

# **Christian Reformed Church Loan Fund, Inc. - U.S.**

**Financial Statements**  
Years Ended June 30, 2024, 2023, and 2022

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



# **Christian Reformed Church Loan Fund, Inc. - U.S.**

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Financial Statements  
Years Ended June 30, 2024, 2023, and 2022

# Christian Reformed Church Loan Fund, Inc. - U.S.

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## **Independent Auditor's Report**

The Board of Directors  
Christian Reformed Church Loan Fund, Inc. - U.S.  
Grand Rapids, Michigan

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Christian Reformed Church Loan Fund, Inc. - U.S. (the Fund), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for each of the three years ended June 30, 2024, 2023, and 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Christian Reformed Church Loan Fund, Inc. - U.S. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for each of the three years ended June 30, 2024, 2023, and 2022, in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund 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 Fund'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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

*BDO USA, P.C.*

August 29, 2024

## Financial Statements

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# Christian Reformed Church Loan Fund, Inc. - U.S.

## Statements of Financial Position

| <i>June 30,</i>  | 2024                 | 2023                 |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| Cash and cash equivalents  | \$ 1,503,264         | \$ 7,481,890         |
| Investments (Notes 4 and 5)  | 4,193,484            | -                    |
| Accrued interest receivable  | 45,766               | 82,336               |
| Loans receivable - net of allowance for credit losses<br>of \$100,073 and \$200,073 as of June 30, 2024 and 2023,<br>respectively (Note 6) | 9,968,557            | 9,931,041            |
| <b>Total Assets</b>  | <b>\$ 15,711,071</b> | <b>\$ 17,495,267</b> |
| <b>Liabilities and Net Assets</b>  |                      |                      |
| <b>Liabilities</b>   |                      |                      |
| Certificates payable (Note 7)  | \$ 9,379,019         | \$ 11,499,071        |
| Commitment fees payable  | 19,864               | -                    |
| Accrued interest payable   | 27,075               | 45,729               |
| Payable to Christian Reformed Church in North America  | 39,775               | -                    |
| <b>Total Liabilities</b>   | <b>9,465,733</b>     | <b>11,544,800</b>    |
| <b>Net Assets</b>  |                      |                      |
| Without donor restrictions:  |                      |                      |
| Undesignated   | 5,595,338            | 5,616,303            |
| Designated by board (Note 2)   | 650,000              | 334,164              |
| <b>Total Net Assets</b>  | <b>6,245,338</b>     | <b>5,950,467</b>     |
| <b>Total Liabilities and Net Assets</b>  | <b>\$ 15,711,071</b> | <b>\$ 17,495,267</b> |

*See accompanying notes to financial statements.*

# Christian Reformed Church Loan Fund, Inc. - U.S.

## Statements of Activities and Changes in Net Assets

| <i>Year ended June 30,</i>           | <b>2024</b>         | <b>2023</b>         | <b>2022</b>         |
|--------------------------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                      |                     |                     |                     |
| Interest income on loans receivable  | \$ 562,669          | \$ 550,153          | \$ 714,768          |
| Investment return, net               | 204,898             | -                   | -                   |
| Other income                         | 4,701               | 788                 | 2,919               |
| <b>Total Revenues</b>                | <b>772,268</b>      | <b>550,941</b>      | <b>717,687</b>      |
| <b>Expenses</b>                      |                     |                     |                     |
| Program services:                    |                     |                     |                     |
| Interest on certificates payable     | 245,496             | 261,343             | 320,757             |
| Supporting services:                 |                     |                     |                     |
| Management and general               | 206,514             | (53,020)            | 382,639             |
| Fundraising                          | 25,387              | 70,246              | 24,143              |
| <b>Total Supporting Services</b>     | <b>231,901</b>      | <b>17,226</b>       | <b>406,782</b>      |
| <b>Total Expenses</b>                | <b>477,397</b>      | <b>278,569</b>      | <b>727,539</b>      |
| <b>Change in Net Assets</b>          | <b>294,871</b>      | <b>272,372</b>      | <b>(9,852)</b>      |
| <b>Net Assets, beginning of year</b> | <b>5,950,467</b>    | <b>5,678,095</b>    | <b>5,687,947</b>    |
| <b>Net Assets, end of year</b>       | <b>\$ 6,245,338</b> | <b>\$ 5,950,467</b> | <b>\$ 5,678,095</b> |

