



**Stewardship.Simplified.**  
Church Growth Investment Fund

**Offering Circular for the  
Church Growth Investment Fund, Inc.  
April 1, 2023**

[www.cgif.co](http://www.cgif.co)

## CHURCH GROWTH INVESTMENT FUND, INC.

Mailing Address: PO Box 23069

Jacksonville, FL 32241-3069

Physical Address: 8383 Baymeadows Way

Jacksonville, FL 32256

(904) 345-3221 | Fax (904) 346-0414 | [www.cgif.co](http://www.cgif.co)

### OFFERING CIRCULAR

**\$250,000,000**

**April 1, 2023**

Incorporated under Florida's Not-For-Profit Corporation Act, up to \$250,000,000 in Certificates in the Church Growth Investment Fund, Inc. (hereinafter called "CGIF"), "we", "our" or "us" as follows:

- **Demand Certificates:** Demand Certificates are available to Investors (as defined below) and are payable on demand. They earn a variable interest rate to be determined monthly. The minimum investment is \$1,000.
- **Loan Reserve Certificates:** Loan Reserve Certificates are available for Investors that are churches and organizations who have or had an outstanding loan with CGIF and are payable on demand. They earn a variable interest rate to be determined monthly. The minimum investment is \$1,000.
- **Time Certificates:** Time Certificates are available to Investors and have terms from 6 months to 84 months with a minimum investment of \$1,000. Interest rate varies based upon dollar amount invested and term until maturity.

***For current interest rates please call 904-345-3221 or visit our website at [www.cgif.co](http://www.cgif.co)***

Interest rates on all Certificates offered by us are established for each type and term according to a procedure set forth under "Description of Certificates" beginning on page 15. **We reserve the right to change the method by which interest is determined or the frequency with which interest is paid to you or added to the Certificates. See "Description of Certificates."**

#### **THIS OFFER IS SUBJECT TO CERTAIN RISK FACTORS BEGINNING ON PAGE 6.**

THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 3(a)(4) OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND SECTION 517.051(9) OF THE FLORIDA STATUTES, AS AMENDED. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. CGIF IS NOT REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

THE OFFER AND SALE OF THE CERTIFICATES IS LIMITED TO RESIDENTS OF FLORIDA THAT ARE: (i) PERSONS (INCLUDING ENTITIES OR ARRANGEMENTS CONTROLLED BY, OWNED BY, OR EXISTING FOR THE BENEFIT OF SUCH PERSONS) WHO, PRIOR TO RECEIPT OF THIS OFFERING CIRCULAR, ARE MEMBERS OF, CONTRIBUTORS TO, OR PARTICIPANTS IN CGIF, CHURCHES WHO ARE MEMBERS OF A SOUTHERN BAPTIST CONVENTION AND/OR A BAPTIST STATE CONVENTION AFFILIATED WITH THE SOUTHERN BAPTIST CONVENTION, OR OTHER AUTONOMOUS CHURCHES OR CHURCH MINISTRIES ADHERING TO THE BELIEFS AND RELIGIOUS PRINCIPLES OF THE BAPTIST FAITH AND MESSAGE AND THEIR PARA-CHURCH MINISTRIES, OR IN ANY RELIGIOUS ORGANIZATION THAT HAS A PROGRAMMATIC RELATIONSHIP WITH ANY OF THE FOREGOING, (ii) INDEPENDENT CHURCHES THAT ARE MEMBERS OF THE SOUTHERN BAPTIST CONVENTION AND/OR A BAPTIST STATE

CONVENTION AFFILIATED WITH THE SOUTHERN BAPTIST CONVENTION, OR OTHER AUTONOMOUS CHURCHES OR MINISTRIES ADHERING TO THE BELIEFS AND RELIGIOUS PRINCIPLES OF THE BAPTIST FAITH AND MESSAGE, AND THEIR PARA-CHURCH MINISTRIES, OR ANY RELIGIOUS ORGANIZATION THAT HAS A PROGRAMMATIC RELATIONSHIP WITH ANY OF THE FOREGOING OR CGIF, OR (iii) ANY ANCESTOR, DESCENDANT OTHER RELATIVE, BENEFICIARY OR SUCCESSOR IN INTEREST OF ANY PERSON DESCRIBED IN (i) OR (ii) ABOVE.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL SECURITIES COMMISSION OR REGULATORY AUTHORITY OR ANY AGENCY OF THE STATE OF FLORIDA. 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. SEE "RISK FACTORS" BEGINNING ON PAGE 10 OF THIS OFFERING CIRCULAR FOR A DESCRIPTION OF THE RISKS IN THIS INVESTMENT. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF CGIF AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURE, MERITS, AND RISKS INVOLVED.

THE CERTIFICATES 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 CERTIFICATES ARE UNSECURED. THE PAYMENT OF PRINCIPAL AND INTEREST TO THE INVESTOR IN THE CERTIFICATES IS DEPENDENT UPON CGIF'S FINANCIAL CONDITION. ANY PROSPECTIVE INVESTOR IS ENTITLED TO AND SHOULD REVIEW CGIF'S FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST. THE CERTIFICATES ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY THE SOUTHERN BAPTIST CONVENTION OR BY ANY CHURCH, ASSOCIATION, STATE CONVENTION, INSTITUTION OR AGENCY AFFILIATED WITH THE SOUTHERN BAPTIST CONVENTION.

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 MADE BY CGIF.

INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF CERTIFICATES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS. THESE SECURITIES SHALL NOT BE OFFERED FOR SALE, SOLD, PLEDGED, HYPOTHECATED, ASSIGNED OR OTHERWISE TRANSFERRED AT ANY TIME, ABSENT EITHER REGISTRATION UNDER THE ACT AND EVERY APPLICABLE STATE SECURITIES LAW OR OPINION OF COUNSEL THAT REGISTRATION IS NOT REQUIRED UNDER SUCH LAWS.

AN INVESTMENT IN THESE SECURITIES DOES NOT QUALIFY AS A DEDUCTIBLE CHARITABLE CONTRIBUTION UNDER THE FEDERAL INCOME TAX LAWS. THIS OFFERING IS MADE TO MEMBERS OF THE LIMITED CLASS DEFINED ABOVE WHO ARE RESIDENTS OF THE STATE OF FLORIDA.

IN MAKING AN INVESTMENT DECISION YOU MUST RELY ON YOUR OWN EXAMINATION OF CGIF AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURES, MERITS AND RISKS INVOLVED.

***NOTE: Investments offered by Church Growth Investment Fund, Inc. are NOT bank deposits or obligations and are NOT insured by the Federal Deposit Insurance Corporation (FDIC), the Securities Investor Protection Corporation (SIPC) or any other federal or state agency.***

This Offering Circular is dated April 1, 2023 and may be used until the expiration of the period of time of 12 months in Florida.

## **FORWARD LOOKING STATEMENTS**

Investment in the securities to be issued by CGIF involves risks. Prospective Investors are encouraged to review all materials contained in this Offering Circular and to consult their own attorney and financial and tax advisors.

This Offering Circular includes “forward-looking statements” within the meaning of federal and state securities laws. Statements about CGIF and its expected financial position, business and financing plans are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “pro forma,” “anticipates,” “intends,” “projects,” or other variations or comparable terminology, or by discussions of strategy or intentions. Although CGIF believes that the expectations reflected in its forward-looking statements are reasonable, CGIF cannot assure any Investor that CGIF’s expectations will prove to be correct. Although CGIF believes that the expectations reflected in any forward-looking statements are reasonable, CGIF cannot assure any investor that its expectations will prove to be correct. Forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known or unknown risks, uncertainties, and other factors. Accordingly, prospective Investors should not consider CGIF’s forward-looking statements as predictions of future events or circumstances. A number of factors could cause CGIF’s actual results, performance, achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by CGIF’s forward-looking statements. These factors include but are not limited to: changes in economic conditions in general and in CGIF’s business; changes in prevailing interest rates and the availability of and terms of financing to fund CGIF’s business; changes in CGIF’s capital expenditure plans; and other factors discussed in this Offering Circular. Given these uncertainties, prospective Investors should not rely on CGIF’s forward-looking statements in making an investment decision. CGIF disclaims any obligation to update Investors on any factors that may affect the likelihood of realization of CGIF’s expectations. All written and oral forward-looking statements attributable to CGIF, including statements before or after the date of this Offering Circular, are deemed to be supplements to this Offering Circular and are incorporated herein and are expressly qualified by these cautionary statements.

Although CGIF believes that the forward-looking statements are reasonable, prospective Investors should not place undue reliance on any forward-looking statements, which speak only as of the date made. Prospective Investors should understand that factors discussed under the section entitled “Risk Factors” could affect CGIF’s future results and performance. Risks could cause results to differ materially from those expressed in the forward-looking statements.

## **TABLE OF CONTENTS**

	<b><u>Page</u></b>
COVER PAGE.....	1
FORWARD LOOKING STATEMENTS.....	4
TABLE OF CONTENTS.....	5
DEFINITIONS.....	6
RISK FACTORS.....	7
THE OFFERING.....	9
USES OF PROCEEDS.....	9
OFFERING EXPENSES.....	9
HISTORY OF CGIF AND THE OFFERING.....	10
FINANCING AND OPERATIONAL ACTIVITIES.....	10
Outstanding Certificates Payable.....	10
Outstanding Loans Receivable.....	11
LENDING ACTIVITIES.....	11
Material Loans and Loan Delinquencies.....	12
Loan Loss Reserves.....	12
Participations.....	12
INVESTING ACTIVITIES.....	13
SELECTED FINANCIAL DATA.....	14
Management's Financial Summary.....	14
DESCRIPTION OF CERTIFICATES.....	15
Flexible Certificates.....	16
Interest Rate.....	16
Periodic Statements.....	16
Redemption Of Certificates.....	16
PLAN OF DISTRIBUTION.....	17
TAX ASPECTS.....	17
LITIGATION AND LEGAL MATTERS.....	17
SUMMARY OF RELATIONSHIPS.....	18
DISSOLUTION.....	19
MANAGEMENT.....	19
ANNUAL REPORTS.....	20
INDEPENDENT ACCOUNTANTS.....	21
COMBINED AUDITED FINANCIAL STATEMENTS	

## **DEFINITIONS**

The terms defined below apply to all portions of this Offering Circular except the Financial Statements and the Notes to Financial Statements, which must be read in the context of the terms separately defined therein.

