2023.

**Delinquent Loans**

As of September 30, 2023, we had no loans that were delinquent 90 days or more. Our allowance for loan losses was $1,700,000 as of that same date. Due to the ecclesiastical nature of our relationship with our borrowers, we have on occasion been willing to make accommodations for borrowers who are in default. Those accommodations could include the restructuring of their loan. No assurance can be given that we will be able or willing to accommodate borrowers who are delinquent in the future.

**Loan Commitments**

As of September 30, 2023, we had outstanding loan commitments totaling approximately $2,770,000 that may result in additional amounts being advanced to borrowers. All of these commitments except for $150,000 were for secured loans. These loan commitments are not reflected in the Statements of Financial Position.

**Lines of Credit**

Occasionally, we may make lines of credit available to RCA churches, classes and other agencies and affiliates of the RCA on a short-term basis. As of September 30, 2023, we had one outstanding line of credit with no outstanding balance.

**Loan Terms, Policies and Documentation**

We make loans primarily to current or former churches, classes, assemblies, institutions and other agencies (and their corporate affiliates) of the RCA to assist them primarily in the purchase, construction, improvement or maintenance of buildings, parsonages and other property used in their ministry. On occasion, we also may loan funds for the purchase of land, as a line of credit, or for other purposes. The terms of each loan are determined on a case by case basis by our Staff Loan Committee, Board Credit Committee or Board of Directors, depending on the size of the loan and whether it is secured. In recent years, our loans have typically been secured loans with terms of up to 30 years. The initial interest rates on these loans are usually fixed for a specified period of time and then adjusted annually based on a proprietary index. Under certain circumstances, we offer reduced rates for the initial time period. Loans may or may not include prepayment penalties. Loans we make in the future may or may not be on similar terms, and we have the flexibility to vary our terms and make certain exceptions to our policies as necessary on a case by case basis. Our standard loan rates are set from time to time by the Board of Directors, Board Credit Committee and Staff Loan Committee.

Most of our loans are secured by a first lien on real estate. Under certain circumstances a loan may be secured by a junior lien on real estate, a pledge of personal property, a third-party guarantee, a pledge of our debt securities owned by the borrower or third-party guarantors, or some combination of these types of security. We may also make unsecured loans. Our Bylaws currently state that the total principal amount of all unsecured loans outstanding to any one borrower may not exceed 1% of our net assets, and the total principal amount of all unsecured loans outstanding to all borrowers may not exceed 5% of our net assets, though we may make exceptions or amendments to these limitations. Loans are typically made directly to a borrower but may also be made indirectly to a borrower through a participation agreement with another lender. We may also sell all or a portion of a loan to a third party.

Our secured loans are typically offered at interest rates comparable to or below the rates generally available in the open market for similar secured loans. The amounts loaned, interest rates charged, payment schedules, and other loan terms are determined by our Staff Loan Committee, Board Credit Committee, or Board of Directors, based upon the size of the loan, on a case by case basis. Our loan documentation typically consists of a promissory note and a mortgage, deed of trust, or similar security instrument for loans secured by real estate, or a security agreement, pledge agreement(s) and guaranty(ies) for loans secured by personal property. Short-term unsecured loans are documented with only a promissory note. Casualty insurance naming us as mortgagee/loss payee is typically required, and it is our policy to require title insurance (or a lawyer's title opinion) for loans in excess of $200,000 although exceptions may be made based upon our review of the loan. We also usually seek to ascertain the environmental condition of the collateral through the completion of an environmental questionnaire by our borrowers. We do not normally obtain independent appraisals as to the value of real property securing the loans we make.

To apply for a loan, an applicant must complete a loan application and provide supporting information to us. The extent of the information required of the applicant is determined in part by the size of the proposed loan. A copy of the application must also be sent to the applicant's classis and regional synod executives for their respective reviews and recommendations, though an application for a short-term loan is sent only to the applicant's classis for review and recommendation. When the application is determined by our staff to be complete, it is submitted for approval to our Staff Loan Committee, Board Credit Committee, or our Board of Directors, depending on the size of the loan and whether it is secured. Some factors the committees and Board of Directors consider in their respective decisions include the amount of cash and pledges dedicated to the applicant's project; the historical and projected membership, attendance and financial information provided by the applicant; the applicant's history of meeting its financial obligations to the RCA's agencies and assemblies; and the ratio of revenue needed to repay the proposed loan compared to the applicant's total projected revenue. The terms of outstanding loans may be modified by our staff, Staff Loan Committee, Board Credit Committee or Board of Directors (depending on certain characteristics) from time to time on a case by case basis.

**Borrowers Leaving the RCA**

If a borrowing church leaves the RCA, the borrower must complete a loan continuance application and provide supporting information to us. A copy of the application must also be sent to the applicant's former classis for review confirmation that the classis has approved the church's departure from the RCA. When the application is determined by our staff to be complete, it is submitted for approval to our Staff Loan Committee, Board Credit Committee, or our Board of Directors, depending on the size of the loan and whether it is secured. If the continuance of the loan is approved, the terms of the loan may be modified by our staff, Staff Loan Committee, Board Credit Committee or Board of Directors (depending on certain characteristics) from time to time on a case by case basis, including requiring the borrower to continue to function as a protestant Christian congregation.

**Allowance for Loan Losses**

One of our policies is to review the strength of our outstanding loans on a regular basis and, if appropriate, to modify our allowance for loan losses. The purpose of such an allowance is to provide for possible loan losses resulting from the inability of our borrowers to make loan payments or the impairment of the collateral securing the loans. As of September 30, 2023, we had an allowance for loan losses of $1,700,000. If the financial condition of our borrowers or the value of the collateral securing our loans were to deteriorate, resulting in an impairment of our borrowers' ability to make payments, our estimates may need to be updated and additional allowances for loan losses may be required.

## INVESTING ACTIVITIES

It is our policy on the date of this Offering Circular to invest available funds using investment managers. All managers have discretionary investment authority over the assets we place with them and have agreed to manage those assets in accordance with our investment objectives and restrictions. Our objectives are to provide daily accessible liquidity and generate income through fixed income and equity investments with reasonable and prudent levels of risk, within certain socially responsible investment guidelines and restrictions. Equity investments are limited to 15% of our net assets. It is also our policy to maintain cash, cash equivalents and liquid invested funds (including funds managed by all investment managers) in an amount equal to not less than 15% of the aggregate balance of our outstanding Demand Savings Certificates plus 10% of the aggregate balance of our outstanding Term Savings Certificates. There can be no assurance, however, that these policies will be continued in the future or that we will be able to maintain cash, cash equivalents and invested funds in accordance with these policies. Our Board of Directors sets these policies, and the GSC Investment Advisory Committee, our investment advisors, and our staff are responsible for implementing them. See "Management" at page 20.

Excess reserve funds are invested in fixed income securities managed by Telemus Capital, L.L.C. ("**Telemus**"). Telemus is an investment management company that has provided investment management services to individuals and organizations since 2005. Its primary office is in Southfield, Michigan, and it has other offices in Illinois and California. The assets are held in custody at Pershing, LLC.

We also have funds invested in the RCA Endowment Fund as well as other assets invested in fixed income and equity securities. Some of these funds are managed by LVM Capital Management, Ltd. ("**LVM**"). LVM is a Registered Investment Advisor with its primary office in Kalamazoo, Michigan, and another office in Florida, and has been providing investment management services to individuals and organizations since 1988. Investments managed by LVM are held in custody at TD Ameritrade and Charles Schwab.

Some of our invested funds are managed by Barnabas Foundation, a not-for-profit Illinois Corporation that provides asset management services. Barnabas Foundation began managing these funds in April 2021.

Our investment policies also allow us to invest up to 7% of our net assets in unsecured certificates offered by other church extension funds similar to CGF, provided that any such church extension fund meets certain financial criteria as established by our Investment Committee pursuant to our investment policies, and up to $1.5 million in a single church extension fund, though we may make exceptions to this policy on a case by case basis. As of September 30, 2023, we did not have any investments in unsecured church extension fund certificates.

A copy of our investment policies is available from the RCA Office of Finance, 4500 60th Street SE, Grand Rapids, Michigan 49512 (616-698-7071).

We had total income/(loss) from investments for the fiscal years ending September 30, 2023, 2022, and 2021 of $1,502,265, ($1,883,566), and $753,322, respectively, which included net unrealized/realized gains/(losses) on investments for the fiscal years ending September 30, 2023, 2022, and 2021 of $785,679, ($2,309,442), and $382,490, respectively. As of September 30, 2023, we had $15,968,115 invested in securities under management with Telemus (64% of our investments), $7,188,816 invested in securities under management with LVM (28% of our investments), and $1,924,935 invested with the Barnabas Foundation (8% of our investments). Our investments in those accounts were as follows:

| Investment | | Amount | Percentage of Total |
|---|---|---|---|
| Investments held at fair value: | | | |
| Fixed income-corporate bonds | $ | 9,867,800 | 39.3% |
| Fixed income-government and municipal bonds | | 9,531,720 | 38.0% |
| Corporate stocks | | 3,707,828 | 14.8% |
| Exchange traded funds | | 49,583 | 0.2% |
| Investments held at net asset value: | | | |
| Unitized equities | | 1,924,935 | 7.7% |
| Total investments | $ | 25,081,866 | 100.0% |

The GSC administers the RCA Endowment Fund, which holds endowments for our benefit. Participating units in the RCA Endowment Fund are issued based on the fair value of the assets held by the program at the date of the investment. As of September 30, 2023, the fair value of the units held by us in the RCA Endowment Fund exceeded their cost basis. As of that same date, we held an approximately 3% interest in the RCA Endowment Fund with a fair value of $675,105. Our investments in our portion of the RCA Endowment Fund at that time were as follows:

| Investment | | Amount | Percentage of Total |
|---|---|---|---|
| CGF portion of RCA Endowment Fund | | | |
| Equities | $ | 479,325 | 71% |
| Fixed income | | 195,780 | 29% |
| | $ | 675,105 | 100% |

Funds we hold in the RCA Endowment Fund are held by the GSC for our benefit but may potentially be subject to claims of creditors of the GSC. If such claims were asserted and upheld by the courts, it could negatively affect our ability to recover our investments.

