

Offering Circular
IN Loan & Savings Ministry, LLC

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Fishers, IN 46038

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\$26,000,000

Certificates of Participation and Savings Accounts

This offering circular describes the certificates of participation and savings accounts being offered by IN Loan & Savings Ministry, LLC, an Indiana limited liability company (the “**Loan Fund**”), the sole member of which is the Indiana United Methodist Foundation, Inc. We are offering up to \$26,000,000 in certificates of participation and savings accounts to:

- persons who are members of, contributors to, or participants in the United Methodist Church, and who live in the States of Indiana, Illinois, Kentucky, Hawaii and Texas (we may also sell certificates of participation in limited circumstances to residents of Florida and North Carolina),
- persons who are ancestors of, descendants of, or successors in interest to such persons residing in such states, and
- United Methodist churches, agencies or organizational units in Indiana.

The certificates of participation and savings accounts will be general unsecured obligations of the Loan Fund and will be payable solely out of certain of our revenues and assets.

Type of Investment	Minimum Investment	Maturity Date	Interest Rate*	Interest Payments
Certificates of Participation	\$1,000	One year	0.85% (1)	(1) At your option, - paid quarterly or annually, - paid monthly, if your account is \$10,000 or more - reinvested annually (2) Interest added at maturity (3) Interest added 12 months after issue date and at maturity
		Three years	1.80% (1)	
		Five years	2.30% (1)	
		Six months	0.65% (2)	
		Nine months	0.70% (2)	
		Eighteen months	1.20% (3)	
IRA Certificates of Participation	\$1,000	Three years	1.80%	Reinvested annually
Savings Accounts	\$25	Payable upon our receipt of written request for withdrawal	Variable, currently 0.35%	Reinvested quarterly
IRA Savings Accounts	\$25	Payable upon our receipt of written request for withdrawal	Variable, currently 0.35%	Reinvested quarterly

*Interest rates are as of the date of this offering circular. We will periodically adjust interest rates for new Certificates of Participation and for new and existing Savings Accounts.

We estimate the net proceeds of the offering will be \$25,985,000 after paying estimated offering expenses of approximately \$15,000. We will use the net proceeds of this offering to make loans to United Methodist churches and agencies of the United Methodist Church or its organizational units in the State of Indiana for purchasing, constructing, expanding and refinancing churches and other facilities and, in certain circumstances, to finance their operating costs. No underwriters or broker-dealers are participating in this offering, and we will not pay any discounts or commissions. We have paid or will pay from our working capital all expenses relating to this offering and the issuance of Certificates of Participation and Savings Accounts.

Your purchases of certificates of participation or a savings account are subject to certain risks, which you should carefully consider before making a decision to purchase. See “Risk Factors” beginning on page 5 of this offering circular.

The date of this offering circular is May 1, 2021.

These securities may either be registered or exempt from registration in the various states or jurisdictions in which they are offered or sold by us. We have filed this offering circular with the securities administrators in such states or jurisdictions that require it for registration or exemption.

These securities are issued pursuant to a claim of exemption from registration under Section 3(a)(4) of the Securities Act of 1933. A registration statement relating to these securities has not been filed with the United States Securities and Exchange Commission.

These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not determined the accuracy, adequacy, truthfulness, or completeness of this document and have not passed upon the merit or value of these securities, or approved, disapproved or endorsed the offering. Any representation to the contrary is a criminal offense.

In making an investment decision, you must rely on your own examination of IN Loan & Savings Ministry, LLC and the terms of the offering, including the disclosure, merits, and risks involved.

The securities are not savings or deposit accounts or other obligations of a bank and are not insured by the Federal Deposit Insurance Corporation, any state bank insurance fund or any other governmental agency. The payment of principal and interest to an investor in the securities is dependent upon our financial condition. Any prospective investor is entitled to review our financial statements, which we will furnish at any time during business hours upon request. The securities are not obligations of, nor guaranteed by, the United Methodist Church, or by any church, conference, institution or agency affiliated with the United Methodist Church.