**Certificate** – Term or demand unsecured debt obligation, issued by CGIF, offered herein. For a further description of the terms of the Certificates, see “Description of Certificates.”

**CGIF** – Church Growth Investment Fund, Inc., a Florida not-for-profit corporation.

**Demand Certificates** – See “Description of Certificates”.

**Eligible Ministries** – A church or other church-related ministry, adhering to the beliefs and religious principles of the Baptist Faith and Message of the Southern Baptist Convention and affiliated with the Southern Baptist Convention and/or a Baptist State Convention affiliated with the Southern Baptist Convention, along with their para-church ministries, or any religious organization that has a programmatic relationship with any of the foregoing.

**Financial Statements** – The combined audited financial statements attached to this Offering Circular.

**Investors** – Residents of Florida that are (i) persons (including entities or arrangements controlled by, owned by, or existing for the benefit of such persons) who, prior to receipt of this offering circular, are members of, contributors to, or participants in CGIF, churches that are members of a Southern Baptist Convention and/or a Baptist State Convention affiliated with the Southern Baptist Convention, or other autonomous churches or church ministries adhering to the beliefs and religious principles of the Baptist Faith and Message and their para-church ministries, or in any religious organization that has a programmatic relationship with any of the foregoing, (ii) independent church that is a member of the Southern Baptist Convention and/or a Baptist State Convention affiliated with the Southern Baptist Convention, or other autonomous churches or ministries adhering to the beliefs and religious principles of the Baptist Faith and Message, and their para-church ministries, or any religious organization that has a programmatic relationship with any of the foregoing or CGIF, or (iii) any ancestor, descendant other relative, beneficiary or successor in interest of any person described in (i) or (ii) above.

**Loan** – A fixed or adjustable interest rate loan originated by CGIF to an Eligible Ministry for Ministry Activities. See “Operating and Investment Policies”.

**Loan Reserve Certificates** – Demand Certificates used to hold required payment reserves and/or required equity in a construction project for Eligible Ministries who have secured a Loan with CGIF. See “Description of Certificates.”

**Ministry Activities** – The acquisition of land and building, the construction of facilities (including church facilities, schools and any other facilities operated by Eligible Ministries), renovation or expansion of existing facilities, disaster recovery and rehabilitation of facilities, the provision of financing for short term cash flow needs and refinancing or consolidation of existing debt incurred for any of the proceeding purposes for qualifying Eligible Ministries.

**Offering Circular** – This disclosure document prepared by CGIF.

**Time Certificates** – See “Description of Certificates.”

**U.S. GAAP** – Generally Accepted Accounting Principles in the United States as defined by the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB), Accounting Research Bulletins (ARB) and American Institute of Certified Public Accountants (AICPA).



## **RISK FACTORS**

An investment in the Certificates involves certain risks and special considerations, including the following:

1. **Not FDIC or SIPC Insured.** Certificates are not FDIC insured or SIPC insured or guaranteed by any governmental agency; are not certificates of deposit, deposit accounts or any other type of bank instrument with a bank, savings and loan association, credit union or other financial institution regulated by federal or state authorities; and are subject to investment risks, including possible loss of the entire principal amount invested. The Certificates are nonetheless subject to all of the inherent risks of investing in debt securities, including but not limited to financial and operational risks.
2. **No Collateral for Certificates.** The Certificates are not secured by collateral and are dependent solely upon the financial condition and operations of CGIF for repayment of principal and interest. Certificate holders will have no right, either individually or as a group, to foreclose on mortgages given by defaulting borrowers. CGIF reserves the right to grant an extension of time for the repayment of any Loan at the sole discretion of its Board of Directors.
3. **No Trust Indenture.** The Certificates are not issued pursuant to any trust indenture and no indenture trustee or other agent has been appointed to represent the interest of Certificate holders.
4. **Illiquid Investments.** Since at any given time a substantial portion of CGIF's assets will be invested in long term loans to churches which are not liquid, and since its only sources of funds are investments in the Certificates, payments of principal and interest on the loans, and income on the investment of its capital and reserves, CGIF might be unable to repay all the Certificate holders seeking repayment if a substantial number of them seek repayment within a short period of one another. There is no provision for a sinking fund requiring periodic deposits for application to redemption of Certificates or payment of interest as it becomes due. CGIF relies on its required liquidity to meet these obligations.
5. **Not Transferable.** No public market exists for the Certificates, and none is expected to develop. Once issued, Certificates are not transferable.
6. **Demand Certificates.** Demand Certificates and Loan Reserve Certificates have no maturity date and are not transferable but may be redeemed from time to time by Certificate holders. Redemptions by each holder are limited to once per calendar month. CGIF may charge a fee for additional redemptions.
7. **Reinvestment of Interest; No Tax Distributions.** Interest on the Certificates will be automatically reinvested in the Certificate holder's accounts. Thus, Certificate holders will receive no periodic distributions on the Certificates for payment of federal income taxes.
8. **Individual Retirement Accounts.** Due to the fixed term of our Time Certificates and the automatic reinvestment of interest, there is no guarantee of minimum distributions that may be required by an IRA or other retirement account, and IRA or other retirement account Investors should take this into consideration when making their investment decision. 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 "Tax Matters."
9. **Investment Risks.** CGIF's liquid assets invested in readily marketable securities are subject to various market risks that may result in losses if market values of investments decline.
10. **Variable Interest Rate.** The interest rate on Demand Certificates and Loan Reserve Certificates is variable. The interest rate is subject to be adjusted monthly by CGIF and is not tied to any standard market rate.
11. **Concentration of Borrowers and Investors.** All of CGIF's Loans are to borrowers in Florida, and the majority of all its outstanding Certificates are held by Investors located in Florida. Adverse economic conditions in Florida could reduce the amount of charitable contributions borrowers receive from their members. This, in turn, could adversely affect the ability of these borrowers to repay their Loans. Similarly, adverse economic conditions could increase redemptions, which would negatively impact CGIF's liquidity and ability to repay Certificates. In addition, a decline in real estate values in Florida could adversely affect the value of the properties serving as collateral on CGIF's Loans.

**12. The outbreak of the novel and omicron strains of the coronavirus, SARS-CoV-2, which causes COVID-19, could adversely impact our business.** The ongoing coronavirus situation and the related warnings, advice, guidance, and mandates of government authorities and infectious disease experts, including restrictions on travel and in-person meetings and preferential or protective government actions could interrupt our key activities, limit our employee resources, increase our use of digital technologies and the risks associated with them, and have material adverse impact on our operations (including operations provided by third-party vendors), financial condition (including cash flow, liquidity, loan repayments, collateral values, loan defaults, loan loss reserves, and investment performance), compliance with loan covenants, and financial results. The coronavirus situation has resulted in significant financial market volatility and uncertainty, and we are exposed to the risks of an economic recession or other severe economic disruption in the U.S., or a particular region, may also result in decreased contributions to our borrowers, with whom we have a relationship that may differ from commercial lenders and could adversely affect their ability to fulfill their obligations to us and the value of our collateral. We have allowed certain borrowers to make interest-only payments and may again make loan modifications, including deferring payments, to accommodate our borrowers, and these accommodations could negatively impact our operations.

Due to the speed with which the coronavirus situation has developed and the unknown duration and severity of the event, the extent to which the event may impact our business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, and further actions to contain the outbreak or treat its impact, such as travel restrictions, social distancing and quarantines or lock-downs, business closures or business disruptions, the effectiveness of actions taken to contain and treat the disease, and the overall impact on the economy as well as on our borrowers and investors.

**13. Dependence of Borrowers on Contributions and Operating Revenue.** Eligible Ministries that are granted Loans by CGIF generally are primarily dependent upon contributions from their respective memberships to meet the repayment of principal and interest on the Loans. Because of population shifts, changing economic conditions or other unpredictable factors, these Eligible Ministries may not receive sufficient funds to meet their obligations to CGIF.

**14. Limited Remedies of CGIF.** CGIF's remedies against a defaulting borrower may be limited by the terms of the mortgage agreement relating to the mortgaged property. CGIF does not anticipate, as a general rule, obtaining a personal guarantee on its Loans.

**15. Limited Market Values of Property Securing CGIF Loans.** CGIF has not adopted a formal policy limiting the ratio amounts to the value of the property securing the Loans but will generally limit the amount to 75% of the cost of constructing or remodeling a building (80% for a new congregation constructing its first unit). Because the market for denominational buildings is limited, their market value may be substantially less than the cost of constructing or remodeling them.

**16. Not Comparable to Commercial Lender.** Due to CGIF's relationship with its borrowers, it may accommodate partial, deferred, or late payments from borrowers, and may restructure or refinance Loans in situations where a typical commercial lender would not. CGIF may make Loans to borrowers that are not able to secure financing from commercial lenders.

**17. Loyalty of Directors.** Although directors of CGIF have a duty to protect the interests of the Certificate holders, they may be influenced to some extent by loyalty to the Florida Baptist Convention and/or the Southern Baptist Convention in deciding whether to approve Loan applications or to foreclose mortgages given by defaulting borrowers.

**18. Liability for Claims Against Related Organizations.** As a separate corporation, CGIF is generally not liable for claims against the Florida Baptist State Convention, the Florida Baptist Foundation, Florida Baptist Financial Services, Inc. or any other Southern Baptist Convention or any other church, association, state convention, institution or agency affiliated with the Southern Baptist Convention. It is possible, however, that in the event of claims against any of the foregoing, and particularly against the Florida Baptist Foundation and Florida Baptist Financial Services, Inc., the claimants might contend that CGIF is also liable. See "History of CGIF and the Offering" and "Summary of Relationships."



- 19. Repayment of Certificates is Not Guaranteed by Other Organizations.** The Certificates are not guaranteed by the Florida Baptist Foundation, Florida Baptist Financial Services, Inc., the Florida Baptist State Convention, or any other organization. Certificate holders must rely solely upon CGIF to pay the interest and principal on Certificates.
- 20. Possible Weak Loan Demand.** If the demand for mortgage loans is weak, the income derived from alternative investments may not be sufficient to cover interest payments to Certificate holders.
- 21. Right to Change Policies.** CGIF reserves the right to change its policies and procedures generally, including loan, investment, and other policies described in this Offering Circular.
- 22. Certain Tax Considerations.** No investment in the Certificates is eligible to be treated as a deductible charitable contribution for Federal income tax purposes. Any investor should be able to bear the full risk of such investment in any Certificates, including any associated tax consequences. See “Tax Matters.”
- 23. Federal and State Law.** Future changes in federal or state laws may adversely affect CGIF’s ability to continue to sell Certificates.