## SELECTED FINANCIAL DATA

The tables below set forth certain financial data as of and for the fiscal years ended September 30, 2019 through 2023, which were derived from our audited financial statements for each of those years. You should also review our Financial Statements in connection with this information, including the notes to those Financial Statements which contain certain significant accounting policies that affect the more significant judgments and estimates used in the preparation of our Financial Statements. Certain amounts in prior years have been reclassified to conform to the current year presentation. Given the volatility of current economic conditions, the values of assets and liabilities recorded in the Financial Statements could change, resulting in future adjustments in asset values, the allowance for loan losses or net assets.

| | 9/30/2023 | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 |
|---|---|---|---|---|---|
| **Statements of Financial Position:** | | | | | |
| **Assets:** | | | | | |
| Cash and cash equivalents | $ 6,180,589 | $ 9,728,124 | $ 9,273,465 | $ 8,225,636 | $ 5,405,527 |
| Investments | 25,081,866 | 20,618,651 | 19,495,709 | 16,306,405 | 13,932,599 |
| Investments held in the RCA Endowment Fund | 675,105 | 635,273 | 757,124 | 678,560 | 623,329 |
| Mortgages and loans receivable | 49,027,439 | 51,185,285 | 57,216,216 | 59,327,650 | 62,328,504 |
| Allowance for loan losses | (1,700,000) | (1,700,000) | (1,700,000) | (1,700,000) | (1,700,000) |
| Other assets | 127,622 | 120,016 | 124,966 | 143,146 | 150,394 |
| Total assets | $ 79,392,621 | $ 80,587,349 | $ 85,167,480 | $ 82,981,397 | $ 80,740,353 |
| **Liabilities and net assets:** | | | | | |
| Debt securities payable | $ 28,369,966 | $ 31,672,760 | $ 34,878,929 | $ 34,428,846 | $ 33,667,285 |
| Other liabilities | 145,116 | 331,872 | 126,087 | 194,847 | 133,976 |
| Total liabilities | $ 28,515,082 | $ 32,004,632 | $ 35,005,016 | $ 34,623,693 | $ 33,801,261 |
| Total net assets | $ 50,877,539 | $ 48,582,717 | $ 50,162,464 | $ 48,357,704 | $ 46,939,092 |
| Total liabilities and net assets | $ 79,392,621 | $ 80,587,349 | $ 85,167,480 | $ 82,981,397 | $ 80,740,353 |
| **Summary Statement of Activities and Changes in Net Assets:** | | | | | |
| Net operating income | $ 2,053,393 | $ 1,702,643 | $ 2,109,725 | $ 1,756,086 | $ 1,737,018 |
| Net non-operating income (loss) | 201,597 | (3,160,539) | (383,529) | (392,705) | (211,457) |
| Change in value of funds held in RCA Endowment Fund | $ 39,832 | $ (121,851) | $ 78,564 | $ 55,231 | $ 11,060 |
| Total change in Net Assets | $ 2,294,822 | $ (1,579,747) | $ 1,804,760 | $ 1,418,612 | $ 1,536,621 |

| | 9/30/2023 | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 |
|---|---|---|---|---|---|
| **Debt Securities Activity:** | | | | | |
| Debt securities issued | $ 3,760,022 | $ 3,993,823 | $ 6,222,150 | $ 7,502,582 | $ 8,617,501 |
| Debt securities payable reinvested at maturity | $ 7,737,040 | $ 11,755,759 | $ 10,032,038 | $ 9,512,251 | $ 6,875,467 |
| Reinvestment of interest in debt securities payable | $ 541,322 | $ 383,110 | $ 530,454 | $ 616,943 | $ 517,488 |
| Cash paid for interest on debt securities payable | $ 137,615 | $ 129,521 | $ 197,193 | $ 228,345 | $ 199,490 |
| Debt securities redeemed | $ 7,604,138 | $ 7,583,102 | $ 6,302,521 | $ 7,372,964 | $ 8,941,668 |

| Year ending September 30: | **Unsecured Loans:** | | **Delinquent Loans 90 days or more:** | |
|---|---|---|---|---|
| | **Amount** | **% of Total** | **Amount** | **% of Total** |
| 2019 | $ 485,275 | 0.78% | $ 0 | 0% |
| 2020 | $ 946,014 | 1.59% | $ 0 | 0% |
| 2021 | $ 622,380 | 1.09% | $ 0 | 0% |
| 2022 | $ 497,569 | 1.00% | $ 0 | 0% |
| 2023 | $ 405,985 | 0.83% | $ 0 | 0% |

### Management's Discussion of Net Assets

For the fiscal year ended September 30, 2023, we experienced an increase in net assets of $2,294,822, which included net operating income of $2,053,393 and realized and unrealized gain on investments of $785,679. For the fiscal year ended September 30, 2022, although the result from our operations was a positive net income of $1,702,643, overall we experienced a decrease in net assets of $1,579,747. The decrease in net assets can be attributed primarily to realized and unrealized losses on investments of $2,309,442, which management attributes to stock and bond market conditions witnessed throughout the fiscal year ending September 30, 2022. For the fiscal year ended September 30, 2021, we experienced an increase in net assets of $1,804,760, which included net operating income of $2,109,725 and net realized and unrealized gain on investments of $382,490.

### Line of Credit

To further assist us in managing our liquidity, we maintain a $5,000,000 unsecured line of credit with PNC Bank ("**Bank**"). The line of credit has a maturity date of March 31, 2024, though we anticipate renewing it annually, subject to approval by the Bank. The interest rate charged by the Bank on funds advanced is a variable rate based on the daily Bloomberg Short-Term Bank Yield Index rate plus 2.00%. If we draw any funds from the line of credit, we are required to pay interest on the amounts advanced monthly, and to repay the outstanding principal balance at the time of maturity. We had not drawn on the line of credit, and did not owe any amounts on the line of credit, as of September 30, 2023.

## PLAN OF DISTRIBUTION

The primary means of soliciting potential investors is through the use and distribution of this Offering Circular, which is typically delivered in response to invitations or inquiries from individuals, churches or other institutions, currently or formerly affiliated with the RCA, in response to inquiries from prospective investors through the RCA's website or development office, or in response to advertisements in publications or on websites that serve members of the RCA. We may also publish promotional material for print in national and regional publications and for distribution or posting at churches, assemblies, conventions, seminars, and construction sites, or through direct mailings to current, past, and prospective investors, both by regular and electronic mail. The RCA's development office may also distribute our promotional materials to interested parties.

Prospective investors may obtain an Offering Circular and application by requesting them from our Orange City, Iowa office at 888-722-4958. The Offering Circular, including the application form, may also be downloaded from our website at www.rca.org/cgf. Questions about our debt securities or the offering should be directed to our Executive Director, Pamela Goslinga, in our Orange City, Iowa office at 888-722-4958.

To purchase one of our debt securities, an investor must review the Offering Circular, complete the application to purchase, and send the completed application to purchase with either ACH payment authorization or a check payable to RCA Church Growth Fund, Inc., P.O. Box 76, Orange City, IA 51041. If we accept the potential investor's offer to purchase, the investor is notified by mail and an investment confirmation is returned to the investor reflecting the amount of the investment. Investors wishing to invest through an IRA or other retirement account should review the section of this Offering Circular entitled "Debt Securities – Retirement Accounts" on page 12, and coordinate the completion of the application to purchase with their retirement account custodian.

No underwriting or selling agreements exist, and no direct or indirect commissions or other compensation will be paid to any person in connection with the offer and sale of our debt securities. We offer and sell our debt securities solely through our officers, directors and employees who are authorized to engage in such activities in the applicable jurisdiction; there are no outside selling agents involved in this offering.

## TAX ASPECTS

By purchasing one of our debt securities, you may be subject to certain income tax provisions of the Internal Revenue Code. Some of the significant federal income tax consequences of purchasing our debt securities include the following:

- Although we are a 501(c)(3) organization, you will not be entitled to a charitable deduction for the debt security(ies) you purchase.
- Any interest on your debt security(ies) will be taxed as ordinary income in the year it accrues or is paid to you (unless you hold the debt security in a traditional IRA or other tax deferred account).
- We will provide you a Federal Income Tax Form 1099-INT or the comparable form by January 31st of each year indicating the interest earned on your debt security(ies) during the previous calendar year.
- You will not pay income tax on the return of any principal amount of your debt security(ies) or on the payment of interest that was previously taxed.
- You will be required to certify, by signing the Savings Certificate Application, the accuracy of your social security number, that you are not subject to backup withholding, and that you are a U.S. resident.