*See accompanying notes to financial statements.*



## Christian Reformed Church Loan Fund, Inc. - U.S.

### Statements of Functional Expenses

*Year ended June 30, 2024*

|                                    | Program Services                       |                           | Supporting Services |                                 |                   | Total |
|------------------------------------|--|---------------------------|---------------------|---------------------------------|-------------------|-------|
|                                    | Interest on<br>Certificates<br>Payable | Management<br>and General | Fundraising         | Total<br>Supporting<br>Services | Total             |       |
| Marketing and public relations     | \$ -                                   | \$ -                      | \$ 25,387           | \$ 25,387                       | \$ 25,387         |       |
| Financial services                 | -                                      | 121,000                   | -                   | 121,000                         | 121,000           |       |
| Interest                           | 245,496                                | -                         | -                   | -                               | 245,496           |       |
| Professional and registration fees | -                                      | 107,803                   | -                   | 107,803                         | 107,803           |       |
| Maintenance and building services  | -                                      | 30,960                    | -                   | 30,960                          | 30,960            |       |
| Personnel                          | -                                      | 4,433                     | -                   | 4,433                           | 4,433             |       |
| Business insurance                 | -                                      | 30,484                    | -                   | 30,484                          | 30,484            |       |
| Bad debt recovery                  | -                                      | (100,000)                 | -                   | (100,000)                       | (100,000)         |       |
| Staff development                  | -                                      | 268                       | -                   | 268                             | 268               |       |
| Other                              | -                                      | 11,566                    | -                   | 11,566                          | 11,566            |       |
| <b>Total</b>                       | <b>\$ 245,496</b>                      | <b>\$ 206,514</b>         | <b>\$ 25,387</b>    | <b>\$ 231,901</b>               | <b>\$ 477,397</b> |       |

*See accompanying notes to financial statements.*

## Christian Reformed Church Loan Fund, Inc. - U.S.

### Statements of Functional Expenses

*Year ended June 30, 2023*

|                                    | Program Services                       |                           | Supporting Services |                                 |                   | Total             |
|------------------------------------|--|---------------------------|---------------------|---------------------------------|-------------------|-------------------|
|                                    | Interest on<br>Certificates<br>Payable | Management<br>and General | Fundraising         | Total<br>Supporting<br>Services |                   |                   |
| Marketing and public relations     | \$ -                                   | \$ -                      | \$ 70,246           | \$ 70,246                       | \$ 70,246         | \$ 70,246         |
| Financial services                 | -                                      | 31,653                    | -                   | 31,653                          | 31,653            | 31,653            |
| Interest                           | 261,343                                | -                         | -                   | -                               | -                 | 261,343           |
| Professional and registration fees | -                                      | 65,832                    | -                   | 65,832                          | 65,832            | 65,832            |
| Maintenance and building services  | -                                      | 2,404                     | -                   | 2,404                           | 2,404             | 2,404             |
| Personnel                          | -                                      | 8,040                     | -                   | 8,040                           | 8,040             | 8,040             |
| Business insurance                 | -                                      | 37,857                    | -                   | 37,857                          | 37,857            | 37,857            |
| Bad debt recovery                  | -                                      | (200,000)                 | -                   | (200,000)                       | (200,000)         | (200,000)         |
| Other                              | -                                      | 1,194                     | -                   | 1,194                           | 1,194             | 1,194             |
| <b>Total</b>                       | <b>\$ 261,343</b>                      | <b>\$ (53,020)</b>        | <b>\$ 70,246</b>    | <b>\$ 17,226</b>                | <b>\$ 278,569</b> | <b>\$ 278,569</b> |