## **THE OFFERING**

We may issue up to Two Hundred Fifty Million Dollars (\$250,000,000) of our Certificates during the offering period covered by this Offering Circular. This amount may be issued in any one or more of the types of Certificates and may only be issued at their face value and only in the State of Florida. The Certificates will be offered only by this Offering Circular.

This Offering Circular is intended to be used by investors from April 1, 2023, through March 31, 2024. If the entire amount of the offering is not needed for the purposes intended, the offering may be withdrawn, and the acceptance of subscriptions suspended.

Certificates will continually be offered, and investments will be credited to Certificate balances upon collection of funds. No officer, director, or member of CGIF will receive any fee or pecuniary profit from CGIF’s operations, except for reasonable compensation for services actually rendered in performing his/her regular duties, and no fees of any kind will be paid to any underwriter, outside broker or independent salesman. No commissions or discounts will be paid or provided by CGIF in connection with the sale of Certificates.

It is the policy of CGIF to reject any application to purchase the Certificates the acceptance of which would cause the aggregate amount of outstanding Certificates to exceed twenty (20) times CGIF’s capital, as measured on the date of such application to purchase.

## **USE OF PROCEEDS**

CGIF intends to use the proceeds from this offering primarily to grant first and second mortgage loans as well as unsecured Loans to Eligible Ministries in accordance with its policies and procedures. See “Operating and Investment Policies.” Unsecured Loans are only granted to highly qualified borrowers. The proceeds that at any given time, are not invested in such Loans, will be invested in marketable securities and cash equivalents. See “Operating and Investment Policies.”

## **OFFERING EXPENSES**

The expenses of this offering, which we expect to be less than 0.25% of the total offering amount, are paid from our operating funds. This offering is not underwritten, and no commissions are paid for the sale of the Certificates. As a result, CGIF receives 100% of the proceeds from this offering. CGIF offers and sells the Certificates only through the officers and employees of Florida Baptist Financial Services who are licensed to sell in the State of Florida on behalf of CGIF, and there are no outside selling agents involved in this offering.

## **HISTORY OF CGIF AND THE OFFERING**

Because Florida Baptists believed that population growth will far exceed the ability of the local State Baptist Conventions and their churches and agencies to fund new mission efforts through the traditional donation mechanisms, the Florida Baptist Foundation committed itself to find the most efficient means to generate additional resources for critical needs. The Florida Baptist Foundation concluded that the wealth which Baptists hold as savings represents the greatest untapped source of funding for mission work and that pooling these resources could best be done by a new corporation whose mission would be to borrow the funds from Baptists and make loans to churches and other entities affiliated with their local State Baptist Convention and the Southern Baptist Convention. CGIF was formed to accomplish this mission.

The Florida Baptist Foundation organized CGIF on April 4, 1991, under the Florida Not-For-Profit Corporation Act. CGIF was initially incorporated as Florida Baptist Investment Services, Inc., and changed its name to Church Growth Investment Fund, Inc. on June 17, 1996.

The primary purpose of CGIF is to procure funds by issuing the Certificates in order to make Loans to Eligible Ministries engaged in Ministry Activities.

CGIF's physical address is 8383 Baymeadows Way, Jacksonville, Florida 32256, and its mailing address is P.O. Box 23069, Jacksonville, FL 32241-3069. The sole member of CGIF is Florida Baptist Financial Services, Inc., a Florida not-for-profit corporation organized by the Florida Baptist Foundation for the purpose of providing financial assistance to ministries affiliated with their local State Baptist Convention and the Southern Baptist Convention. CGIF is solely responsible for repayment to holders of Certificates. Should CGIF be unable to meet its obligations to holders of Certificates, the holders will have no recourse against the Florida Baptist Foundation, or any other entity or organization affiliated with the Florida Baptist Convention or the Southern Baptist Convention.

## **FINANCING AND OPERATIONAL ACTIVITIES**

Our means of generating funds for making Loans for Ministry Activities is through the sale of Certificates, earnings from investments, and principal and interest payments on Loans.

### **Outstanding Certificates Payable**

As of December 31, 2022, we had 1,871 Certificates outstanding totaling \$171,586,904. The amount of Time Certificates payable held by us on December 31, 2022, mature as follows:

<u>Year Ending December 31,</u>	
2023	\$34,238,000
2024	\$29,601,000
2025	\$24,065,000
2026	\$9,978,000
2027	\$7,744,000
Thereafter	\$5,077,000
Total	\$110,703,000

### **Outstanding Loans Receivable**

As of December 31, 2022, we had 152 Loans with aggregate outstanding balances totaling \$119,495,609. The loans outstanding on December 31, 2022, are as follows:

<u>Loan Balance</u>	<u>Number of Loans</u>	<u>Principal of Loan Portfolio</u>	<u>Percentage of Loan Portfolio</u>
Less than \$250,000	42	\$4,790,200	4%
\$250,000 - \$499,999	44	\$16,574,612	14%
\$500,000 - \$999,999	28	\$20,874,440	17%
\$1,000,000 - \$1,999,999	24	\$34,727,386	29%
\$2,000,000 – or more	14	\$42,528,971	36%

As of December 31, 2022, all Loans were secured by the borrower's property, and there were no outstanding loan commitments that would not be secured by the borrower's property or Certificates pledged by borrower.

## **LENDING ACTIVITIES**

CGIF will make Loans only to Eligible Ministries for the acquisition of land and buildings, the construction of facilities (including church facilities, schools and any other facilities operated by Eligible Ministries), renovation or expansion of existing facilities, and refinancing or consolidation of existing debt incurred for any of the preceding purposes. We may also credit Loans for short-term capital or operational needs that may arise from time to time. The major steps in the processing of Loan applications, which are to be considered by CGIF, are as follows:

**STEP 1-** The Eligible Ministry submits a Loan application on a standard form provided by CGIF. The completed application contains, as applicable:

- (a) Relevant statistical and financial information about the Eligible Ministry and the proposed Ministry Activity to be financed.
- (b) Certification by the Eligible Ministry's secretary showing that the congregation has properly authorized the proposed borrowing.

**STEP 2 -** Staff members of Florida Baptist Foundation evaluate the application on behalf of CGIF. If the Loan is judged to be sound, it is then decisioned according to CGIF Loan Policy.

Our credit policies have been established and may be changed only by our Board of Directors and are subject to change. As of the date of this Offering Circular, our credit policies are as described below. Loan applicants seeking credit approval will generally submit a loan application along with supporting financial and or project related documentation. As part of our loan underwriting and assessments, we generally evaluate the following:

- **Christ** – He's who it's all about.  
The church is making disciples of Jesus Christ as evidenced in their beliefs, statistics, and mission endeavors.
- **Community** – Doing the mission with others.  
The church is active among their neighbors, generous in giving to the Cooperative Program, and active in doing life with their local association/network of churches and others for greater Kingdom impact.
- **Cash Flow** – Capacity to service debt in relationship to other needs of the mission.  
This is measured by ratios stated in CGIF's Corporate Policy.
- **Collateral** – The value of all the property & facilities in relationship to the loan amount.  
This is measured by CGIF's Corporate Policy.
- **Capital** – Cash needed to get in and maintain the facility.  
Funds that are needed for the down payment, closing cost, reserves, and property enhancement are verifiable, and the church has the financial capacity to maintain the collateral going forward.
- **Context** – Right people, right place, right time, and right location.  
This is measured by quality, tenure and capacity of leadership, church health and the church's fit with the surrounding community.

Furthermore, we typically assess other qualitative and quantitative factors surrounding each applicant's request. We may, on an exception basis, waive one or more submission requirements if we determine that doing so will not materially increase the risk associate with the particular Loan.

Loans that fall within our approved credit guidelines with amounts  $\leq$ \$500,000.00 may be decisioned by the Executive Staff and then reported to the Board of Directors at the next called meeting. Loans with amounts  $>$ \$500,000.00 or that fall outside our approved credit guidelines must be decisioned by CGIF's Board of Directors. Loans are generally written for terms up to thirty (30) years with monthly payments based on an amortization period of up to thirty (30) years. Loans for construction and renovation generally have terms of up to three (3) years with interest only payments followed by a conversion to a permanent term of up to thirty (30) years with monthly payments based on an amortization period of up to thirty (30) years. Interest on most of the mortgage Loans will be adjustable.

In addition to a thorough financial review, we will generally perform assessments of any real property to be pledged as security for a Loan including but not limited to title reviews, property insurance, environmental screenings, and flood reports. In cases where construction may be involved, we may require a builder's risk policy and duly executed lien waivers. We may also require a third-party property valuation and survey of any real property.

At least ninety percent (90%) of our Loans will be secured by real or personal property. Our credit guidelines generally require Loans to be secured by a first or second mortgage behind a CGIF first mortgage or deed of trust on real property.

The aggregate principal amount of Loans outstanding at any time may be limited by CGIF's policy of maintaining a reserve of cash equivalents equal to at least 10% of the aggregate amount of the Certificates then outstanding, thereby reducing the assets that can be loaned.

If any payments of principal or interest are past due more than ninety (90) days, we will deem such Loan to be delinquent.

## **Material Loans and Loan Delinquencies**

We had net outstanding Loans aggregating \$118,656,955, \$114,494,734, \$120,073,035, \$111,158,557 as of December 31, 2022, 2021, 2020, and 2019, respectively. Of these amounts, 100% were to churches as of December 31, 2022, 2021, 2020, and 2019. There were no Loans ninety (90) days or more past due as of December 31, 2022, 2021, or 2019. During the year ending December 31, 2019, there was one loan ninety (90) days or more past due in the amount of \$537,646. During the year ending December 31, 2022, one of our Loans with a principal balance of \$3,497,997 was considered non-accrual and no loans were considered impaired. During the year ending December 31, 2021, two of our Loans with an aggregate principal balance of \$5,149,141 were considered non-accrual and no loans were considered impaired. During the year ending December 31, 2020, two of our Loans with an aggregate principal balance of \$5,842,732 were considered non-accrual and no loans were considered impaired. During the year ending December 31, 2019, the aggregate principal balance of loans considered non-accrual was \$0.