In addition, 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, are controlled by or are under common control with us, you may be deemed to receive additional taxable interest under Section 7872 of the Internal Revenue Code if the interest paid to you is below the applicable federal rate. In that situation, the Internal Revenue Service may impute income up to that applicable federal rate. If you believe this applies to you, you should consult your tax advisor.

If the law creating the tax consequences described in this summary changes, this summary could become inaccurate. This summary is based on the Internal Revenue Code, the regulations promulgated under the Internal Revenue Code, and administrative interpretations and court decisions existing as of the date of this Offering Circular. These authorities could be changed either prospectively or retroactively by future legislation, regulations, administrative interpretations, or court decisions. Accordingly, this summary may not accurately reflect the tax consequences of an investment in our debt securities after the date of this Offering Circular.

In addition, this summary does not address every aspect of tax law that may be significant to your particular circumstances. For instance, it does not address special rules that may apply if you are a financial institution or tax-exempt organization; if you are not a citizen or resident of the United States; or if you are purchasing the debt securities through an IRA or other tax-deferred account; nor does it address any aspect of state or local tax law that may apply to you.

This discussion of federal income tax consequences was written to support the promotion or marketing of our debt securities and is not intended or written to be used, and cannot be used, by any taxpayer as any kind of tax advice or for the purpose of avoiding tax penalties. You should consult with your tax advisor to determine the particular federal, state, local or foreign income or other tax consequences particular to your investment in our debt securities.

## LITIGATION AND OTHER MATERIAL TRANSACTIONS

As of the date of this Offering Circular, we were not a party to any present, pending, or threatened material legal proceedings.

## MANAGEMENT

**Directors**

As a not-for-profit directorship corporation, we have no members or shareholders and we are managed by our Board of Directors. Our Certificate of Incorporation and Bylaws require that we have at least six and up to twelve voting board members, all of whom must be members in good standing of the RCA and of the minimum age prescribed by the New York not-for-profit corporation law. The general secretary of the RCA is an *ex officio* board member without a vote, with the right to attend all meetings and with the right to speak on any matter before the board. At least two thirds of the voting board members must be citizens of the United States of America, and a majority of the board members must have competence in banking, finance, accounting, real estate, or law, particularly as those fields relate to the evaluation of loans secured by real estate.

All voting board members are elected to three-year terms by the General Synod following their nomination by the General Synod's Commission on Nominations. Typically, nominations are submitted by the existing Board of Directors for each board position that is to be filled. When submitting nominees, the Board of Directors endeavors to reflect the diversity of the RCA. No employee of the General Synod, the GSC, or BOBS that is directly accountable to CGF, nor a spouse, parent, sibling, or child of such a person, is eligible for membership as a voting board member. The length, number, commencement date, and calculation of the terms of all board members are as provided in our Certificate of Incorporation, Bylaws, and the RCA's *Book of Church Order,* and are established in a manner that attempts to stagger the term expirations of our directors. All voting board members are ineligible to serve for one year after they have served two consecutive terms. The Board of Directors has at least two regularly scheduled meetings per year.

The following persons serve as directors as of the date of this Offering Circular:

Rev. Eddy Alemán, age 52, of Caledonia, Michigan. Rev. Alemán is an *ex officio*, non-voting member of our board by virtue of his position as the General Secretary of the RCA. As an *ex officio* member of our board, Rev. Alemán's term will continue for as long as he is the General Secretary of the RCA.

Joel Bouwens, age 72, of Holland, Michigan. Mr. Bouwens is a retired attorney, having worked at Cunningham Dalman P.C. for 46 years. He serves as our Vice President and is a member of our Board Credit Committee. His term as a CGF director expires in 2025.

Rev. Michael Bos, age 61, of Mount Arlington, New Jersey. Rev. Bos is the Pastor of Collegiate Church and Chaplain and Faculty of Collegiate School in New York, New York. Rev. Bos is a member of our Board Credit Committee and his term as a CGF director expires in 2026.

Mr. Mark Ellingson, age 65, of Pella, Iowa. Mr. Ellingson is retired, having served most recently as Senior Vice President of the Investment Division of Leighton State Bank for seven years. He is a CGF representative on the GSC Investment Advisory Committee and his term as a CGF director expires in 2026.

Ms. Diane Smith Faubion, age 66, of Scotia, New York. Ms. Faubion is a former executive vice-president of First National Bank of Scotia, where she worked for 42 years. Her current term as a CGF director expires in 2024.

Ms. Elba Arias-Lopez, age 57, of Chester, New York. Ms. Arias-Lopez is a Commercial Relationship Officer for Popular Bank, where she has worked for 35 years. She serves as our Secretary and is a member of our Board Credit Committee. Her term as a CGF director expires in 2025.

Mr. Michael Molling, age 35, of Shorewood, Wisconsin. Mr. Molling is the Senior Vice President, North America, of Rosti (formerly Plastics Components, Inc.), where he has worked for five years. He is a CGF representative on the GSC Audit Subcommittee and his term as a CGF director expires in 2026.

Mr. Ronald Rukambe, age 49, of Monroe, New Jersey. Mr. Rukambe is the Vice President of Blackstone, a private equity finance firm. Mr. Rukambe serves as our President and is a CGF representative on the GSC Investment Advisory Committee. His term as a CGF director expires in 2025.

**Officers and Key Personnel**

Our officers are as follows:

Ronald Rukambe, President
Joel Bouwens, Vice President
Elba Arias-Lopez, Secretary
Lisa Stover, Interim Treasurer
Pamela Goslinga, Executive Vice President and Executive Director
Paul Karssen, Assistant Vice President

Pamela Goslinga, age 61, of Sheldon, Iowa. Ms. Goslinga serves as our Executive Vice President and Executive Director, and on our Staff Loan Committee. She has been with us for 26 years, and prior to joining us accumulated nearly 14 years of banking experience with Northwestern State Bank, Orange City, Iowa.

Paul Karssen, age 67, of Orange City, Iowa. Mr. Karssen serves as our Assistant Vice President. He also serves as General Counsel for the GSC. Mr. Karssen is a graduate of California State University Fullerton and has a law degree from the University of Southern California. He practiced litigation and real estate law with firms in Los Angeles, California for 13 years before becoming the fund executive and Executive Vice President of the CGF in 1994. Mr. Karssen held that position until 2011 when he shifted his primary focus to his GSC general counsel responsibilities. He has been our Assistant Vice President since that time.

Lisa Stover, age 52, of Kentwood, Michigan. Ms. Stover serves as our Treasurer and on our Staff Loan Committee. She currently serves as Director of Finance and Interim Chief Financial Officer of GSC, where she has worked for seven years.

The board President, Vice President, and Secretary are elected by and from the Board of Directors. These officers serve in a volunteer capacity without salary. The staff personnel who are responsible for our day-to-day operations are the Treasurer, the Executive Director, the Vice President, and the Assistant Vice President, all of whom are employed and paid by the GSC.

Other staff personnel include Angela Worthley (Loan and Savings Certificate Operations Administrator), Karen Hulsart (Loan Officer), and Sheryl Meulenberg (Administrative Assistant). Ms. Worthley and Ms. Hulsart are located at our Orange City, Iowa office and Ms. Meulenberg is located at our Grand Rapids, Michigan office.

Our Executive Vice President and Executive Director, Pamela Goslinga, is principally responsible for all aspects of the CGF. The RCA Interim Chief Financial Officer, Lisa Stover, is principally responsible for maintaining our financial records. Ms. Goslinga is located in our Orange City, Iowa office and Ms. Stover is located in our Grand Rapids, Michigan office.

Except for Ms. Goslinga, Ms. Hulsart, and Ms. Worthley, all the staff personnel divide their time between their work for us and other corporations, agencies or institutions of the RCA. The amount of time devoted to our operations varies as our needs and work vary from time to time.

**Remuneration**

No member of the Board of Directors receives any compensation as a Director. Directors are reimbursed for actual expenses incurred in attending meetings of Directors. The President, Vice President, and Secretary also receive no compensation for their services but are reimbursed for actual expenses incurred in carrying out their volunteer responsibilities.

All of the staff personnel referred to above and the Treasurer, as well as the other employees who work for us, were paid by the GSC. The net amount of all direct and indirect reimbursements we made to the GSC for remuneration to our executive officers for the fiscal year ended September 30, 2023, was $217,113.

## INVESTOR REPORTS

Current audited financial statements are always available to investors upon written request and it is our policy to mail them to investors within 120 days of our fiscal year end. Current audited financial statements are also available on the RCA website at http://www.rca.org/finance.

## FINANCIAL STATEMENTS

The audited financial statements as of and for the years ended September 30, 2023 and 2022, that are included in this Offering Circular, have been audited by Plante Moran PLLC, 750 Trade Centre Way, Suite 300, Portage, MI 49002, independent auditors, as stated in their report. The audited financial statements as of and for the year ended September 30, 2021, that are included in this Offering Circular, have been audited by Capin Crouse LLP, 250 Monroe NW, Suite 400, Grand Rapids, Michigan 49503, independent auditors, as stated in their report.