*See accompanying notes to financial statements.*

## Christian Reformed Church Loan Fund, Inc. - U.S.

### Statements of Functional Expenses

*Year ended June 30, 2022*

|                                    | Program Services                       |                           | Supporting Services |                                 |                   |
|------------------------------------|--|---------------------------|---------------------|---------------------------------|-------------------|
|                                    | Interest on<br>Certificates<br>Payable | Management<br>and General | Fundraising         | Total<br>Supporting<br>Services | Total             |
| Marketing and public relations     | \$ -                                   | \$ -                      | \$ 24,143           | \$ 24,143                       | \$ 24,143         |
| Financial services                 | -                                      | 234,623                   | -                   | 234,623                         | 234,623           |
| Depreciation                       | -                                      | 1,659                     | -                   | 1,659                           | 1,659             |
| Interest                           | 320,757                                | -                         | -                   | -                               | 320,757           |
| Professional and registration fees | -                                      | 16,656                    | -                   | 16,656                          | 16,656            |
| Maintenance and building services  | -                                      | 23,583                    | -                   | 23,583                          | 23,583            |
| Personnel                          | -                                      | 47,466                    | -                   | 47,466                          | 47,466            |
| Business insurance                 | -                                      | 23,038                    | -                   | 23,038                          | 23,038            |
| Informational services             | -                                      | 14,959                    | -                   | 14,959                          | 14,959            |
| Other                              | -                                      | 20,655                    | -                   | 20,655                          | 20,655            |
| <b>Total</b>                       | <b>\$ 320,757</b>                      | <b>\$ 382,639</b>         | <b>\$ 24,143</b>    | <b>\$ 406,782</b>               | <b>\$ 727,539</b> |

*See accompanying notes to financial statements.*

# Christian Reformed Church Loan Fund, Inc. - U.S.

## Statements of Cash Flows

| <i>Year ended June 30,</i>  | 2024                | 2023                | 2022                |
|---|---------------------|---------------------|---------------------|
| <b>Cash Flows from Operating Activities</b>   |                     |                     |                     |
| Change in net assets  | \$ 294,871          | \$ 272,372          | \$ (9,852)          |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                     |                     |                     |
| Depreciation expense  | -                   | -                   | 1,659               |
| Unrealized gain on investments  | (75,777)            | -                   | -                   |
| Change in allowance for credit losses   | (100,000)           | (200,000)           | -                   |
| Changes in operating assets and liabilities:  |                     |                     |                     |
| Accrued interest receivable   | 36,570              | (19,488)            | 18,753              |
| Commitment fees payable   | 19,864              | -                   | -                   |
| Accrued interest payable  | (18,654)            | 8,937               | (7,752)             |
| Due to Christian Reformed Church in North America   | 39,775              | -                   | -                   |
| <b>Net Cash Provided by Operating Activities</b>  | <b>196,649</b>      | <b>61,821</b>       | <b>2,808</b>        |
| <b>Cash Flows from Investing Activities</b>   |                     |                     |                     |
| Purchase of investments   | (4,117,707)         | -                   | -                   |
| Advances on loans receivable  | (1,621,253)         | (1,379,979)         | (257,718)           |
| Collections on loans receivable   | 1,683,737           | 2,392,594           | 5,573,398           |
| <b>Net Cash Provided by (Used in) Investing Activities</b>                                  | <b>(4,055,223)</b>  | <b>1,012,615</b>    | <b>5,315,680</b>    |
| <b>Cash Flows from Financing Activities</b>   |                     |                     |                     |
| Issuances of certificates payable   | 1,579,145           | 299,394             | 532,508             |
| Redemptions of certificates payable   | (3,699,197)         | (3,155,159)         | (1,786,822)         |
| <b>Net Cash Used in Financing Activities</b>  | <b>(2,120,052)</b>  | <b>(2,855,765)</b>  | <b>(1,254,314)</b>  |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                                 | <b>(5,978,626)</b>  | <b>(1,781,329)</b>  | <b>4,064,174</b>    |
| Cash and Cash Equivalents, beginning of year  | 7,481,890           | 9,263,219           | 5,199,045           |
| <b>Cash and Cash Equivalents, end of year</b>   | <b>\$ 1,503,264</b> | <b>\$ 7,481,890</b> | <b>\$ 9,263,219</b> |
| <b>Supplemental Disclosure of Cash Flow Information</b>                                     |                     |                     |                     |
| Cash paid for interest  | \$ 5,481            | \$ 5,886            | \$ 5,001            |
| Interest expense reinvested in certificates payable   | 224,087             | 270,280             | 328,509             |