Due to the nature of the relationship with our borrowers, it is our policy to work with our borrowers in their efforts to meet Loan obligations. However, no assurance can be given that we will be willing to refinance, restructure or work out delinquent Loans in the future.

## **Loan Loss Reserves**

Our allowances for loan losses are maintained at a level considered by management to be adequate to provide for potential losses. As of December 31, 2022, the aggregate allowance for loan losses was \$838,654.

## **Participations**

We may sell participation interest in our Loans to third parties from time to time, including a pro-rata interest in the collateral securing the loan. When we do so, we continue to service the Loan and remit a portion of each Loan payment we receive

from the borrowers to the buyers of the participation interest. The participations are non-recourse, which means that we will have no obligation to repurchase the portion of the Loan we sold, and that the purchaser will assume all risk of loss on that portion of the Loan. Accordingly, the portions of the Loans we sell are not included in our outstanding loans receivable figures. It is our policy not to securitize any portion of our Loan portfolio.

We may also purchase participation interest in individual Loans from third party lenders of Eligible Ministries. Under these loan participation agreements, the third-party lenders maintain all records, collect all payments and remit monthly the appropriate pro rata share of both interest and principal collected on the Loans. These agreements typically provide that we will share ratably with the third-party lenders in the event of any extraordinary expenses required to preserve the collateral or enforce the lender's rights with respect to the Loan. Similarly, we share ratably in the costs and proceeds in the event of any foreclosure, sale of collateral or other collection action. Our right to take any enforcement action with respect to the borrower or collateral of any of these Loans is subject to the cooperation of the third-party lender who originated the loan. These purchased participation interests are included in the Loans receivable in the Financial Statements.

We sold participation interest in one loan for the year ending December 31, 2022. We neither sold nor held participation interest in any Loans for the years ending December 31, 2021, or December 31, 2020.

## **INVESTING ACTIVITIES**

We maintain a portion of our assets in an investment portfolio pending utilization for Loan activities or for maintaining reasonable liquidity. Our current investment policy requires a minimum of 10% of our principal balance of all outstanding Certificates be maintained in marketable securities. Marketable securities may include cash, checking account balances, money market funds, church extension funds, bonds, and stocks. All marketable securities are subject to the investment policy statement.

All remaining liquidity may be invested according to the investment policy & endowment spending policy under the direction of the Board of Directors.

The Board of Directors oversees the Investment Policy & Endowment Spending Policy and reviews the investment transactions on a semi-annual basis. The Chief Executive Officer and Director of Church Finance have the responsibility of implementing the policy. See "Management". We currently utilize the services of Florida Baptist Foundation to assist in the investment of our assets. See "Summary of Relationships".

Below is a summary of our cash and investments as of December 31, 2022:

<b>Type of Investment</b>	<b>12/31/2022</b>	<b>% of Total</b>
Assets administered by the Foundation.....		
Kingdom fund .....	\$6,712,704	7.36%
Harvest fund .....	\$4,938,473	5.41%
Storehouse fund .....	\$6,252,066	6.85%
Other funds held by the Foundation invested as follows:		
Louisiana Short-term fund .....	\$5,119,429	5.61%
Church Extension Funds.....	\$11,160,765	12.23%
Real Estate.....	\$2,596,569	2.85%
Cash and Cash Equivalents .....	\$54,449,999	59.69%

During the fiscal year ended December 31, 2022, we had aggregate net loss on our investments of \$1,294,857.00.

## **SELECTED FINANCIAL DATA**

Below is a summary in tabular form of certain selected financial data with respect to our operations for our four (4) most recent fiscal years. This data has been compiled by management from our Financial Statements, and it should be read in conjunction with our most recent Financial Statements (including Notes thereto).

<b><u>Description of Selected Financial Data</u></b>	<b><u>12/31/2022</u></b>	<b><u>12/31/2021</u></b>	<b><u>12/31/2020</u></b>	<b><u>12/31/2019</u></b>
Cash and temporary cash investments.....	\$54,449,999	\$53,466,063	\$9,987,724	\$15,297,940
Investments.....	\$36,780,006	\$24,622,741	\$16,028,184	\$10,954,521
Other Assets.....	\$663,154	—	—	—
Receivables:				
Accrued interest.....	\$433,690	\$444,950	\$565,574	\$584,125
Loans, net.....	\$118,656,955	\$114,494,734	\$120,073,035	\$111,158,557
Total Assets.....	\$210,983,804	\$193,028,488	\$146,654,517	\$137,995,143
Certificate of investment redemptions.....	\$171,586,904	\$156,537,135	\$112,982,617	\$107,678,341
Accounts payable and accrued expenses..	\$1,246,906	\$55	\$0	\$0
Total net assets.....	\$38,149,994	\$36,491,298	\$33,671,900	\$30,316,802
%Net assets to total assets.....	18.1%	18.9%	22.9%	21.9%
Amount of delinquent loans.....	0	0	0	0
% Of delinquent loans to total loans.....	\$0	\$0	\$0	\$0
Amount of non-accrual loans.....	\$3,497,997	\$5,149,141	\$5,842,732	\$0
% Of non-accrual loans to total loans.....	2.95%	4.49%	4.87%	0.0%

### **For the Year Ended December 31,**

	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Net operating income	\$1,782,707	\$2,224,841	\$2,223,855	\$2,583,770
Net investment income	-\$124,011	\$594,557	\$1,131,243	\$1,367,844
Change in net assets	\$1,658,696	\$2,819,398	\$3,355,098	\$3,951,614

## **Management's Financial Summary**

CGIF's Board of Directors reviews the overall financials monthly. CGIF's operating philosophy is to maintain a position of liquidity sufficient to provide for operation cash requirements, a capital position sufficient to support CGIF's financial position and operations, and a margin of assets over liabilities. A significant shift in interest rates or Loan demand may adversely affect actual performance. CGIF's Board of Directors may modify existing procedures or implement new procedures to enable CGIF to operate under changing economic conditions. Some of the key areas regularly reviewed are the following:

*Source of Funds for Payment of Certificates* – Under CGIF's method of accounting, interest payments on Certificates will be made from CGIF's operating income and net assets without donor restrictions, and principal payments on Certificates will be made from CGIF's assets.

*Capital Adequacy* – CGIF's net assets are anticipated to support CGIF's ability to maintain CGIF's operations. As of December 31, 2022, CGIF's net assets as a percentage of our total assets were 18.08% determined as follows:



	<u>12/31/2022</u>
Net Assets.....	\$38,149,994
Total Assets.....	\$210,983,804
Total Assets Percentage of Total Assets.....	18.08%

CGIF strives to maintain a strong capital position to support CGIF's operations and growth.

*Liquidity* – It is CGIF's policy to maintain at all times an aggregate operating and reserve liquidity, comprised of cash, cash equivalents, readily marketable securities and immediately available funds, equal to at least 10% of our principal balance of all outstanding Certificates to provide for CGIF's cash requirements as well as reserve liquidity. As of December 31, 2022, CGIF had available funds equal to 51.66% of the total outstanding Certificates as follows:

	<u>12/31/2022</u>
Cash and temporary cash investments..	\$54,449,999
Readily marketable securities.....	\$34,183,437
Total Available Funds.....	\$88,633,436
Investment Certificates Payable.....	\$171,586,904
Available Funds Percentage of Certificates of investment...	51.66%

*Loan Delinquencies* – As of fiscal year ending December 31, 2022, none of CGIF Loans were ninety (90) days or more past due.

*Senior Secured Indebtedness* – As of December 31, 2022, CGIF had no outstanding indebtedness balances. To the extent that CGIF has any senior secured indebtedness, repayment of that indebtedness CGIF will have priority in CGIF's assets over all other unsecured creditors, including its investors.

*Interest Rate Management* – CGIF's method of determining interest rates on Certificates and Loans is based on an effort to reduce the risks pertaining to the differential between borrowing and lending rates. Prior to closing a Loan, CGIF limits the length of time to which CGIF is committed to an initial Loan interest rate. CGIF charges a prepayment penalty on loans that are paid off within the initial sixty (60) months of its term. CGIF charges a penalty for early redemption of Time Certificates unless it waives the penalty in its sole discretion. See "Redemption of Certificates". CGIF has implemented these procedures to allow CGIF to operate under fluctuating economic conditions.

## **DESCRIPTION OF CERTIFICATES**

***Investments offered by the Church Growth Investment Fund are not bank deposits or obligations and are not insured by the Federal Deposit Insurance Corporation (FDIC), the Securities Investor Protection Corporation (SIPC) or any other federal or state agency.***

The Certificates are debt obligations of CGIF. The Certificates are not transferable but may be redeemed from time to time. See "Redemption of Certificates". These Certificates fall into the following three general categories;

- A. DEMAND CERTIFICATES:** minimum opening investment of \$1,000, payable upon demand.
- B. LOAN RESERVE CERTIFICATES:** minimum opening investment of \$1,000, payable upon demand. Available only to Eligible Ministries that have secured a Loan with CGIF to hold a required payment reserve or required equity in a construction project.
- C. TIME CERTIFICATES:** \$1,000 minimum, 6 – 84-month terms. 30-day notice for withdrawal. The current penalty for early withdrawal is forfeiture of one hundred twenty (120) days of interest on the amount of principal withdrawn.

Additional investments into existing Certificates are permitted on the terms of the Certificate.

Certificates bear interest monthly. Interest on Certificates will begin to accrue upon receipt of funds by CGIF. Current interest rates are listed on the rate card accompanying this Offering Circular.

## **Flexible Certificates**

A Flexible Certificate is either a Time Certificate or Demand Certificate issued to an Investor who invests over \$750,000 with CGIF. The interest rate to be paid on a Flexible Certificate may be higher than the then-current rates offered for other Time Certificates or Demand Certificate, as applicable, and will be specially negotiated between the Investor and CGIF. A Flexible Certificate is not a different type of Certificate rather, it is simply a designation used to describe a Time Certificate or Demand Certificate for which an initial higher fixed interest rate (for a Time Certificate) or adjustable interest rate (for a Demand Certificate) is specially negotiated with the Investor. Other than the special negotiation of the initial higher interest rate terms at the time of purchase, Flexible Certificates are not otherwise “flexible” or different in their terms from regular Time Certificates or Demand Certificates, as applicable.

## **Interest Rate**

Interest earned on the Certificates will be credited monthly to the holders' Certificate balance. Interest earned will be automatically reinvested in the Certificate. CGIF's Board will meet periodically to reconsider the rate of interest on Demand Certificates, Time Certificates and Loan Reserve Certificates in light of the average rate of return received by CGIF on its Loan and other relevant factors. At such times, the Board may raise or lower the rate of interest on newly issued or variable rate Certificates at its sole discretion.