## SUMMARY OF TERM SAVINGS CERTIFICATE TERMS

The terms of Term Savings Certificates issued pursuant to this Offering Circular shall be as follows, and these terms together with CGF's books and records shall constitute the evidence of indebtedness owed:

- The principal dollar amount, interest rate, certificate owner, certificate number, date issued, term and maturity date of the Term Savings Certificates will be as stated in the confirmation or receipt sent by CGF to the certificate owner at the time of the initial investment, or any renewal thereof. CGF is authorized by the certificate owner to note all such facts on its books and records, as well as the amount of each accrual or payment of interest, and the amount of any principal payment or addition to the certificate, which books and records shall constitute *prima facie* evidence of the information so noted.
- Upon redemption, either at maturity or otherwise, the principal amount of the certificate and any accrued but unpaid interest, less any penalties assessed for early redemptions, if applicable, will be paid by CGF to the certificate owner.
- The certificate will earn interest from the date of issuance until maturity or redemption. Interest will be accrued or paid to the certificate holder either quarterly, semi-annually, or annually, as elected by the certificate holder at the time of investment. If the certificate holder does not specify whether interest will be accrued or paid, interest will be accrued. If the certificate holder does not specify a payment interval, interest will be accrued or paid semi-annually.
- CGF may at its option redeem the certificate at any time, without premium, but with accrued interest.
- The certificate may not be pledged or assigned and is not negotiable or otherwise transferrable except when affirmatively permitted by CGF in its sole discretion.
- The certificate is issued in accordance with, and subject to the terms and conditions set forth in, the purchase application and CGF's current offering circular, as it may be updated or supplemented from time to time, including, without limitation, provisions related to the minimum and maximum investment by a single investor, automatic renewal, prepayment, early redemption, and limited transferability of the certificate.
- Without limiting the generality of the previous sentence, and subject to any limitations imposed by the certificate owner's state of residency as set forth in the offering circular, the certificate will automatically renew upon its initial maturity date and any subsequent maturity date(s) resulting from renewal(s) for the same term if that term is then being offered, or if that term is not then being offered, for the closest, shorter term then being offered, but generally in each case at the then current interest rate and other terms offered for our Term Savings Certificates of that term at that time, unless the certificate owner notifies CGF prior to the then current maturity date, in writing and on forms approved by CGF, of the certificate owner's redemption of the certificate upon maturity. In the event of an automatic renewal, the entire outstanding principal and accrued but unpaid interest will be invested in the new certificate.
- Certificate owners generally have no right to the early redemption of the certificate prior to its maturity. If CGF allows early redemption, it may impose an early redemption fee. The amount of that fee may vary from time to time at the discretion of CGF. At the date of this Offering Circular, that fee was equal to 90 days of interest for debt securities with terms of three years or less and 180 days of interest for debt securities with terms of more than three years. CGF may waive the early redemption fee in its sole discretion, subject to satisfaction of such additional requirements as CGF may impose.
- The certificate is CGF's unsecured general debt obligation, and each certificate owner will have an equal claim against CGF's assets with other debt security holders and unsecured creditors. If CGF incurs senior secured indebtedness, the creditor issuing that debt will have a higher priority claim to CGF's assets than will the certificate holder.
- CGF's failure to pay principal and interest on the certificate when due and requested will be an event of default, but only as to the certificate.
- The certificate shall be deemed to have been made in the State of Michigan, and any action arising out of it shall be governed by the laws of the State of Michigan that are applied to contracts made or to be performed in that state. Any action arising out of the certificate may be brought in any District or Circuit Court for the State of Michigan, or in the United States District Court for the Western District of Michigan. By acceptance of the certificate, the certificate owner consents that all such courts shall have personal jurisdiction of the certificate owner with respect to any such action.
- The certificate is not FDIC or SIPC insured.
- The certificate is not a bank instrument.
- The certificate is not guaranteed by the RCA, any church, classis, synod, assembly, corporation, institution or agency affiliated with the RCA, or any other guarantor.

## SUMMARY OF DEMAND SAVINGS CERTIFICATE TERMS

The terms of Demand Savings Certificates issued pursuant to this Offering Circular shall be as follows, and these terms together with CGF's books and records shall constitute the evidence of indebtedness owed:

- The principal dollar amount, initial interest rate, certificate owner, certificate number, and date of the Demand Savings Certificates will be as stated in the confirmation sent by CGF to the certificate owner at the time of the initial investment. Similarly, the date and amount of any addition to the Demand Savings Certificate, and of any redemption of all or any portion of the Demand Savings Certificate, will be as stated in the confirmation thereof sent by CGF to the certificate owner at the time of the event. CGF is authorized by the certificate owner to note all such facts on its books and records, as well as the amount of each accrual or payment of interest, which books and records shall constitute *prima facie* evidence of the information so noted.
- The minimum initial and continuing investment amount required for Demand Savings Certificates and Pastoral Demand Saving Certificates is $10,000 and $1,000, respectively. The maximum investment balance for a Pastoral Demand Savings Certificate is $100,000 for a single investor.
- The interest rate on the certificate is variable and may be changed from time to time by CGF upon notice to the certificate holder.
- Certificates may be redeemed in whole or in part at any time upon at least 30 days' prior written notice to CGF on forms approved by CGF, subject to a limitation of three transactions per calendar month and $500 or more per transaction. Upon a partial or complete redemption, the principal amount requested by the certificate holder, up to the full principal amount of the certificate together with any accrued but unpaid interest, less any penalties assessed for excess transactions, if applicable, will be paid by CGF to the certificate owner within 30 days of CGF's receipt of a proper redemption request.
- The certificate will earn interest from the date of issuance until redeemed. Interest will be accrued daily based on the collected principal balance outstanding at the end of each day, and added to the principal balance of the certificate monthly.
- CGF may at its option redeem the certificate at any time, without premium, but with accrued interest. Without limiting the generality of the forgoing sentence, if the principal balance of the certificate falls below $10,000 for regular Demand Savings Certificates, or $1,000 for Pastoral Demand Savings Certificates, CGF may redeem the certificate in its discretion.
- The certificate may not be pledged or assigned and is not negotiable or otherwise transferrable except when affirmatively permitted by CGF in its sole discretion.
- The certificate is issued in accordance with, and subject to the terms and conditions set forth in, the purchase application and CGF's current offering circular, as it may be updated or supplemented from time to time, including, without limitation, provisions related to the minimum and maximum investment by a single investor, prepayment, and limited transferability of the certificate.
- Certificate owners are limited to no more than three transactions per calendar month, each of which must be for an amount of $500 or more, or $200 or more for Pastoral Demand Savings Certificates. If CGF allows additional redemptions, it may impose an excess redemption fee. The amount of that fee may vary from time to time at the discretion of CGF. At the date of this Offering Circular, that fee was equal to $50. CGF may waive the excess redemption fee in its sole discretion, subject to satisfaction of such additional requirements as CGF may impose.
- The certificate is CGF's unsecured general debt obligation, and each certificate owner will have an equal claim against CGF's assets with other debt security holders and unsecured creditors. If CGF incurs senior secured indebtedness, the creditor issuing that debt will have a higher priority claim to CGF's assets than will the certificate holder.
- CGF's failure to pay principal and interest on the certificate when due and requested will be an event of default, but only as to the certificate.
- The certificate shall be deemed to have been made in the State of Michigan, and any action arising out of it shall be governed by the laws of the State of Michigan that are applied to contracts made or to be performed in that state. Any action arising out of the certificate may be brought in any District or Circuit Court for the State of Michigan, or in the United States District Court for the Western District of Michigan. By acceptance of the certificate, the certificate owner consents that all such courts shall have personal jurisdiction of the certificate owner with respect to any such action.
- The certificate is not FDIC or SIPC insured.
- The certificate is not a bank instrument.
- The certificate is not guaranteed by the RCA, any church, classis, synod, assembly, corporation, institution or agency affiliated with the RCA, or any other guarantor.

# The Reformed Church in America Church Growth Fund, Inc.

**Financial Report**

**September 30, 2023**

# Contents

Plante & Moran, PLLC
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## Independent Auditor's Report

To the Audit and Risk Management
Committee of the General Synod Council
The Reformed Church in America Church
Growth Fund, Inc.

### *Opinion*

We have audited the financial statements of The Reformed Church in America Church Growth Fund, Inc. (RCACGF), which comprise the statement of financial position as of September 30, 2023 and 2022 and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of RCACGF as of September 30, 2023 and 2022 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of RCACGF and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Report on Prior Year Financial Statements*

The financial statements of RCACGF as of September 30, 2021 were audited by other auditors, who expressed an unmodified opinion on those statements on December 17, 2021.

### *Responsibilities of Management for the Financial Statements*

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

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

### *Auditor's Responsibilities for the Audits 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 auditor's 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 audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Audit and Risk Management
Committee of the General Synod Council
The Reformed Church in America Church
Growth Fund, Inc.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 RCACGF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about RCACGF's ability to continue as a going concern for a reasonable period of time.

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

Plante & Moran, PLLC

December 18, 2023

# Statement of Financial Position

**September 30, 2023, 2022, and 2021**

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | $ 6,180,589 | $ 9,728,124 | $ 9,273,465 |
| Investments (Note 3) | 25,081,866 | 20,618,651 | 19,495,709 |
| Beneficial interest in known pool of assets - RCA Endowment Fund (Note 3) | 675,105 | 635,273 | 757,124 |
| Interest receivable on mortgages and loans receivable | 123,700 | 112,171 | 124,966 |
| Prepaid expenses and other assets | 3,922 | 7,845 | - |
| Mortgages and loans receivable - Net (Note 4) | 47,327,439 | 49,485,285 | 55,516,216 |
| Total assets | **$ 79,392,621** | **$ 80,587,349** | **$ 85,167,480** |
| **Liabilities and Net Assets** | | | |
| **Liabilities** | | | |
| Interest payable | $ 90,406 | $ 52,829 | $ 81,950 |
| Accounts payable and accrued expenses | 54,710 | 279,043 | 44,137 |
| Debt securities payable (Note 5) | 28,369,966 | 31,672,760 | 34,878,929 |
| Total liabilities | 28,515,082 | 32,004,632 | 35,005,016 |
| **Net Assets** | | | |
| Without donor restrictions | 50,202,434 | 47,947,444 | 49,405,340 |
| With donor restrictions (Note 6) | 675,105 | 635,273 | 757,124 |
| Total net assets | 50,877,539 | 48,582,717 | 50,162,464 |
| Total liabilities and net assets | **$ 79,392,621** | **$ 80,587,349** | **$ 85,167,480** |

See notes to financial statements.