*See accompanying notes to financial statements.*

# Christian Reformed Church Loan Fund, Inc. - U.S.

## Notes to Financial Statements

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### 1. Organization

The purpose of the Christian Reformed Church Loan Fund, Inc. - U.S. (the Fund), a nonprofit corporation, is to assist congregations of the Christian Reformed Church in North America (CRCNA) in financing capital expansion projects. To accomplish this, the Fund grants loans, up to certain limits, for land and other capital expenditures to churches in the United States of America. Loan recipients are charged interest at rates sufficient to cover the Fund's cost of borrowing and operating expenses.

The Fund operates from office facilities provided by CRCNA.

### 2. Summary of Significant Accounting Policies

#### *Basis of Presentation*

Net assets of the Fund and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - These represent resources that are not restricted by donor-imposed stipulations. They are available for the support of all organizational operations and services.

*Net Assets with Donor Restrictions* - These represent resources with donor stipulations that limit the use of donated assets. When a donor restriction expires—that is, when a stipulated time restriction ends, or purpose restriction is accomplished—net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

As of June 30, 2024 and 2023, the Fund has no net assets with donor restrictions; however, the Board of Directors has designated \$650,000 and \$334,164, respectively, of net assets without donor restrictions for any future credit losses in excess of the allowance amount.

Revenues and investment income are reported as follows:

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Net assets with donor restrictions contributions whose restrictions are satisfied in the same year in which the contribution revenue is recorded are reported as unrestricted contributions.

#### *Use of Estimates*

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported therein. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may differ from those estimates.

# Christian Reformed Church Loan Fund, Inc. - U.S.

## Notes to Financial Statements

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### ***Subsequent Events***

Management has evaluated subsequent events through August 29, 2024, the date the financial statements were available to be issued. Based on evaluation, there were no matters identified that had a significant impact on the financial statements as presented.

### ***Functional Allocation of Expenses***

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. The Fund does not allocate management and general costs among program services. The statements of functional expenses present the natural classification detail of expenses by function.

### ***Income Taxes***

The Fund is included in the CRCNA group exemptions as an organization described under Internal Revenue Code Section 501(c)(3), exempt from taxation under Section 501(a). Contributions to the Fund are deductible for federal tax purposes.

### ***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash and highly liquid investments purchased with an original maturity of 12 months or less at the date of purchase.

### ***Investments***

Investments are carried at fair value, as determined by quoted market prices and other measurement inputs. See Notes 4 and 5 for additional disclosures on investments.

### ***Concentrations of Credit Risk***

The Fund maintains its cash in various bank and brokerage accounts managed by CRCNA and does not consider there to be a significant credit risk arising from deposits in excess of federally insured limits.

The risk associated with making many large loans is managed by limiting the size of each secured loan to \$1,500,000 or 6% of total assets. A loan may exceed \$1,500,000 only if members of the church invest in investment certificates with a minimum term of three years and in an amount at least equal to the amount by which the loan exceeds \$1,500,000. The total amount of all unsecured loans shall not exceed 10% of the total outstanding loans of the Fund (see Note 4). There were no loans with a balance over \$1,500,000 as of June 30, 2024 or 2023, although there was one loan in excess of 6% of total assets as of June 30, 2024.

### ***Loans***

Loans that management has the intent and ability to hold for the foreseeable future, or until maturity or payoff, are reported at the principal balance outstanding, net of an allowance for credit losses.

# Christian Reformed Church Loan Fund, Inc. - U.S.

## Notes to Financial Statements

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The loan portfolio is segmented into standard loans and construction loans, both of which are secured by a mortgage on the property. The Fund also makes unsecured loans for capital improvements or repairs to existing church-owned buildings. Construction loans are loans in the construction stage and are not completed to the point where permanent occupancy is permitted.

The Fund considers a loan impaired when, based on current information and events, it is probable that the Fund will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the original loan agreement.