## **Periodic Statements**

Holders of the Certificates will not receive physical certificates. Rather, transactions in the Certificates will be reflected in periodic statements to be provided to holders on a monthly or quarterly basis.

## **Redemption of Certificates**

Demand Certificates and Loan Reserve Certificates do not mature and may be redeemed at any time upon written notice to CGIF, subject to our rights to require up to 30 days' prior written notice of any intended redemption. Redemptions by each holder will be limited to one per calendar month without a fee or charge. CGIF may charge a fee for additional redemptions in a single calendar month based on the administrative cost to CGIF to handle the redemption, subject to change at CGIF's sole discretion. Redemptions shall be made in the order of the receipt of notices by CGIF. Redemptions may not bring the holders' investment in the Demand Certificates or Loan Reserve Certificates below \$100.00. If this occurs, the Certificate in question that is at or below \$100.00 may be redeemed and the proceeds sent to the Certificate holder.

Redemptions for any Certificate held by an IRA must be made through the custodian and may be subject to federal and state tax. In the event of early termination (dissolution or transfer of entire retirement program prior to age 59 ½), there may be a charge by the custodian for the cost of filing the necessary papers with the Internal Revenue Service.

Time Certificates (6 – 84 months) have a specified maturity date upon issuance. Unless specifically stated otherwise, Time Certificates automatically renew for the same term as the original Certificate upon maturity unless the holder gives CGIF written notice 30 days prior to the maturity of the Certificates. Time Certificates redeemed prior to the maturity date may be subject to a penalty, unless waived by CGIF in its sole discretion, such as in the case of a redemption that is occasioned by a change in the way CGIF proposes to calculate interest rates. The penalty for early redemption at this time is the forfeiture of 120 days of interest on the amount of principal redeemed. CGIF's policies require CGIF to maintain at any given point in time a reserve of cash equivalents equal to at least 10% of the aggregate amount of the Certificates then outstanding.

CGIF reserves the right, upon six months written notice to the holder, to redeem any Certificate by payment of the principal amount of the Certificate then outstanding.

## **PLAN OF DISTRIBUTION**

The primary means of marketing the Certificates will be through promotional brochures and Offering Circulars distributed to Eligible Ministries and individual members of Eligible Ministries. Promotional materials will also be published on CGIF's homepage on the Internet for churches ([www.floridabaptist.org/cgif-churches](http://www.floridabaptist.org/cgif-churches)) and individuals ([www.floridabaptist.org/cgif-individuals](http://www.floridabaptist.org/cgif-individuals)). CGIF will also make the Offering Circular and investment application form available on our Internet website and by e-mail. In addition, promotional materials will be distributed at church conferences, meetings, retreats, and seminars in Florida. CGIF's representatives may discuss the nature and purpose of CGIF's work at church conferences, meetings, retreats, and seminars in Florida. You will be provided a copy of the Offering Circular prior to your purchase of a Certificate. No offers to purchase will be accepted prior to the time that you have executed an investment application form acknowledging that you received a current Offering Circular. All sales are made by licensed representatives of CGIF. No underwriting or selling agreements exist, and no direct or indirect remuneration will be paid to any person in connection with the offer and sale of Certificates. Certificates will be offered and sold only to eligible Investors.

## **TAX ASPECTS**

The purchase of a Certificate does not qualify as a deductible charitable contribution under the Federal income tax laws. Interest paid on Certificates must be declared as income by each holder in the year it is paid or accrued, unless the holder is a tax-exempt organization regardless of whether it is actually paid out to you. Transferability of the Certificates is limited, and it is unlikely that there could be a sale or exchange of a Certificate. Upon a transfer, however, the seller would generally report as either a short-term or long-term gain or loss depending upon the length of time held, the gain or loss equal to the difference between the purchase price and the amount received upon sale or exchange, less accrued interest. Certificate holders will not be taxed on the return of the principal purchase price of Certificates or on previously accrued and taxed interest. Any excess will be interest income taxable in the year of maturity.

If a Certificate holder is an individual and either the holder alone or together with the holder's spouse has invested or loaned more than \$250,000 in aggregate with or to CGIF, the holder may be deemed to receive additional taxable interest under Section 7872 of the Internal Revenue Code. Investors should consult their tax advisors to be informed of the special income tax rules applicable to loans and investments, in the aggregate, greater than \$250,000.

CGIF will notify you of interest earned on Certificates by sending you the IRS Form 1099 by January 31<sup>st</sup> of each year. If you do not provide us with your correct social security number or Federal tax identification number, you will be subject to backup withholding of 28% on interest earned as required by law.

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. 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 a Certificate holder's particular circumstances, such as purchasing Certificate through an IRA or other tax-deferred account. This discussion of federal income tax consequences was written to support the promotion or marketing of the Certificates 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. Investors should consult their tax advisors to determine the particular federal, state, local or foreign income or other tax consequences particular to investment in the Certificates.

CGIF has received a ruling from the Internal Revenue Service of the United States Treasury Department that CGIF is exempt from federal income taxation of its receipts.

## **LITIGATION AND LEGAL MATTERS**

As of the date of this Offering Circular, there is no material litigation or claim now pending or, to CGIF's knowledge, threatened against CGIF.

## SUMMARY OF RELATIONSHIPS

The manner of affiliation of the principal entities involved in the offering which is the subject of this Offering Circular, and the material transactions between them relating to the operation of CGIF are summarized in the following diagram.



FLORIDA BAPTIST CONVENTION

The basic administrative body that facilitates the union and cooperation of Florida Baptists in building up the kingdom of Christ in the state and throughout the world.

.....



**Stewardship.Simplified.**  
Florida Baptist Financial Services

The Directors of Florida Baptist Financial Services, Inc., are elected by the messengers to the Florida Baptist State Convention.

Chartered in 1991, this entity acts as the holding company for a group of affiliated companies. It coordinates the marketing and other activities of and provides administrative services to the affiliates.

.....



**Stewardship.Simplified.**  
Church Growth Investment Fund

Directors of Church Growth Investment Fund, Inc. are chosen by the Directors of Florida Baptist Financial Services, Inc., from among their members.

Chartered in 1991, the sole purpose of this entity is to offer and manage the Fund.

.....



**Stewardship.Simplified.**  
Florida Baptist Foundation

Messengers to the annual Florida Baptist State Convention elect the Trustees of the Florida Baptist Foundation. These Trustees are the same persons as the Directors of Florida Baptist Financial Services, Inc.

Incorporated in 1947, this agency seeks to strengthen all causes of the Christian faith by encouraging people to exercise biblical stewardship through tithing and estate gifts. It assists individuals and churches in generating additional resources to support local ministries, and to fund the programs and agencies of the Florida Baptist Convention and the Southern Baptist Convention.

The Florida Baptist Foundation has transferred \$100,000 to CGIF as an irrevocable contribution of capital. The Florida Baptist Convention has transferred \$903,864 in real estate and cash as an irrevocable contribution of capital.

The Florida Baptist Foundation has a Ministry Partnership Agreement with CGIF under which it provides CGIF with all administrative support. CGIF has a Loan Servicing Agreement with the Florida Baptist Foundation under which the FBF provides CGIF with the servicing its loans.

The Florida Baptist Foundation manages CGIF's cash and marketable securities.

## **DISSOLUTION**

In the event of CGIF's dissolution, all of its assets remaining after the discharge of its valid obligations would vest in Florida Baptist Financial Services, Inc.

## **MANAGEMENT**

The Bylaws of CGIF vest the management of CGIF in its directors, who serve three-year terms and are chosen by the Board of Directors of Florida Baptist Financial Services, Inc. At present CGIF's directors and executive officers are:

**John C. Huxford**, *Director, Term Expires November 2023*

Partner & Senior Financial Advisor, Princeton Financial. Current member and Finance Committee member, Kendall Baptist Church, Miami. Past Chairman of the Board of Trustees, Chairman of the Deacon Ministry, Chairman of the Personnel Committee, Member of the Stewardship Committee, Ordained Deacon, Treasurer, Board member, and College Bible study leader at Riverside Baptist Church.

**Charles "Charlie" M. Harper**, *Director, Term expires November 2026*

Former Community Banker of 40 years with experience as a Branch Manager, Commercial Lender, Construction Lender, Senior Lender, Chief Credit Officer, and Community Bank President. President of Solutions for Property Assessments. Former Chairman of Deacons and Chairman of the Finance Committee at Broad Street Baptist Church, Hawkinsville, GA. Graduate of Auburn University, member of the Auburn Golf Team, and graduate of The School of Banking of the South at LSU. Member of First Baptist Church Palm Coast serving on the Finance Committee and the Building for the Future Team.

**James "Jim" Davis**, *Chairman, Term Expires November 2025*

Former Finance Executive with over 30 years' experience including roles as Vice Chairman and Executive Vice President of Strategy and Business Development for Stewart Lender Services, Inc., Executive Vice President – Chief Government Affairs Officer for Homeward Residential, and oversight of all default services for HomeSide Lending. Previously served on LPS® Mortgage Advisory Board, the MBA Loan Administration Steering Committee, the Alltel/Fidelity Default User Committee, the FNMA Default Advisory Board, the FHLMC Default Advisory Group, and the HUD Servicing Practices Work Group. Member of Stetson Baptist Church.

**Gary Linton**, *Director, Term expires November 2023*

Senior Pastor, Seminole Baptist Church, Tallahassee, Florida. Officer/Board Member, Courage through Cancer Ministries. Past president of nationally chartered bank in Tallahassee, Florida. Former owner/operator of residential mortgage companies in Georgia and Florida. Banking certifications from American Bankers Association University of Central Florida Consumer Credit School and Stonier Graduate School of Banking at Georgetown University.

**Dr. Stephen T. Sweitzer**, *Vice Chairman, Term expires November 2023*

Associate Pastor of Pastoral Care and Administration, First Baptist Church of Live Oak. Certified Public Accountant. Former Region Manager, Case Corporation. Former Vice President of Domestic Sales, Continental Eagle Corporation. Former Decision Support Manager, Baptist Health. Past Chairman, Suwannee County Long Range Recovery Committee. Past Chairman of Personnel Committee, SBC Lakeland Baptist Association. Past Treasurer and Finance Committee Member, SBC Lakeland Baptist Association. Ordained Deacon and Ordained Minister of the Gospel.