## The Reformed Church in America Church Growth Fund, Inc.

# Statement of Activities and Changes in Net Assets

**Years Ended September 30, 2023, 2022, and 2021**

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| **Changes in Net Assets without Donor Restrictions:** | | | |
| Operating activities: | | | |
| Interest earned on mortgages and loans | $ 2,294,140 | $ 2,254,657 | $ 2,574,298 |
| Interest and dividends on investments | 716,586 | 425,876 | 370,832 |
| Total interest and dividends income | 3,010,726 | 2,680,533 | 2,945,130 |
| Interest expense on debt securities payable | (708,529) | (480,014) | (706,734) |
| Net interest and dividend income | 2,302,197 | 2,200,519 | 2,238,396 |
| Other operating income and expenses: | | | |
| Fee income | 400 | 1,000 | 8,771 |
| Contributions and bequests | 450,000 | 500 | 334,700 |
| Investment realized (losses) gains | (47,074) | 47,284 | 20,016 |
| RCA Endowment Fund distributions | 36,376 | 34,704 | 29,508 |
| | 439,702 | 83,488 | 392,995 |
| Operating expenses | (688,506) | (581,364) | (521,666) |
| Change in net assets from operations | 2,053,393 | 1,702,643 | 2,109,725 |
| Non-operating activities: | | | |
| Net unrealized gain (loss) on investments | 832,753 | (2,356,726) | 362,474 |
| Gain (Loss) on Canadian exchange | 2,344 | (3,813) | 33,997 |
| Grants to General Synod Council | (633,500) | (800,000) | (780,000) |
| Change in net assets from non-operating activities | 201,597 | (3,160,539) | (383,529) |
| **Change in Net Assets without Donor Restrictions** | 2,254,990 | (1,457,896) | 1,726,196 |
| **Changes in Net Assets with Donor Restrictions** - Change in value of funds held in RCA Endowment Fund | 39,832 | (121,851) | 78,564 |
| **Total Change in Net Assets** | 2,294,822 | (1,579,747) | 1,804,760 |
| **Net Assets** - Beginning of year | 48,582,717 | 50,162,464 | 48,357,704 |
| **Net Assets** - End of year | **$ 50,877,539** | **$ 48,582,717** | **$ 50,162,464** |

See notes to financial statements.

# Statement of Cash Flows

**Years Ended September 30, 2023, 2022, and 2021**

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Change in net assets | $ 2,294,822 | $ (1,579,747) | $ 1,804,760 |
| Adjustments to reconcile change in net assets to net cash and cash equivalents from operating activities: | | | |
| (Gain) loss on Canadian exchange | (2,344) | 3,813 | (33,997) |
| Net unrealized and realized (gain) loss on investments | (785,679) | 2,309,442 | (382,490) |
| Net unrealized (gain) loss on the RCA Endowment Fund | (39,832) | 121,851 | (78,564) |
| Reinvestment of interest in debt securities payable | 541,322 | 383,110 | 530,454 |
| Changes in operating assets and liabilities that provided (used) cash and cash equivalents: | | | |
| Prepaid expenses and other assets | 3,923 | (7,845) | - |
| Interest receivable on mortgages and loans receivable | (11,529) | 12,795 | 18,180 |
| Interest payable | 37,577 | (29,122) | (20,142) |
| Accounts payable and accrued expenses | (224,333) | 234,907 | (48,618) |
| Net cash and cash equivalents provided by operating activities | 1,813,927 | 1,449,204 | 1,789,583 |
| **Cash Flows from Investing Activities** | | | |
| Purchases of investments | (12,970,525) | (11,000,007) | (8,915,908) |
| Proceeds from sales and maturities of investments | 9,292,990 | 7,567,623 | 6,109,094 |
| Mortgages and loans issued | (3,025,856) | (1,091,112) | (6,913,058) |
| Collections on mortgages and loans | 5,186,045 | 7,118,230 | 9,058,489 |
| Net cash and cash equivalents (used in) provided by investing activities | (1,517,346) | 2,594,734 | (661,383) |
| **Cash Flows from Financing Activities** | | | |
| Debt securities issued | 3,760,022 | 3,993,823 | 6,222,150 |
| Debt securities redeemed | (7,604,138) | (7,583,102) | (6,302,521) |
| Net cash and cash equivalents used in financing activities | (3,844,116) | (3,589,279) | (80,371) |
| **Net (Decrease) Increase in Cash and Cash Equivalents** | (3,547,535) | 454,659 | 1,047,829 |
| **Cash and Cash Equivalents** - Beginning of year | 9,728,124 | 9,273,465 | 8,225,636 |
| **Cash and Cash Equivalents** - End of year | **$ 6,180,589** | **$ 9,728,124** | **$ 9,273,465** |
| **Supplemental Cash Flow Information** - Cash paid for interest on debt securities payable | $ 137,615 | $ 129,521 | $ 197,193 |
| **Significant Noncash Transactions** - Debt securities payable reinvested at maturity | $ 7,737,040 | $ 11,755,759 | $ 10,032,038 |

See notes to financial statements.

## Note 1 - Nature of Organization

The Reformed Church in America Church Growth Fund, Inc. (RCACGF) is an agency of the General Synod of the Reformed Church in America (RCA). The term "agency" is defined in the RCA's Book of Church Order. The General Synod Council (GSC) serves as the executive committee, as the Committee of Reference at meetings of the General Synod, and as the Board of Trustees of the General Synod of the RCA. RCACGF loans money to current or former churches, classes, and other agencies and affiliates of the Reformed Church in America to assist them in the purchase, construction, or improvement of church buildings, parsonages, and other property used in their ministry. RCACGF's main source of revenue is the interest income generated from these loans. A substantial portion of RCACGF's funds available for making loans is derived from the sales of debt securities, referred to as "savings certificates" by RCACGF, issued to investors.

As an agency of the General Synod of the Reformed Church in America, RCACGF is included under the group exemption ruling issued to the General Synod of the Reformed Church in America in January of 1988 by the Department of Treasury, Internal Revenue Service. This ruling establishes that RCACGF is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, except for taxes pertaining to unrelated business income. Accordingly, no provision for income taxes has been made in the financial statements.

## Note 2 - Significant Accounting Policies

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses and the valuation of investment securities.

***Cash and Cash Equivalents***

For the purpose of the statement of cash flows, cash and cash equivalents include cash on deposit, money market funds, and interest-bearing deposits with other financial institutions with original maturities of 90 days or less. The cash and cash equivalents, at times, exceed federally insured limits. At September 30, 2023, 2022, and 2021, RCACGF has funds of $6,147,550, $9,413,893, and $9,184,726, respectively, in excess of federally insured limits. RCACGF has not experienced any loss on these accounts.

***Investments***

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value. Unitized equities, which are not readily marketable, are measured at fair value, valued at net asset value per share as the practical expedient. Investments in certificates, with an original maturity greater than three months, are held at cost. Realized and unrealized gains and losses, interest, and dividends are included in the statement of activities and changes in net assets. The various investments are exposed to a variety of uncertainties, including interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of RCACGF.

## Note 2 - Significant Accounting Policies (Continued)

### *Beneficial Interest in Known Pool of Assets - RCA Endowment Fund*

Beneficial interest in known pool of assets are reported at fair value, with gains and losses reported in the statement of activities and changes in net assets. The Reformed Church in America Endowment Fund (the "RCA Endowment Fund") was established to manage the endowment funds of the Reformed Church in America. The RCA Endowment Fund is administered by the GSC.

### *Interest Receivable*

Interest is accrued on mortgages and loans receivable when earned. The accrual of interest on loans is discontinued at the time the loan is 90 days delinquent unless the loan is well-secured and in the process of collection. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful. All interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income. Any interest payments received on nonaccrual loans are accounted for as a reduction to the unpaid principal balance of the nonaccrual loan for financial reporting purposes. If a loan is returned to accrual, the interest payments previously received continue to be reported as a reduction of unpaid principal balance until the loan is paid off, at which time the interest payments are recognized as interest income. There were no loans on nonaccrual status at September 30, 2023, 2022, or 2021.

### *Mortgages and Loans Receivable*

Loans are reported at the principal balance outstanding net of charge-offs and an allowance for loan losses.

### *Allowance for Loan Losses*

The allowance for loan losses (the "allowance") is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

A loan is considered impaired when, based on current information and events, it is probable that RCACGF will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including 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. Impairment is measured on a loan-by-loan basis for mortgages and loans receivable by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent. There were no loans considered impaired as of September, 30, 2023, 2022, or 2021.

### *Classification of Net Assets*

Net assets of RCACGF are classified based on the presence or absence of donor-imposed restrictions.