### ***Interest Income***

Interest income is recognized and accrued on loans receivable when earned. Interest income on impaired loans is recognized only when interest payments are received.

### ***Investment Return, Net***

Net investment return consists of interest and dividends, realized and unrealized gains and losses, and other investment charges and fees.

### ***Allowance for Credit Losses***

The allowance for credit losses is increased by a provision for losses charged to expense and reduced by loans charged off, net of recoveries. The allowance is maintained at a level considered adequate to provide for probable incurred credit losses based on management's evaluation of the anticipated impact on the loan portfolio of current economic conditions, past loan experience, probable future losses on loans to specific borrowers, the financial condition of the borrower, the value of underlying collateral, and other pertinent factors that management believes require current recognition in estimating probable credit losses. Specific reserves are established for any impaired loan for which the recorded investment in the loan exceeds the fair value of the loan, less estimated costs to sell. During the years ended June 30, 2024 and 2023, the Fund decreased the allowance by \$100,000 and \$200,000, respectively, and there were no charge-offs or recoveries in the year ended June 30, 2022.

### ***Fair Value Measurements***

Recorded book value approximates fair value for all financial instruments within the Fund.

### ***New Accounting Pronouncements***

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The guidance is effective for fiscal years beginning after December 15, 2022. The Fund adopted ASU 2016-13 on July 1, 2023. This ASU requires financial assets measured at amortized cost basis to be presented at the net amount expected to be collected. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. The adoption did not have a material effect on the financial statements and related disclosures.

# Christian Reformed Church Loan Fund, Inc. - U.S.

## Notes to Financial Statements

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### 3. Liquidity

The Fund's financial assets available within one year of the statements of financial position dates for general expenditures are as follows:

| <i>June 30,</i>                     |           | 2024             |           | 2023             |
|-------------------------------------|-----------|------------------|-----------|------------------|
| Cash and cash equivalents           | \$        | 1,503,264        | \$        | 7,481,890        |
| Investments                         |           | 4,193,484        |           | -                |
| Accrued interest receivable         |           | 45,766           |           | 82,336           |
| Current portion of loans receivable |           | 40,300           |           | -                |
| <b>Total</b>                        | <b>\$</b> | <b>5,782,814</b> | <b>\$</b> | <b>7,564,226</b> |

As part of the Fund's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

### 4. Investments

#### *Investment Risk*

The Fund invests in various securities, including government bonds and corporate bonds. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the statements of financial position.

#### *June 30, 2024*

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Investments held by the Fund:

|                          |  |           |                  |
|--------------------------|--|-----------|------------------|
| Government bonds         |  | \$        | 2,733,550        |
| Corporate bonds          |  |           | 1,459,934        |
| <b>Total Investments</b> |  | <b>\$</b> | <b>4,193,484</b> |

Total investment income of \$204,898 for the year ended June 30, 2024, represented a net unrealized gain of \$75,777 and interest income of \$129,121.

### 5. Fair Value Measurements

In accordance with the FASB standard relating to fair value measurements, the Fund classifies its investments into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. The valuation technique utilized by the Fund for its Level 2 investments is the market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.



# Christian Reformed Church Loan Fund, Inc. - U.S.

## Notes to Financial Statements

The following table sets forth by level, within the fair value hierarchy, a summary of the Fund's investments measured at estimated fair value on a recurring basis:

*June 30, 2024*

|                                   | Level 1             | Level 2             | Level 3     | Total               |
|-----------------------------------|---------------------|---------------------|-------------|---------------------|
| Government bonds                  | \$ 2,733,550        | \$ -                | \$ -        | \$ 2,733,550        |
| Corporate bonds                   | -                   | 1,459,934           | -           | 1,459,934           |
| <b>Investments, at fair value</b> | <b>\$ 2,733,550</b> | <b>\$ 1,459,934</b> | <b>\$ -</b> | <b>\$ 4,193,484</b> |

### 6. Loans Receivable

The components of loans receivable by class, net, are as follows:

| <i>June 30,</i>               | 2024                | 2023                |
|-------------------------------|---------------------|---------------------|
| Commercial real estate loans: |                     |                     |
| Secured loans                 | \$ 9,468,458        | \$ 9,505,353        |
| Unsecured loans               | 600,172             | 625,761             |
| Allowance for credit losses   | (100,073)           | (200,073)           |
| <b>Loans Receivable, Net</b>  | <b>\$ 9,968,557</b> | <b>\$ 9,931,041</b> |

The allowance for credit losses relates solely to standard loans, and these loans have been evaluated for impairment.