**Dr. Richard A. Wheeler**, *President/Chief Executive Officer*

President and Chief Executive Officer, Florida Baptist Financial Services; Executive Director and Treasurer, Florida Baptist Foundation; Former Executive Director, Jacksonville Baptist Association. Former Leadership Development Director, Florida Baptist Convention. Former Vice President, SunTrust Bank. Former Member of Executive Committee, SBC. Former Member of Executive Board, Southern Baptist Conference of Associational Leaders. Member of Mandarin Baptist Church.

**Kurt T. Lenhoff**, *Corporate Secretary/Treasurer*

Director of Church Finance, Florida Baptist Foundation; Former Stewardship Catalyst, Northwest Baptist Foundation. Former Senior Pastor Northside Baptist Church. Former Senior Pastor Elgin Baptist Church. Former Assistant Vice President Community Bank. Former Vice President KeyBank. Over 30 years of combined experience in pastoral ministry, wealth management and commercial banking. Former Chairman of The Board, Northwest Baptist Foundation. Ordained Southern Baptist minister. Member Mercy Hill Church.

Dr. Wheeler's duties include promoting this offering, overseeing CGIF's fiscal affairs and supervising the work of staff. Dr. Wheeler serves as Executive Director/Treasurer of the Florida Baptist Foundation and the President and Chief Executive Officer of Florida Baptist Financial Services. Mr. Lenhoff's duties include managing the day-to-day operations of CGIF, evaluating loan requests, and overseeing staff. Mr. Lenhoff serves as the Director of Church Finance of Florida Baptist Foundation.

## **Renumeration**

Members of the Board of Directors of CGIF do not receive compensation for their services to CGIF. Directors may be reimbursed for actual expenses incurred in attending the board meetings of CGIF. CGIF has no salaried employees. Both Dr. Wheeler and Mr. Lenhoff are employed by Florida Baptist Foundation, which pays their salaries and benefits. CGIF has contracted with Florida Baptist Financial Services, Inc. and the Florida Baptist Foundation for administrative services, which includes management of the fund, office space and computer services. The cost for these administrative services is not expected to exceed 2% of the outstanding principal amount of the Certificates annually. In 2022, CGIF paid Florida Baptist Foundation a management fee of \$800,605 and a loan servicing fee of \$287,600 for administration services.

## **ANNUAL REPORTS**

CGIF's fiscal year ends on December 31. Within 120 days after the fiscal year end and upon request, Certificate holders will be provided with CGIF's most recent annual financial statement (including a balance sheet and statement of income received and expenses disbursed), which will be prepared in accordance with GAAP and audited by an independent public accountant.





Battt Morrison  
Wales & Lee

CERTIFIED PUBLIC ACCOUNTANTS

# Church Growth Investment Fund, Inc.

Financial Statements

For The Years Ended December 31, 2022 and 2021

## REPORT OF INDEPENDENT AUDITOR

The Board of Directors  
Church Growth Investment Fund, Inc.  
Jacksonville, Florida

### ***Opinion***

We have audited the accompanying financial statements of Church Growth Investment Fund, Inc. ("the Organization"), which consist of the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Church Growth Investment Fund, Inc. as of December 31, 2022 and 2021, the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the Organization's ability to continue as a going concern for a reasonable period of time.

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

A handwritten signature in blue ink that reads "Batts Morrison Wales & Lee, P.A.".

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida  
February 27, 2023

**CHURCH GROWTH INVESTMENT FUND, INC.****STATEMENTS OF FINANCIAL POSITION****ASSETS**

	December 31,	
	2022	2021
<b>ASSETS</b>		
Cash and cash equivalents	\$ 54,449,999	\$ 53,466,063
Investments	36,780,006	24,622,741
Other assets	663,154	—
Church loan interest receivable	433,690	444,950
Church loans receivable, net	<u>118,656,955</u>	<u>114,494,734</u>
<b>Total assets</b>	<b><u>\$ 210,983,804</u></b>	<b><u>\$ 193,028,488</u></b>

**LIABILITIES AND NET ASSETS WITHOUT DONOR RESTRICTIONS**

<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 1,246,906	\$ 55
Certificates of investment	<u>171,586,904</u>	<u>156,537,135</u>
<b>Total liabilities</b>	<b>172,833,810</b>	<b>156,537,190</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b><u>38,149,994</u></b>	<b><u>36,491,298</u></b>
<b>Total liabilities and net assets without donor restrictions</b>	<b><u>\$ 210,983,804</u></b>	<b><u>\$ 193,028,488</u></b>

The Accompanying Notes are an Integral  
Part of These Financial Statements

**CHURCH GROWTH INVESTMENT FUND, INC.**  
STATEMENTS OF ACTIVITIES

	For The Years Ended December 31,	
	2022	2021
<b>PUBLIC SUPPORT AND REVENUE</b>		
Loan interest income	\$ 5,723,205	\$ 5,974,851
Interest and dividends	1,170,846	341,208
Other income	795,692	102,630
Net (loss) gain on investments	<u>(1,294,857)</u>	<u>253,349</u>
<b>Total public support and revenue</b>	<b><u>6,394,886</u></b>	<b><u>6,672,038</u></b>
<b>EXPENSES</b>		
Program activities	928,163	787,228
Supporting activities	<u>278,124</u>	<u>176,445</u>
<b>Total expenses</b>	<b><u>1,206,287</u></b>	<b><u>963,673</u></b>
<b>Change in net assets without donor restrictions before other changes</b>	<b>5,188,599</b>	<b>5,708,365</b>
Other		
Interest paid to certificate holders	(3,860,959)	(3,190,661)
Reduction in allowance for loan losses	<u>331,056</u>	<u>301,694</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>1,658,696</b>	<b>2,819,398</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS - Beginning of year</b>	<b><u>36,491,298</u></b>	<b><u>33,671,900</u></b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS - End of year</b>	<b><u>\$ 38,149,994</u></b>	<b><u>\$ 36,491,298</u></b>

The Accompanying Notes are an Integral  
Part of These Financial Statements

**CHURCH GROWTH INVESTMENT FUND, INC.**  
STATEMENTS OF CASH FLOWS

	For The Years Ended December 31,	
	2022	2021
<b>OPERATING CASH FLOWS</b>		
Loan interest income received	\$ 5,734,465	\$ 6,095,475
Interest and dividends received	1,170,846	341,208
Other income received	273,855	102,630
Cash paid for operating activities and costs	<u>(1,205,928)</u>	<u>(963,618)</u>
<b>Net operating cash flows</b>	<b><u>5,973,238</u></b>	<b><u>5,575,695</u></b>
<b>INVESTING CASH FLOWS</b>		
Purchases of investments, net	(11,015,552)	(8,341,208)
Loans made to churches	(16,691,089)	(11,733,608)
Principal payments received on church loans	<u>11,528,529</u>	<u>17,613,603</u>
<b>Net investing cash flows</b>	<b><u>(16,178,112)</u></b>	<b><u>(2,461,213)</u></b>
<b>FINANCING CASH FLOWS</b>		
Proceeds from sale of certificates of investment, net	<u>11,188,810</u>	<u>40,363,857</u>
<b>Net financing cash flows</b>	<b><u>11,188,810</u></b>	<b><u>40,363,857</u></b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>983,936</b>	<b>43,478,339</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b><u>53,466,063</u></b>	<b><u>9,987,724</u></b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b><u>\$ 54,449,999</u></b>	<b><u>\$ 53,466,063</u></b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS TO NET OPERATING CASH FLOWS</b>		
Change in net assets without donor restrictions	\$ 1,658,696	\$ 2,819,398
Adjustments to reconcile change in net assets without donor restrictions to net operating cash flows		
Net loss (gain) on investments	1,294,857	(253,349)
Gain from recovery of interest on deed in lieu of foreclosure	(521,837)	—
Interest paid to certificate holders	3,860,959	3,190,661
Change in allowance for loan losses	(331,056)	(301,694)
Change in church loan interest receivable	11,260	120,624
Change in accounts payable and accrued expenses	<u>359</u>	<u>55</u>
<b>Net operating cash flows</b>	<b><u>\$ 5,973,238</u></b>	<b><u>\$ 5,575,695</u></b>

**SUPPLEMENTAL DISCLOSURE**

During 2022, a church loan receivable with a carrying value of \$1,331,395 was converted to an interest in certain real estate as part of a deed in lieu of foreclosure transaction as further described in Note F.

The Accompanying Notes are an Integral  
Part of These Financial Statements



**CHURCH GROWTH INVESTMENT FUND, INC.**

## STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2022

	Program activities	Supporting activities	Total expenses
Management fees	\$ 640,484	\$ 160,121	\$ 800,605
Loan servicing	287,600	—	287,600
Other	—	62,290	62,290
Professional fees	—	44,040	44,040
Bank fees	—	7,622	7,622
Property taxes	—	3,815	3,815
Marketing and postage	79	236	315
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total expenses</b>	<b><u>\$ 928,163</u></b>	<b><u>\$ 278,124</u></b>	<b><u>\$ 1,206,287</u></b>

The Accompanying Notes are an Integral  
Part of These Financial Statements

**CHURCH GROWTH INVESTMENT FUND, INC.****STATEMENT OF FUNCTIONAL EXPENSES**

For The Year Ended December 31, 2021

	Program activities	Supporting activities	Total expenses
Management fees	\$ 501,911	\$ 125,478	\$ 627,389
Loan servicing	283,088	—	283,088
Professional fees	—	23,780	23,780
Bank fees	—	10,911	10,911
Marketing and postage	2,229	6,688	8,917
Software	—	5,678	5,678
Property taxes	—	3,910	3,910
<b>Total expenses</b>	<b>\$ 787,228</b>	<b>\$ 176,445</b>	<b>\$ 963,673</b>

The Accompanying Notes are an Integral  
Part of These Financial Statements

**CHURCH GROWTH INVESTMENT FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE A – NATURE OF ACTIVITIES**

Church Growth Investment Fund, Inc. (“the Organization”) is a Florida not-for-profit corporation established in 1991. The purpose of the Organization is to procure funds to assist churches and other organizations affiliated with the Florida Baptist Convention and the Southern Baptist Convention through loans for the construction and major improvement of churches, parsonages, church schools, and other facilities by issuing certificates of investment in the Church Growth Investment Fund. The Organization’s sole member is Florida Baptist Financial Services, Inc., a Florida not-for-profit corporation with no financial activities and no employees. The Organization cooperates in ministry with the Florida Baptist Foundation (“the Foundation”), a Florida not-for-profit corporation whose board is appointed by the Florida Baptist State Convention.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

The Organization considers investment instruments purchased or donated with original maturities of three months or less to be cash equivalents.