## Note 2 - Significant Accounting Policies (Continued)

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of RCACGF. The RCACGF board has designated, from net assets without donor restrictions, net assets to assist churches located in the state of New York that incur additional loan closing costs in order to obtain court approvals for mortgaging their properties. The amount of board-designated net assets at September 30, 2023 totaled $450,000. There were no board-designated net assets as of September 30, 2022 and 2021.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Net assets with donor restrictions consist of endowment fund investments to be held in perpetuity, and the unappropriated income from which is to be paid to RCACGF.

### *Operating Measures*

RCACGF classifies its statement of activities and changes in net assets into operating and nonoperating activities. Operating activities include all income and expenses related to carrying out RCACGF's mission, including interest earned on mortgage and loans, interest and dividends, and investment realized gains and losses. Nonoperating activities include grants to related organizations (GSC) and net unrealized gains and losses on investments and Canadian exchange.

### *Contributions*

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Contributions are considered without donor restrictions unless specifically restricted by the donor. For the years ended September 30, 2023, 2022, and 2021, RCACGF did not have any contributions with donor-imposed restrictions.

Contributions made, referred to as grants in Note 9, are recognized as expense at the time of formal approval.

### *Functional Allocation of Expenses*

Costs of providing the program and support services have been reported on a functional basis in Note 9. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and related expenses are allocated on the basis of time and effort. Expenses deemed to be indirect to employee work, such as certain professional services, insurance, and supplies, are considered to be management and general expenses. Costs have been allocated between the various program and support services based on estimates determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

### *Upcoming Accounting Pronouncement*

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The ASU includes increased disclosures and various changes to the accounting and measurement of financial assets, including RCACGF's loans. Each financial asset presented on the balance sheet would have a unique allowance for credit losses valuation account that is deducted from the amortized cost basis to present the net carrying value at the amount expected to be collected on the financial asset. The amendments in this ASU also eliminate the probable initial recognition threshold in current GAAP and, instead, reflect an entity's current estimate of all expected credit losses using reasonable and supportable forecasts. The new credit loss guidance will be effective for RCACGF's year ending September 30, 2024. Upon adoption, the ASU will be applied using a modified retrospective transition method to the beginning of the first reporting period in which the guidance is effective.

## Note 2 - Significant Accounting Policies (Continued)

### *Subsequent Events*

The financial statements and related disclosures include evaluation of events up through and including December 18, 2023, which is the date the financial statements were available to be issued.

## Note 3 - Investments and Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that RCACGF has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. RCACGF's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

## Note 3 - Investments and Fair Value Measurements (Continued)

The following tables present information about RCACGF's assets measured at fair value on a recurring basis at September 30, 2023, 2022, and 2021 and the valuation techniques used by RCACGF to determine those fair values:

| | Assets Measured at Fair Value on a Recurring Basis at September 30, 2023 | | | |
|---|---|---|---|---|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance at September 30, 2023 |
| **Assets** | | | | |
| Investments: | | | | |
| Fixed income - Corporate bonds | $ - | $ 9,867,800 | $ - | $ 9,867,800 |
| Fixed income - Government and municipal bonds | - | 9,531,720 | - | 9,531,720 |
| Corporate stocks | 3,707,828 | - | - | 3,707,828 |
| Exchange-traded funds | 49,583 | - | - | 49,583 |
| Investments measured at net asset value - Unitized equities | | | | 1,924,935 |
| Total investments | 3,757,411 | 19,399,520 | - | 25,081,866 |
| Beneficial interest in known pool of assets - RCA Endowment Fund | - | 675,105 | - | 675,105 |
| Total assets | $ 3,757,411 | $ 20,074,625 | $ - | $ 25,756,971 |

## Note 3 - Investments and Fair Value Measurements (Continued)

| | Assets Measured at Fair Value on a Recurring Basis at September 30, 2022 | | | |
|---|---|---|---|---|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance at September 30, 2022 |
| **Assets** | | | | |
| Investments: | | | | |
| Fixed income - Asset-backed securities | $ - | $ 36,931 | $ - | $ 36,931 |
| Fixed income - Corporate bonds | - | 8,995,132 | - | 8,995,132 |
| Fixed income - Government and municipal bonds | - | 6,018,060 | - | 6,018,060 |
| Corporate stocks | 3,205,202 | - | - | 3,205,202 |
| Exchange-traded funds | 171,661 | - | - | 171,661 |
| Investments measured at net asset value - Unitized equities | | | | 1,684,738 |
| Investments measured at cost - Investment certificates | | | | 506,927 |
| Total investments | 3,376,863 | 15,050,123 | - | 20,618,651 |
| Beneficial interest in known pool of assets - RCA Endowment Fund | - | 635,273 | - | 635,273 |
| Total assets | $ 3,376,863 | $ 15,685,396 | $ - | $ 21,253,924 |

## Note 3 - Investments and Fair Value Measurements (Continued)

| | Assets Measured at Fair Value on a Recurring Basis at September 30, 2021 | | | |
|---|---|---|---|---|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance at September 30, 2021 |
| **Assets** | | | | |
| Investments: | | | | |
| Fixed income - Asset-backed securities | $ - | $ 41,641 | $ - | $ 41,641 |
| Fixed income - Corporate bonds | - | 7,087,079 | - | 7,087,079 |
| Fixed income - Government and municipal bonds | - | 6,326,361 | - | 6,326,361 |
| Corporate stocks | 3,562,428 | - | - | 3,562,428 |
| Exchange-traded funds | 246,248 | - | - | 246,248 |
| Investments measured at net asset value - Unitized equities | | | | 1,217,443 |
| Investments measured at cost - Investment certificates | | | | 1,014,509 |
| Total investments | 3,808,676 | 13,455,081 | - | 19,495,709 |
| Beneficial interest in known pool of assets - RCA Endowment Fund | - | 757,124 | - | 757,124 |
| Total assets | $ 3,808,676 | $ 14,212,205 | $ - | $ 20,252,833 |

RCACGF owns units in the RCA Endowment Fund, and the holding entity (GSC) owns the underlying assets consisting of publicly traded investments, certificates of deposit, money market funds, U.S. government bonds, international bonds, federal tax-exempt securities, corporate bonds, asset-backed securities, and equities. The beneficial interests have no redemption limitations and, therefore, are recorded as Level 2 in the fair value table. The fair value of fixed-income securities was determined using quoted market prices and other market data for the same or comparable instruments and transactions in establishing the prices.

Investments held at net asset value consist of funds held at a financial institution, whereas RCACGF owns units in a fund and the underlying assets are invested in various securities. These fund investments consist of several underlying international and domestic equity funds. These equity funds may include common stocks, securities convertible into common stocks, American depositary receipts, global depositary receipts, preferred stocks, options, warrants, futures contracts, and interest in private equity or hedge funds. The main purpose of these funds is to hold varying levels of investment types to provide diversification to RCACGF's investment portfolio. As of September 30, 2023, 2022, and 2021, there were no unfunded commitments or redemption restrictions for these investments held at net asset value.

## Note 4 - Mortgages and Loans Receivable

Mortgages and loans receivable were composed of secured loans receivable and unsecured loans receivable. A summary of the balances of loans is as follows:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Secured loans receivable | $ 48,621,454 | $ 50,687,716 | $ 56,593,836 |
| Unsecured loans receivable | 405,985 | 497,569 | 622,380 |
| Total loans | 49,027,439 | 51,185,285 | 57,216,216 |
| Less allowance for loan losses | 1,700,000 | 1,700,000 | 1,700,000 |
| Mortgage and loans receivable - Net | $ 47,327,439 | $ 49,485,285 | $ 55,516,216 |

RCACGF's allowance for loan losses for the years ended September 30, 2023, 2022, and 2021 had an ending balance of $1,700,000. There were no charge-offs, recoveries, or provision expenses for the years ended September 30, 2023, 2022, and 2021.

***Credit Risk Grading***

The credit quality of the loan portfolio is monitored using an internal rating system that reflects management's risk assessment based on an analysis of the borrower's current financial information, debt service coverage, collateral coverage, historical payment experience, and other objective factors related to the ministry of the borrower. The internal system assigns a numeric credit risk rating to each borrower, which is categorized by the following definitions:

***Pass***

Loans not covered by the below definitions are pass loans, which are considered to be in good standing.

***Special Mention***

Loans classified as special mention, or watch credits, have a potential weakness or weaknesses to which management is paying close attention. If left uncorrected, these potential weaknesses may result in deterioration of the full repayment prospects for the loan or of the institution's credit position at some future date. Loans are also classified as special mention if recent financial information has not been received from a borrower.

***Substandard***

Loans are classified as substandard if management determines the borrower exhibits well-defined deficiencies in its paying capacity, and, therefore, the institution may sustain some loss if one or more of the well-defined deficiencies are not corrected. No loans were classified as substandard as of September 30, 2023, 2022, or 2021.

RCACGF's mortgages and loans receivable by credit risk grades at September 30, 2023, 2022, and 2021 are summarized below:

| | Pass | Special Mention | Substandard | Ending Balance |
|---|---|---|---|---|
| September 30, 2023 | $ 47,665,603 | $ 1,361,836 | $ - | $ 49,027,439 |
| September 30, 2022 | 47,790,033 | 3,395,252 | - | 51,185,285 |
| September 30, 2021 | 55,643,134 | 1,573,082 | - | 57,216,216 |

RCACGF classifies loans as past due if the loan is more than 30 days past due. There were no past-due loans as of September 30, 2023, 2022, and 2021.