Loans receivable at June 30, 2024 bear interest at predominantly adjustable interest rates ranging from 4.25% to 6.75% and mature in various amounts through 2043. Substantially all loans receivable are secured by first or second real estate mortgages.

Maturities on loans receivable at June 30, 2024 are summarized as follows:

*Year ending June 30,*

|              |                      |
|--------------|----------------------|
| 2025         | \$ 40,300            |
| 2026         | -                    |
| 2027         | 29,500               |
| 2028         | 1,124,100            |
| 2029         | 179,500              |
| Thereafter   | 8,695,230            |
| <b>Total</b> | <b>\$ 10,068,630</b> |

A summary of current and past-due loans is as follows:

*June 30, 2024*

|          | Current       | 30-59 Days | 60-89 Days | 90+ Days | Total         |
|----------|---------------|------------|------------|----------|---------------|
| Standard | \$ 10,065,338 | \$ 3,292   | \$ -       | \$ -     | \$ 10,068,630 |

# Christian Reformed Church Loan Fund, Inc. - U.S.

## Notes to Financial Statements

*June 30, 2023*

|          | Current       | 30-59 Days | 60-89 Days | 90+ Days  | Total         |
|----------|---------------|------------|------------|-----------|---------------|
| Standard | \$ 10,117,889 | \$ -       | \$ -       | \$ 13,225 | \$ 10,131,114 |

There was one restructured loan at June 30, 2024 with a balance of \$440,182 and no restructured loans at June 30, 2023. This restructured loan had a specific allowance of \$0 recorded as of June 30, 2024 and 2023. The subject loan was not included in non-performing loans, as it was considered probable that all contractual principal and interest due under the restructured terms would be collected.

### 7. Certificates Payable

Certificates payable are issued under certificate offerings either registered or exempt from registration in the states where the certificates are offered. The certificates are initially offered in minimum denominations of \$1,000 or \$5,000, depending on the type of certificate, and may be issued by the Fund at any time. Interest is paid monthly or quarterly, depending on the amount invested, and may be reinvested by the certificate holder at an annual percentage yield (predominately fixed) ranging from 3.00% to 4.00% at June 30, 2024 (weighted average at June 30, 2024 and 2023 of 2.86% and 2.31%, respectively). Principal amounts are due at maturity or upon demand, depending on the type of certificate.

Maturities on outstanding certificates at June 30, 2024 are summarized as follows:

*Year ending June 30,*

|                                      |                     |
|--------------------------------------|---------------------|
| Flex certificates, payable on demand | \$ 1,953,953        |
| 2025                                 | 4,068,200           |
| 2026                                 | 1,380,400           |
| 2027                                 | 679,600             |
| 2028                                 | 435,900             |
| 2029                                 | 860,966             |
| <b>Total</b>                         | <b>\$ 9,379,019</b> |

In 2024 and 2023, the Fund had certificates payable renewed at maturity in the amount of approximately \$3,135,000 and \$2,719,000, respectively.

### 8. Commitments

At June 30, 2024 and 2023, the Fund had outstanding commitments and approved loans aggregating \$1,797,525 and \$1,500,000, respectively, which will be disbursed as they are requested by the churches.

# Christian Reformed Church Loan Fund, Inc. - U.S.

## Notes to Financial Statements

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### **9. Transactions with Other Christian Reformed Church Entities and Related Parties**

During the years ended June 30, 2024, 2023, and 2022, the Fund incurred charges of approximately \$121,000, \$32,000, and \$235,000, respectively, from CRCNA for support charges related to the consolidated financial services function.

Certificates payable include \$0 and \$10,299 at June 30, 2024 and 2023, respectively, due to certain directors, officers, and employees of the Fund.