**Investments**

Investments are carried at estimated fair value.

**Church loans**

Church loans are stated at their unpaid principal amounts outstanding, reduced by an allowance for loan losses, and are generally collateralized by church real estate. Interest income is accrued based on the outstanding principal amount and contractual terms of each individual loan. Church loans generally have original terms up to 30 years, but interest rates generally adjust at three-year intervals. The loans are serviced by the Foundation on behalf of the Organization. The carrying value of loan balances approximates fair value.

The Organization typically charges a loan processing fee for loans and recognizes such fees as revenue in the period in which the loan is originated. Loan fees are intended to offset the direct costs related to issuing the loans. Late payment fees are recognized as revenue when assessed. Interest rates generally range from approximately 3% to 8% per annum.

The Organization classifies loans as impaired when it is probable that it will be unable to collect all amounts due according to contractual terms of the loan agreements. Loans are classified as delinquent when payments are 90 days past due. Loans are classified as non-accrual when payments are 90 days past due or when any loan is deemed to be potentially uncollectible. Payments for non-accrual loans are applied to principal first for each past due month starting with the oldest past due payment. Accrual of interest income is discontinued when, in management’s judgment, it is determined that the collectability of interest is doubtful.

**Allowance for loan losses**

Management determines an appropriate allowance for loan losses based upon historical loan loss experience, the amount of past due and nonperforming loans, specific known risks, the value of collateral securing the loans, and current and anticipated economic and interest rate conditions. Evaluation of these factors involves subjective estimates and judgments that may change over time. Changes to the allowance are recognized as “reduction in allowance for loan losses” in the accompanying statements of activities and are further described in the section entitled “allowance for loan losses” in Note F.

**Certificates of investment**

The Organization issues certificates of investment (“the Certificates”) in the Church Growth Investment Fund. The Certificates are unsecured and are not insured. Accordingly, investors assume all risks associated with their investment. The Certificates are not transferable.

**CHURCH GROWTH INVESTMENT FUND, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Certificates of investment (Continued)**

The funds received from the Certificates are primarily used to originate church loans or to purchase certain church loans receivable from the Foundation.

The Certificates offered by the Organization include the following:

*Demand certificates*

Demand certificates require a \$1,000 minimum opening balance, are payable on demand, and earn a variable rate of interest which is determined periodically by the Organization's Board of Directors. The interest rate is based on the average rate of return received by the Organization on its church loans receivable. During 2022, the interest rate earned on demand certificates ranged between 1.34% and 2.18% per annum. During 2021, the interest rate earned on demand certificates ranged between 1.00% and 1.54% per annum. Demand certificates may be redeemed by investors upon written notice to the Organization.

*Loan reserve certificates*

Loan reserve certificates require a \$1,000 minimum opening balance, are payable on demand, and earn a variable rate of interest which is determined periodically by the Organization's Board of Directors. The interest rate is based on the average rate of return received by the Organization on its church loans receivable. Loan reserve certificates serve to hold required payment reserves and/or equity in a construction project for eligible ministries that have secured a loan with the Organization. During 2022 and 2021, the interest rate earned on loan reserve certificates was 0.15% per annum. Loan reserve certificates may be redeemed by investors upon written notice to the Organization and upon the Organization's discretion.

*Time certificates*

Time certificates require a \$1,000 minimum opening balance, have maturities from 6 to 84 months, and earn interest at a set rate based upon the dollar amount invested and the term until maturity. During 2022, the interest rate earned on time certificates ranged between 1.69% and 3.64% per annum. During 2021, the interest rate earned on time certificates ranged between 1.24% and 3.78% per annum. Time certificates may be redeemed by investors upon written notice to the Organization prior to their maturity, subject to a forfeiture penalty of 120 days of interest.

The Certificates bear interest monthly which is automatically reinvested to certificate holders' accounts unless the holder has chosen a monthly distribution of interest. The Organization reserves the right to redeem any Certificate upon six months written notice to the holder.

**Net assets**

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes.

**Functional expense allocation**

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Indirect costs that benefit multiple functional areas are allocated among the various functional areas based primarily on employee time.

**Income taxes**

The Organization is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to state law. The Organization is further classified as a public charity and not a private foundation for federal tax purposes. The Organization has not incurred unrelated business income taxes. As a result, no income tax provision or liability has been provided for in the accompanying financial statements.

**CHURCH GROWTH INVESTMENT FUND, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Use of estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those used in estimating the fair value of investments and the collectability of church loans. Actual results could differ from the estimates.

**Subsequent events**

The Organization has evaluated for possible financial reporting and disclosure subsequent events through the date of the report of independent auditor, the date as of which the financial statements were available to be issued.

**NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditure within one year of the date of the statements of financial position are as follows:

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 54,449,999	\$ 53,466,063
Investments	36,780,006	24,622,741
Church loan interest receivable	433,690	444,950
Current portion of church loans receivable, net	<u>1,695,450</u>	<u>974,817</u>
Total financial assets available	93,359,145	79,508,571
Less financial assets not available within one year due to:		
Unfunded loan commitments	<u>(16,831,000)</u>	<u>(4,633,000)</u>
Net financial assets available within one year	<u>\$ 76,528,145</u>	<u>\$ 74,875,571</u>

As part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management believes the Organization has sufficient financial assets available that may be drawn upon in the event of an unanticipated financial distress or an immediate liquidity need.

A substantial portion of the Organization's assets are invested in illiquid long-term loans to churches. Furthermore, because the Organization's only sources of funds include investments in Certificates, repayments of principal and payments of interest on loans to churches, and income on its investments, the Organization might be unable to repay all Certificate holders seeking repayment if a substantial number of them seek repayment in close proximity to one another. The Organization is not required to make periodic sinking fund deposits to ensure sufficient funds are available for the redemption of Certificates or payment of interest obligations as they become due. The Organization relies on its ongoing liquidity to meet these obligations.

**NOTE D – CONCENTRATIONS**

The Organization maintains its cash and cash equivalents in deposit accounts and money market funds which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

# CHURCH GROWTH INVESTMENT FUND, INC.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE D – CONCENTRATIONS (Continued)**

As of December 31, 2022, the Organization had approximately \$53,982,000 in bank deposit accounts, not reflective of outstanding deposits or disbursements. Accounts are federally insured up to \$250,000 per financial institution.

As of December 31, 2022 and 2021, approximately 93% and 99%, respectively, of the Organization's investments were held by the Foundation as custodian (see Note E).

Substantially all church loans receivable relate to loans made to Southern Baptist churches in the state of Florida (see Note F).

### **NOTE E – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Investments consisted of the following:

	<u>December 31.</u>	
	<u>2022</u>	<u>2021</u>
Assets administered by the Foundation		
Kingdom fund	\$ 6,712,704	\$ 7,337,225
Storehouse fund	6,252,066	3,932,919
Harvest fund	4,938,473	5,153,957
Other funds held by the Foundation invested as follows:		
Louisiana Baptist Foundation Short-term fund	5,119,429	5,033,807
Christian Financial Resources Flexible certificates	4,077,225	—
Church Development Fund Presidential Flex certificate	2,538,145	1,001,671
Christian Investors Financial Time certificates	2,517,951	—
Christian Financial Resources Demand certificate	1,019,761	1,002,422
Christian Investors Financial Demand certificate	1,007,683	1,000,740
Real estate	<u>2,596,569</u>	<u>160,000</u>
Total investments	<u>\$ 36,780,006</u>	<u>\$ 24,622,741</u>

Accounting principles generally accepted in the United States of America ("GAAP") define fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels" that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a description of each of the three levels of input within the fair value hierarchy:

Level 1 – unadjusted quoted market prices in active markets for identical items

Level 2 – other significant observable inputs (such as quoted prices for similar items)

Level 3 – significant unobservable inputs



# CHURCH GROWTH INVESTMENT FUND, INC.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE E – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

The estimated fair value of items measured on a recurring basis at December 31, 2022, is as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets administered by the Foundation:				
Kingdom fund	\$ 6,712,704	\$ —	\$ —	\$ 6,712,704
Storehouse fund	6,252,066	—	6,252,066	—
Harvest fund	4,938,473	—	4,938,473	—
Other funds held by the Foundation invested as follows:				
Louisiana Baptist Foundation Short-term fund	5,119,429	—	5,119,429	—
Christian Financial Resources Flexible certificates	4,077,225	—	4,077,225	—
Church Development Fund Presidential Flex certificate	2,538,145	—	2,538,145	—
Christian Investors Financial Time certificates	2,517,951	—	2,517,951	—
Christian Financial Resources Demand certificate	1,019,761	—	1,019,761	—
Christian Investors Financial Demand certificate	1,007,683	—	1,007,683	—
Real estate	<u>2,596,569</u>	<u>—</u>	<u>2,596,569</u>	<u>—</u>
Total	<u>\$ 36,780,006</u>	<u>\$ —</u>	<u>\$ 30,067,302</u>	<u>\$ 6,712,704</u>

The estimated fair value of items measured on a recurring basis at December 31, 2021, is as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets administered by the Foundation:				
Kingdom fund	\$ 7,337,225	\$ —	\$ —	\$ 7,337,225
Harvest fund	5,153,957	—	5,153,957	—
Storehouse fund	3,932,919	—	3,932,919	—
Other funds held by the Foundation invested as follows:				
Louisiana Baptist Foundation Short-term fund	5,033,807	—	5,033,807	—
Christian Financial Resources Demand certificate	1,002,422	—	1,002,422	—
Church Development Fund Presidential Flex certificate	1,001,671	—	1,001,671	—
Christian Investors Financial Demand certificate	1,000,740	—	1,000,740	—
Real estate	<u>160,000</u>	<u>—</u>	<u>160,000</u>	<u>—</u>
Total	<u>\$ 24,622,741</u>	<u>\$ —</u>	<u>\$ 17,285,516</u>	<u>\$ 7,337,225</u>

Substantially all investments held by the Foundation in the Kingdom fund, Storehouse fund, and Harvest fund are pooled with funds transferred to the Foundation by other parties and placed in diversified portfolios which are managed by third parties pursuant to the Foundation's investment policies. The estimated fair value of assets administered by the Foundation (valued using Level 2 and 3 inputs) are based on amounts provided by the Foundation. The activity for Level 3 assets during 2022 and 2021 was immaterial.