## Note 4 - Mortgages and Loans Receivable (Continued)

Loans outstanding at September 30, 2023, 2022, and 2021, summarized by current interest rate, are as follows:

| Interest Rate | 2023 | 2022 | 2021 |
|---|---|---|---|
| 3.0% - 3.5% | $ 128,971 | $ 312,442 | $ 337,834 |
| 3.6% - 4.0% | 21,745,193 | 29,321,400 | 30,857,749 |
| 4.1% - 4.5% | 4,066,770 | 12,974,795 | 17,260,098 |
| 4.6% - 5.0% | 6,988,452 | 8,035,293 | 8,730,816 |
| 5.1% - 5.5% | 1,339,499 | 230,560 | - |
| 5.6% - 6.0% | 7,890,439 | 310,795 | 29,719 |
| 6.1% - 6.5% | 5,651,957 | - | - |
| 6.6% - 7.0% | 703,957 | - | - |
| 7.1% - 7.5% | 512,201 | - | - |
| Total | $ 49,027,439 | $ 51,185,285 | $ 57,216,216 |

At September 30, 2023, RCACGF had 103 loans with balances as follows:

| Loan Balance | Number of Loans | Principal Outstanding | Percent of Loan Portfolio |
|---|---|---|---|
| Less than $50,001 | 11 | $ 322,383 | 1% |
| $50,001 - $100,000 | 22 | 1,592,724 | 3% |
| $100,001 - $250,000 | 29 | 4,748,511 | 10% |
| $250,001 - $500,000 | 16 | 5,695,444 | 12% |
| $500,001 - $1,000,000 | 11 | 7,599,374 | 15% |
| $1,000,001 - $2,000,000 | 9 | 13,590,346 | 28% |
| $2,000,001 - $5,000,000 | 5 | 15,478,657 | 31% |
| Total | 103 | $ 49,027,439 | 100% |

Although RCACGF has no geographical restrictions within the United States on where loans are made, aggregate loans equal to or in excess of 5 percent of total balances at September 30, 2023 were located in the following states:

| State | Principal Outstanding | Percent of Loan Portfolio |
|---|---|---|
| Michigan | $ 13,617,564 | 28% |
| California | 8,359,861 | 17% |
| Illinois | 5,434,119 | 11% |
| New Jersey | 3,694,534 | 8% |
| Pennsylvania | 3,463,780 | 7% |
| Iowa | 2,938,441 | 6% |
| New York | 2,911,822 | 6% |
| Total | $ 40,420,121 | 83% |

## Note 5 - Debt Securities Payable

RCACGF's primary means of financing its activities is by selling savings certificates. These debt securities are unsecured general debt obligations, and each investor will have a claim against the assets of RCACGF equal with other debt securities holders and unsecured creditors. Debt securities are not savings or deposit accounts or other obligations of a bank and are not insured by the federal deposit insurance corporation, any state bank insurance fund, or any other governmental agency.

The average weighted interest rate on savings certificates was 3.01 percent, 1.36 percent, and 1.72 percent at September 30, 2023, 2022, and 2021, respectively. RCACGF was indebted as summarized below:

| | 2023 | | 2022 | | 2021 | |
|---|---|---|---|---|---|---|
| Original Term (Months) | Number | Aggregate Principal Balance | Number | Aggregate Principal Balance | Number | Aggregate Principal Balance |
| Demand | 110 | $ 8,624,575 | 121 | $ 10,532,482 | 129 | $ 9,181,500 |
| 12 | 86 | 3,763,222 | 86 | 5,836,552 | 99 | 6,129,465 |
| 18 | 71 | 5,449,003 | - | - | 36 | 1,860,581 |
| 24 | 43 | 917,412 | 55 | 1,774,311 | 66 | 2,420,589 |
| 30 | 136 | 5,385,046 | 161 | 7,204,459 | 150 | 8,058,552 |
| 36 | 40 | 1,141,516 | 90 | 2,368,200 | 92 | 2,359,463 |
| 48 | 19 | 537,334 | 19 | 497,124 | 22 | 790,110 |
| 60 | 91 | 1,747,324 | 125 | 2,784,871 | 125 | 3,452,626 |
| 120 | 28 | 804,534 | 32 | 674,761 | 35 | 626,043 |
| | 624 | $ 28,369,966 | 689 | $ 31,672,760 | 754 | $ 34,878,929 |

Investors have no right to the early redemption of their debt securities prior to their maturity. If an investor requests an early redemption, RCACGF may impose an early redemption fee.

The debt securities mature at various dates through 2033. At September 30, 2023, the scheduled maturities of debt securities are as follows:

| Years Ending September 30 | Amount |
|---|---|
| On demand | $ 8,624,575 |
| 2024 | 13,834,860 |
| 2025 | 3,122,894 |
| 2026 | 1,218,889 |
| 2027 | 446,148 |
| 2028 | 468,521 |
| Thereafter | 654,079 |
| Total | $ 28,369,966 |

## Note 5 - Debt Securities Payable (Continued)

RCACGF had 87 investors with aggregate balances of $100,000 or more as of September 30, 2023. The balances $100,000 or more were distributed as follows:

| Aggregate Debt Securities Balances by Investor | Number of Investors | Aggregate Balance | Percentage of Outstanding Debt Securities |
|---|---|---|---|
| $100,000 - $200,000 | 49 | $ 6,441,204 | 23% |
| $200,001 - $300,000 | 21 | 5,173,483 | 18% |
| $300,001 - $500,000 | 12 | 4,665,592 | 16% |
| Greater than $500,000 | 5 | 5,893,523 | 21% |
| Total | 87 | $ 22,173,802 | 78% |

At September 30, 2023, RCACGF's investors were concentrated in five states as follows:

| State | Aggregate Balance | Percent of Outstanding Debt Securities |
|---|---|---|
| Michigan | $ 8,223,803 | 29% |
| New York | 7,120,185 | 25% |
| Iowa | 4,074,397 | 14% |
| New Jersey | 3,546,634 | 13% |
| Illinois | 1,715,284 | 6% |
| Total | $ 24,680,303 | 87% |

The officers, directors, and executive staff of RCACGF may be investors in RCACGF on the same terms and conditions as other investors. As of September 30, 2023, 2022, and 2021, as a group, they held debt securities aggregating $69,365, $57,933, and $16,503, respectively.

## Note 6 - Net Assets with Donor Restrictions

The net assets with donor restrictions represent three endowments that are invested within the RCA Endowment Fund. Per the terms of the endowment agreements, the income earned from these investments is to be used for general purposes. The income is released to net assets without donor restrictions when appropriated for expenditure. The following classifications reflect the nature of restrictions to net assets with donor restrictions for the years ended September 30, 2023, 2022, and 2021:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Restricted by purpose - Accumulated endowment earnings | $ 513,634 | $ 473,802 | $ 595,653 |
| Restricted in perpetuity | 161,471 | 161,471 | 161,471 |
| Total | $ 675,105 | $ 635,273 | $ 757,124 |

## Note 7 - Line of Credit

Under a line of credit agreement with PNC bank, which was renewed during the year, RCACGF has available borrowings of $5,000,000. Interest is payable monthly at a rate per annum equal to the daily BSBY rate plus 2.00 percent. The line of credit is unsecured. The outstanding principal balance and any accrued interest is due and payable on the expiration date. The line of credit expires on March 31, 2024. RCACGF had no outstanding balance on this line of credit for the years ended September 30, 2023, 2022, and 2021. Prior to the renewal during the year ended September 30, 2022, interest was payable monthly at a rate per annum equal to the daily LIBOR plus 1.75 percent and required RCACGF to reduce the outstanding principal balance thereof to zero for a period of at least 60 consecutive days prior to the expiration date.

## Note 8 - Employee Benefits

***Retirement Plan***

All current and full-time employees are eligible for participation in a 403(b) defined contribution retirement plan, which is administered by The Board of Benefits Services of the Reformed Church in America, Inc. (BOBS). RCACGF contributes 11 percent of all eligible employees' salaries to the 403(b) plan. RCACGF's contribution to this plan, included in expenses, were approximately $30,000, $25,000, and $21,000 for the years ended September 30, 2023, 2022, and 2021, respectively.

***Medical Benefits***

All current and full-time employees are eligible for participation in a health insurance program, which is administered by The Reformed Benefits Association. The employer does not incur any liability for claims made by the employees. The costs incurred for the plan premiums were approximately $53,000, $39,000, and $34,000 for the years ended September 30, 2023, 2022, and 2021, respectively.