We have not authorized any person to give any information or to make any representation in connection with this offering other than those contained in this offering circular, and if such information or representation is given or made, you should not rely on it as having been made by IN Loan & Savings Ministry, LLC

You are encouraged to consider the concept of investment diversification when determining the amount of the securities described in this Offering Circular that would be appropriate for you in relation to your overall investment portfolio and personal financial needs.

Indiana Residents:

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

Florida Residents:

Any sale made in Florida is voidable by the purchaser in such sale either within three (3) days after the first tender of consideration is made by such purchaser to the issuer, an agent of the issuer or an escrow agent, or within three (3) days after the availability of the foregoing privilege is communicated to such purchaser through the delivery of this Offering Circular, whichever occurs later.

Kentucky Residents:

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

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INTRODUCTION

The Certificates of Participation and Savings Accounts are being offered by IN Loan & Savings Ministry, LLC, which we sometimes refer to in this offering circular as “the Loan Fund,” “we,” “our,” or “us.” We also refer in this offering circular to the historical financial information of our predecessor in interest, IN U.M. Loan & Savings Ministry, Inc., as “our” financial information.

Investment in the Certificates of Participation and Savings Accounts involves risks. See “Risk Factors” beginning on page 5 for risks you should consider before making a decision to invest in the Certificates of Participation and Savings Accounts we are offering. Among other things, you should consider that:

- We are under no obligation to repurchase Certificates of Participation once sold and, other than as set forth in this offering circular, we do not intend to make any repurchases.
- Our competitors have substantially greater capital and more experienced management than we have.

We have not authorized any person to give any information or to make any representations to you, other than those contained in this offering circular. If such information or representations are given or made, you should not rely upon such statements as having been authorized by us.

This offering circular is not an offer or a solicitation of an offer to sell to any person in any state or other political jurisdiction in which such an offer or solicitation may not be lawfully made. No underwriters or broker-dealers are participating in this offering, and we will not pay any discounts or commissions.

SUMMARY

The Loan Fund

IN Loan & Savings Ministry, LLC (the “**Loan Fund**”) is an Indiana limited liability company that was organized on April 9, 2020. The Loan Fund has a single member, the United Methodist Foundation of Indiana, Inc. (the “**Foundation**”). The Loan Fund’s predecessor in interest was IN U.M. Loan & Savings Ministry, Inc., an Indiana nonprofit corporation (our “**Predecessor**”), which was organized in 2000 as the North Indiana United Methodist Loan Fund, Inc. In 2003, our Predecessor changed its name to Indiana United Methodist Loan Fund, Inc., and in 2009, change its name again to IN U.M. Loan & Savings Ministry, Inc.

On June 30, 2020, we and our Predecessor merged, and we were the surviving entity in the merger (the “**Reorganization**”). We undertook the Reorganization in the expectation that it will streamline our management and operations. As a result of the Reorganization and by operation of law, we assumed and succeeded to all of the rights, assets, and liabilities of our Predecessor, including all of its loans and other assets and all of its obligations with respect to the outstanding Savings Accounts and Certificates of Participation (as defined below). Prior to the effective time of the Reorganization, we had not engaged in any material business activities and did not hold any material assets or liabilities. The Reorganization did not affect the terms and conditions, including the interest rates and maturity dates, governing the Savings Accounts and Certificates of Participation previously issued by our Predecessor. We continue to qualify as a Church Extension Fund for purposes of the North American Securities Administrators Association Statement of Policy Regarding Church Extension Fund Securities (the “**NASAA Policy Statement**”).

Our principal executive offices are located at 8401 Fishers Center Drive, Fishers, IN 46038, and our telephone number is (877) 391-8811.

The Foundation created the Loan Fund to promote the growth and development of the United Methodist Church. We pursue this mission by making first- or second-lien mortgage loans to United Methodist churches and agencies of the United Methodist Church or its organizational units in the State of Indiana for purchasing, constructing, expanding and refinancing churches, parsonages and other facilities and, in certain circumstances, to finance their operating costs. The Loan Fund is financed through donations by the Foundation and through the proceeds of this offering. See “History and Operations of the Loan Fund.”