**CHURCH GROWTH INVESTMENT FUND, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE E – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

The Kingdom fund is designed as a long-term strategy for investors that require annual spending and real growth. The Kingdom fund is primarily invested in cash equivalents, global equities, fixed income, real assets, government securities, pooled investment funds, and other nonpublicly traded investments.

The Storehouse fund is designed for investors focused on short-term income needs and a low tolerance for risk. The Storehouse fund is primarily invested in short duration bonds, real assets, and other high quality fixed instruments.

The Harvest fund is designed for investors focused on the production of income with a small emphasis on growth. The Harvest fund is primarily invested in bonds, stocks, cash equivalents, high quality income-producing investments, government securities, and loans to churches.

The Louisiana Baptist Foundation Short-term fund is pooled with funds transferred to the Louisiana Baptist Foundation by other parties and placed in a diversified portfolio primarily invested in cash equivalents, government securities, corporate bonds, mutual funds, fixed annuities, and church loan pools. The investment objective of the Louisiana Baptist Foundation Short-term fund is to provide cash management and short-term investment with the assumption of minimal risk. The estimated fair value of the Louisiana Baptist Foundation Short-term fund (valued using Level 2 inputs) is based on amounts provided by the Louisiana Baptist Foundation.

The Christian Financial Resources Flexible certificates have original maturities between nine and 18 months, bear interest at 2.00% per annum, and may be redeemed upon written notice to Christian Financial Resources prior to their maturity, subject to certain forfeiture penalties.

The Church Development Fund Presidential Flex certificate, the Christian Financial Resources Demand certificate, and the Christian Investors Financial Demand certificate are demand certificates determined using Level 2 inputs based on the amounts provided by each administrator. These demand certificates can be redeemed upon written notice to each administrator.

The Christian Investors Financial Time certificates have original maturities of three to 12 months, bear interest up to 1.15% per annum, and may be redeemed upon written notice to Christian Investors Financial prior to their maturity, subject to certain forfeiture penalties.

The estimated fair value of investments in real estate (valued using Level 2 inputs) is based on an appraisal and an estimate of fair value determined by management at the date of acquisition.

The carrying values of cash and cash equivalents, church loan interest receivable, church loans receivable, and certificates of investment do not differ materially from reasonable estimates of fair value, as the terms of such instruments do not vary significantly from the assumptions that would be made in estimating fair value.

**CHURCH GROWTH INVESTMENT FUND, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE F – CHURCH LOANS**

*Loan Balances Stratified by Principal Amount*

As of December 31, 2022, the Organization had 152 loans with balances as follows:

Loan Balance	Number of Loans	Principal Outstanding	Percent of Loan Portfolio
Less than \$250,000	42	\$ 4,790,200	4%
\$250,000 - \$499,999	44	16,574,612	14%
\$500,000 - \$999,999	28	20,874,440	17%
\$1,000,000 - \$1,999,999	24	34,727,386	29%
\$2,000,000 or more	14	42,528,971	36%
<b>Total</b>	<b>152</b>	<b>\$ 119,495,609</b>	<b>100%</b>

As of December 31, 2021, the Organization had 149 loans with balances as follows:

Loan Balance	Number of Loans	Principal Outstanding	Percent of Loan Portfolio
Less than \$250,000	48	\$ 5,726,008	5%
\$250,000 - \$499,999	38	14,144,223	12%
\$500,000 - \$999,999	28	19,917,798	17%
\$1,000,000 - \$1,999,999	19	25,648,810	22%
\$2,000,000 or more	16	50,227,605	44%
<b>Total</b>	<b>149</b>	<b>\$ 115,664,444</b>	<b>100%</b>

*Loan Balances Stratified by Segment*

As of December 31, 2022, the Organization had the following types of loans:

Type of Loan	Number of Loans	Principal Outstanding	Percent of Loan Portfolio
Commercial	146	\$ 113,845,598	95%
Construction	6	5,650,011	5%
<b>Total</b>	<b>152</b>	<b>\$ 119,495,609</b>	<b>100%</b>

As of December 31, 2021, the Organization had the following types of loans:

Type of Loan	Number of Loans	Principal Outstanding	Percent of Loan Portfolio
Commercial	143	\$ 102,275,480	88%
Construction	6	13,388,964	12%
<b>Total</b>	<b>149</b>	<b>\$ 115,664,444</b>	<b>100%</b>

*Delinquent Loans*

As of December 31, 2022 and 2021, the Organization held no outstanding loans that were considered to be delinquent.

As of December 31, 2022 and 2021, the Organization held no outstanding loans past due between 30-89 days.

**CHURCH GROWTH INVESTMENT FUND, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE F – CHURCH LOANS (Continued)**

*Impaired Loans*

As of December 31, 2022 and 2021, the Organization held no outstanding loans that were considered to be impaired.

*Non-accrual loans*

As of December 31, 2022 and 2021, loans with outstanding principal balances of \$3,497,997 and \$5,149,141, respectively, were classified as non-accrual loans.

*Allowance for Loan Losses*

Allowance for credit losses and recorded investment in church loans during 2022 was as follows:

	Year Ended December 31, 2022
<b>Allowance for credit losses</b>	
Beginning balance	\$ 1,169,710
Charge-offs	—
Recoveries	—
Provision (reduction)	(331,056)
Ending balance	838,654
Ending balance individually evaluated for impairment	449,929
Ending balance collectively evaluated for impairment	\$ 388,725

Allowance for credit losses and recorded investment in church loans during 2021 was as follows:

	Year Ended December 31, 2021
<b>Allowance for credit losses</b>	
Beginning balance	\$ 1,471,404
Charge-offs	—
Recoveries	—
Provision (reduction)	(301,694)
Ending balance	1,169,710
Ending balance individually evaluated for impairment	716,106
Ending balance collectively evaluated for impairment	\$ 453,604

*Loan Performance*

Credit risk profile based on payment activity as of December 31, 2022:

	Principal Balance
Performing loans	\$ 119,495,609
Non-performing loans *	—
<b>Total</b>	<b>\$ 119,495,609</b>

\* Loans 90 days past due or more, last evaluated as of December 31, 2022

Credit risk profile based on payment activity as of December 31, 2021:

	Principal Balance
Performing loans	\$ 115,664,444
Non-performing loans *	—
<b>Total</b>	<b>\$ 115,664,444</b>

\* Loans 90 days past due or more, last evaluated as of December 31, 2021

**CHURCH GROWTH INVESTMENT FUND, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE F – CHURCH LOANS (Continued)**

*Pandemic relief assistance*

During a prior year, the Board of Directors sanctioned a pandemic relief assistance action ("the action") that was made available for all outstanding loans. The action provided payment relief options to borrowers until the month after the churches resumed meeting in person after the end of pandemic-related government stay-at-home orders. The action allowed borrowing churches to make interest-only payments in lieu of its normal minimum required monthly payment or to defer their minimum required monthly payment for a period of time (generally for less than one year). Any change in a borrowing church's amortization schedule caused by the acceptance of the action would be adjusted and paid over the remaining life of the loan starting at the next interest rate adjustment date. Accordingly, management believes that this action had a minimal impact in the loan portfolio yield.

*Deed in lieu of foreclosure*

As of December 31, 2022, the Organization held an interest in real estate valued at approximately \$2,400,000 which is included in "investments" in the accompanying statement of financial position. The interest was recognized pursuant to a deed in lieu of foreclosure ("the Agreement") entered into during 2022 by the Organization and Florida Baptist Convention, Inc. ("the Convention") as grantees and a certain church as grantor. In connection with entering into the Agreement, the Organization released the grantor from its obligation to repay a loan to the Organization with a carrying value of approximately \$1,330,000 as of the date of the transaction. In connection with the Agreement, the Organization also recognized a receivable due from the Convention of approximately \$663,000 related to a certain guarantee agreement, which is included within "other assets" on the accompanying statement of financial position as of December 31, 2022. The Organization also recognized a liability of approximately \$1,246,000 due to the Foundation related to the Foundation's participation interest in the loan, which is included within "accounts payable and accrued expenses" on the accompanying statement of financial position as of December 31, 2022.

**NOTE G – CERTIFICATES OF INVESTMENT**

Certificates of investment consisted of the following:

	<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>
Demand certificates	\$ 59,670,878	\$ 53,656,884
Loan reserve certificates	1,213,097	904,347
Time certificates	<u>110,702,929</u>	<u>101,975,904</u>
Total certificates	<u>\$171,586,904</u>	<u>\$156,537,135</u>

Approximate future maturities of time certificates are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2023	\$ 34,238,000
2024	29,601,000
2025	24,065,000
2026	9,978,000
2027	7,744,000
Thereafter	<u>5,077,000</u>
Total	<u>\$ 110,703,000</u>

## **CHURCH GROWTH INVESTMENT FUND, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE H – RELATED PARTY TRANSACTIONS**

During 2022 and 2021, the Organization paid approximately \$801,000 and \$627,000 to the Foundation for management and general accounting services and generosity endeavors, and paid approximately \$288,000 and \$283,000 to the Foundation for administration fees related to loan servicing and certificates of investment, respectively. Such amounts are included within “program activities” and “supporting activities” expenses in the accompanying statements of activities according to the benefited functions.

As of December 31, 2022 and 2021, approximately \$34,200,000 and \$24,500,000 of the Organization’s investments were held by the Foundation as custodian, respectively. In addition, as of December 31, 2022 and 2021, the Foundation held investments of approximately \$1,144,000 and \$1,124,000 in various certificates offered by the Organization, respectively.

As of December 31, 2022, the Organization's statement of financial position includes approximately \$663,000 due from the Convention and approximately \$1,246,000 due to the Foundation. See Note F.

#### **NOTE I – COMMITMENTS**

As of December 31, 2022, the Organization had committed to loan approximately \$16,831,000 to various churches through construction and commercial loans. Such loans are expected to be funded according to the terms of each respective loan agreement and are made to accommodate the needs of qualified churches. The credit risk associated with these commitments is essentially the same as that involved in extending loans to churches and is subject to the Organization's normal credit policies and terms. Collateral for the loans does or will consist of church real estate.