## Note 9 - Functional Expenses

The following tables present the functional allocation of expenses:

| | Year Ended September 30, 2023 | | |
|---|---|---|---|
| | Program Services | Management and General | Total |
| Grants to the GSC | $ 633,500 | $ - | $ 633,500 |
| Interest on certificates | 708,529 | - | 708,529 |
| Salaries and benefits | 200,210 | 307,844 | 508,054 |
| Professional fees | 5,934 | 80,647 | 86,581 |
| Office expenses and other | 39,038 | 26,396 | 65,434 |
| Travel and staff development | 16,704 | - | 16,704 |
| Meetings and events | - | 11,733 | 11,733 |
| Total | $ 1,603,915 | $ 426,620 | $ 2,030,535 |

## Note 9 - Functional Expenses (Continued)

| | Year Ended September 30, 2022 | | |
|---|---|---|---|
| | Program Services | Management and General | Total |
| Grants to the GSC | $ 800,000 | $ - | $ 800,000 |
| Interest on certificates | 480,014 | - | 480,014 |
| Salaries and benefits | 209,279 | 205,185 | 414,464 |
| Professional fees | 12,486 | 68,977 | 81,463 |
| Office expenses and other | 33,356 | 26,035 | 59,391 |
| Travel and staff development | 14,807 | - | 14,807 |
| Meetings and events | - | 11,239 | 11,239 |
| Total | $ 1,549,942 | $ 311,436 | $ 1,861,378 |

| | Year Ended September 30, 2021 | | |
|---|---|---|---|
| | Program Services | Management and General | Total |
| Grants to the GSC | $ 780,000 | $ - | $ 780,000 |
| Interest on certificates | 706,734 | - | 706,734 |
| Salaries and benefits | 143,231 | 213,615 | 356,846 |
| Professional fees | 16,736 | 60,151 | 76,887 |
| Office expenses and other | 54,743 | 22,851 | 77,594 |
| Travel and staff development | 4,513 | - | 4,513 |
| Meetings and events | - | 5,826 | 5,826 |
| Total | $ 1,705,957 | $ 302,443 | $ 2,008,400 |

## Note 10 - Related Party Transactions

Although a separate not-for-profit corporation, RCACGF functions as a part of the RCA under the ultimate ecclesiastical supervision of the General Synod through the GSC. There is a close working relationship with the GSC based on RCACGF's primary purpose of making loans to RCA churches and other assemblies, the making of grants to the GSC, and the General Synod's election of RCACGF's board of directors.

As a result, RCACGF's mission and purpose are unavoidably intertwined with those of the RCA and its agencies, assemblies, and institutions, and there are numerous relationships with these parties. Those relationships include the sharing of certain employees included in shared service fees; combined funds in GSC investments and the RCA Endowment Fund, the RCA's management of those assets, and the potential for the GSC to invest in RCACGF's debt securities; the making of grants to the GSC; the sharing of office space, office supplies, computers, and other office resources; and the payment of retirement benefits to BOBS. RCACGF also has debt securities outstanding to agencies, assemblies, and institutions of the RCA and may have debt securities outstanding to GSC employees, officers, and directors or their family members, each on the same terms as debt securities available generally at the time of purchase.

The schedule below summarizes related party assets, liabilities, revenue, and expenses and the amounts attributable to them:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Assets: | | | |
| Beneficial interest in known pool of assets - RCA Endowment Fund | $ 675,105 | $ 635,273 | $ 757,124 |

## Note 10 - Related Party Transactions (Continued)

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Liabilities: | | | |
| GSC investment in debt securities payable | $ 311,911 | $ 861,573 | $ 847,521 |
| BOBS investment in debt securities payable | 207,556 | 204,544 | 495,213 |
| Accounts payable to the GSC | 15,921 | 249,691 | 27,652 |
| Total | $ 535,388 | $ 1,315,808 | $ 1,370,386 |
| Revenue: | | | |
| RCA Endowment Fund distributions | $ 36,376 | $ 34,704 | $ 29,508 |
| Change in value of funds held in RCA Endowment Fund | 39,832 | (121,851) | 78,564 |
| Total | $ 76,208 | $ (87,147) | $ 108,072 |

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Expenses: | | | |
| Grants to the GSC | $ 633,500 | $ 800,000 | $ 780,000 |
| Fees paid to the GSC for shared services | 105,731 | 88,368 | 84,665 |
| Retirement contributions paid to BOBS | 30,494 | 25,333 | 20,999 |
| Interest on the GSC's investment in debt securities | 11,807 | 14,052 | 20,349 |
| Interest on BOBS' investment in debt securities | 3,012 | 9,645 | 11,266 |
| Total | $ 784,544 | $ 937,398 | $ 917,279 |

## Note 11 - Liquidity and Availability of Resources

The following reflects RCACGF's financial assets as of September 30, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Cash and cash equivalents | $ 6,180,589 | $ 9,728,124 | $ 9,273,465 |
| Investments | 25,081,866 | 20,618,651 | 19,495,709 |
| Beneficial interest in known pool of assets - RCA Endowment Fund | 675,105 | 635,273 | 757,124 |
| Interest receivable on mortgage and loans receivable | 123,700 | 112,171 | 124,966 |
| Mortgage and loans receivable | 49,027,439 | 51,185,285 | 57,216,216 |
| Financial assets - At year end | 81,088,699 | 82,279,504 | 86,867,480 |
| Less those unavailable for general expenditures within one year due to: | | | |
| Loans receivable collectible beyond one year | 48,124,899 | 49,568,083 | 55,756,303 |
| Beneficial interest in known pool of assets - RCA Endowment Fund | 675,105 | 635,273 | 757,124 |
| Board designated funds | 450,000 | - | - |
| RCACGF required liquidity reserves* | 3,268,224 | 3,693,900 | 3,946,968 |
| Financial assets available to meet cash needs for general expenditures within one year | $ 28,570,471 | $ 28,382,248 | $ 26,407,085 |

## Note 11 - Liquidity and Availability of Resources (Continued)

RCACGF is substantially supported by interest earned on mortgages and loans and investment income for which a substantial portion does not carry restrictions. As part of RCACGF's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. For the years ended September 30, 2023, 2022, and 2021, RCACGF has available an unsecured line of credit in the amount of $5 million that could be drawn upon in the event of an unanticipated liquidity need. Additionally, RCACGF does not intend to spend its board-designated funds other than its designated purpose; however, amounts could be made available if necessary. RCACGF also realizes there could be unanticipated liquidity needs.

*RCACGF's liquidity policy is to maintain, at all times, cash, cash equivalents, and investments that are not loaned to churches in the aggregate amount and that are no less than 10 percent of the aggregate principal balance of the outstanding term savings certificates of RCACGF and no less than 15 percent of the aggregate principal balance of the outstanding demand savings certificates.

## Note 12 - Commitments

RCACGF supports the ministry of the denomination and its churches by distributing up to 50 percent of its net operating income to the GSC for use as ministry grants, as designated by RCACGF. Net operating income is defined as income less expenses exclusive of loan loss reserve and all unrealized gains and losses. The 50 percent distribution amount will be subject to review annually by RCACGF board of directors. Designated ministry grants and amounts will include: (a) up to 25 percent of net operating income to support church multiplication, (b) up to $50,000 annually to support the Next Generation Missional Engagement Fund, and (c) other ministry programs as may be designated by RCACGF board of directors allowed under the bylaws of RCACGF. The amounts contributed for these designated ministries are subject to change by the board of directors.

At September 30, 2023, 2022, and 2021, RCACGF had outstanding loan commitments estimated at approximately $2,770,000, $5,720,000, and $4,905,000, respectively.

## Note 13 - Concentrations of Credit Risk

The financial instrument that potentially subjects RCACGF to concentration of credit risk consists primarily of mortgages and loans receivable. Concentrations of credit risk with respect to mortgages and loans receivable are limited to a certain extent by the secured position of RCACGF in most instruments, the number of organizations comprising RCACGF's mortgages receivable base and their dispersion across geographic areas, and RCACGF's policy of limiting the maximum loan amount to any one borrower.

The creditworthiness of each loan applicant is assessed on a case-by-case basis. Currently, 99.17 percent of loans are secured by a first mortgage on the existing facility or real property, but some of them may be secured by a pledge of personal property or by a junior lien. The remaining 0.83 percent are unsecured and are collectible in installments and mature at various dates through 2028. Other credit consideration is represented by the terms of the loan, loan to value ratios, and other credit factors. RCACGF maintains a policy to review all loans monthly to determine past-due or delinquent status based on contractual terms and how recently payments have been received. Typically, RCACGF will not consider a loan for the purpose of constructing a new building until the congregation or other organization has met an equity interest in the property to the satisfaction of RCACGF.

As disclosed in Note 1, RCACGF loans money to current or former churches, classes, and other agencies and affiliates of the Reformed Church in America to assist them in the purchase, construction, or improvement of church buildings, parsonages, and other property used in their ministry or the purchase of land. As of September 30, 2023, 2022, and 2021, RCACGF's mortgages and loans receivable from those organizations are disclosed in Note 4.

## Note 14 - Risks and Uncertainties - RCA Restructuring Team

After years of disagreement on sexuality, interpretation of Scripture, polity, and other tensions, the denomination appointed and tasked the Vision 2020 Team with considering how (and if) the RCA could live together in the tension. At the suggestion of the Vision 2020 Team, the restructuring team was approved by General Synod 2021. General Synod 2021 also affirmed that the RCA should continue to live in the tension, and that people who no longer want to live in the tension have an avenue to leave, with the blessing of the remaining churches. The work of the restructuring team is to propose changes to the denomination's organizational structure that better allow for living in tension. The new structure will also be optimized for sustained spiritual and organizational health. Since General Synod 2021, some churches, including RCACGF borrowers and investors, have pursued those avenues to leave the RCA. In anticipation of some churches leaving the denomination, General Synod 2021 approved bylaws changes for RCACGF, allowing loans to be outstanding and disbursed to churches formerly organized as an RCA local church or collegiate church. Similar bylaws changes were made to allow churches and members formerly in the RCA to continue to invest in RCACGF. There remains the possibility that some churches borrowing from RCACGF and some RCACGF investors may leave the RCA and pay off loans or redeem their debt securities. The restructuring team will bring its proposals to General Synod 2024; an update on their progress was presented at General Synod 2023.