Offering

We are offering up to \$26,000,000 in certificates of participation (“**Certificates of Participation**”) and savings accounts (“**Savings Accounts**”) to raise funds that we will use to make loans to borrowers for capital projects. The Federal Deposit Insurance Corporation does not insure our Certificates of Participation and Savings Accounts.

- Certificates of Participation (other than IRA Certificates of Participation) have maturities of one, three or five years, or six, nine, or eighteen months, at your election. The interest rate is fixed for the term of the Certificate. We periodically adjust the interest rates offered on new Certificates of Participation.
- At your option, we will pay interest on Certificates of Participation with maturities of one, three or five years either quarterly or annually, or you may elect to have interest reinvested annually. For Certificates of Participation with maturities of six or nine months, we will pay interest at maturity, and for Certificates of Participation with maturities of eighteen months, we will pay interest twelve months after issuance and at maturity. If you invest more than \$10,000 in a one-, three- or five-year Certificate of Participation, you may elect to have interest paid on a monthly basis.

- We issue IRA Certificates of Participation with maturities of three years only. Interest is reinvested annually. Investors may have the option of requesting periodic distributions as provided by the Internal Revenue Code and regulations.
- Savings Accounts and IRA Savings Accounts are payable upon our receipt of a written request for withdrawal. The interest rate is variable. We periodically adjust the interest rates offered on new and existing deposits to Savings Accounts. Interest is reinvested quarterly. Investors may have the option of requesting periodic distributions from IRA Savings Accounts as provided by the Internal Revenue Code and regulations.

Purchases of Certificates of Participation and Savings Accounts are restricted to (1) persons who are members of, contributors to, or participants in the United Methodist Church, and who live in the States of Indiana, Illinois, Kentucky, Hawaii and Texas, (2) persons who are ancestors of, descendants of, or successors in interest to such persons residing in such states, and (3) United Methodist churches and agencies or organizational units of the United Methodist Church in Indiana. We may also sell Certificates of Participation in limited circumstances to residents of Florida and North Carolina who are members of, contributors to, or participants in the United Methodist Church, and to their ancestors, descendants or successors in interest who also reside in those states.

We issue IRA Certificates of Participation and IRA Savings Accounts only to custodians for individual retirement accounts set up by eligible Investors pursuant to Section 408 of the Internal Revenue Code. If you request, and we allow, an early withdrawal of all or a portion of an IRA Certificate of Participation prior to the Certificate's maturity date, you will not incur a penalty if the withdrawal is a "normal" distribution under applicable IRS rules. You will incur a penalty, however, for an early withdrawal from an IRA Certificate of Participation that is not a "normal" distribution. See "Description of the Certificates of Participation and Savings Accounts."

Risk Factors

The purchase of Certificates of Participation and Savings Accounts is subject to risks. You should carefully consider the risk factors set forth in the "Risk Factors" section beginning on page 5.

Use of Proceeds

We will add the proceeds from this offering to our general funds and will primarily use them to make first- and second-lien mortgage loans to United Methodist churches, agencies and organizational units to finance capital improvement projects or, in certain circumstances, to finance operating costs. We expect to invest a portion of the proceeds of the offering in marketable interest-bearing securities pending their use for our activities or in furtherance of our policy of maintaining a reasonable degree of liquidity. We will make all investments according to the judgment of our Manager, acting under the supervision of the Foundation's board of directors. No underwriters or broker-dealers are participating in this offering, and we will not pay any discounts or commissions in connection with the sale of the Certificates of Participation and Savings Accounts. See "Use of Proceeds" and "Plan of Distribution."

Management

Our operating agreement authorizes our sole member, the Foundation, to appoint from one to three Managers to manage our business and affairs. The operating agreement also provides that we will initially be managed by a single Manager, Manet Shettle. Ms. Shettle performs her role as Manager under the supervision of the Foundation's board of directors. Ms. Shettle also serves as President of the Foundation.

Following completion of the Reorganization, our Manager adopted our Predecessor's loan policies and procedures and also established a Loan Committee, consisting of the same members who served on our Predecessor's Loan Committee at the effective time of the Reorganization, to implement those policies and

procedures. A majority of the members of our Loan Committee have experience in the lending industry. See “Description of the Business of the Loan Fund – Lending Activities of the Loan Fund – Loan Committee.”

Our officers exercise general charge and supervision of the Loan Fund’s affairs. Our officers, whose terms expire on July 1, 2022, are as follows:

Name	Office
Shelley Johnson	Chair
Monte Chamberlin	Vice Chair
Jeff Lorentson	Secretary
Manet Shettle	President

See “Management.”

Business Activities of the Loan Fund

Our only business activities are offering and selling Certificates of Participation and Savings Accounts to investors and lending the net proceeds to eligible borrowers for capital improvement projects. Each loan we make is secured by a first- or second-lien mortgage on the property of the borrower. We charge interest at a rate greater than we pay to our investors, and we use the differential to pay our operating expenses. Any excess is added to our unrestricted net assets. See “Description of the Business of the Loan Fund.”

Purchase of the Certificates of Participation and Savings Accounts

To purchase a Certificate of Participation or open a Savings Account, you should complete the appropriate application, which accompanies this offering circular. Please mail the completed application along with a check payable to IN Loan & Savings Ministry, LLC to the following address:

IN Loan & Savings Ministry, LLC
8401 Fishers Center Drive
Fishers, IN 46038
Attn: Tammy Foster

See “Method of Offering and Withdrawal of Subscription.”

Selected Financial Data

The tables below set forth certain selected financial data with respect to our statements of financial position as of December 31, 2020 and our statements of activities for the fiscal year ended December 31, 2020. Management has compiled this data from our audited financial statements, and it should be read in conjunction with our current audited financial statements, which are found at Exhibit A to this offering circular.

Summary Balance Sheet Information at December 31, 2020

Cash	\$ 269,517
Investments	\$ 5,787,521
Total net loans receivable (allowance of \$500,000)	\$ 23,897,338
Unsecured loans receivable	None
Loan delinquencies (90 days or more) as a percent of loans receivable	None
Total assets	\$ 30,175,149
Total Savings Accounts and Certificates of Participation payable	\$ 28,145,336
Amount of Savings Accounts and Certificates of Participation redeemed during the fiscal year	\$ 7,136,838
Other long-term debt	\$ -
Net assets	\$ 1,772,827
Change in net assets	\$ 133,695

Summary Statement of Activities for the Year Ended December 31, 2020

Total interest income	\$ 1,250,824
Total interest expense	\$ 676,891
Total operating expenses	\$ 440,238
Other income (excluding gain on investments)	\$ 2,250
Unrealized gain or (loss) on investments	\$ 37,144
Capital contribution	\$ -
Excess or (deficit) of operating revenue over expenses	\$ 133,695

RISK FACTORS

Before investing in the Certificates of Participation and Savings Accounts, you should carefully consider the following risks:

The Certificates of Participation and Savings Accounts are unsecured general obligations of the Loan Fund. Our ability to pay principal and interest on the Certificates of Participation and Savings Accounts will depend entirely upon our financial condition and operations. We are a legal entity separate from the Foundation and the United Methodist Church. Those entities have no obligations with respect to repayment of the Certificates of Participation and Savings Accounts. You will have a claim on the assets of the Loan Fund equal to the claims of all other holders of Certificates of Participation and Savings Accounts that may be issued in the future, and to the claims of all of our unsecured creditors. See “History And Operations Of The Loan Fund.”

No sinking fund or trust indenture has been or will be established to ensure or secure the repayment of Certificates of Participation or Savings Accounts. Because we have not established a sinking fund or trust indenture for repayment, you will be dependent solely upon the financial condition and operations of the Loan

Fund for repayment of principal and interest. See “Description Of The Certificates Of Participation And Savings Accounts.”

The ongoing novel coronavirus (“COVID-19”) pandemic could adversely affect our business activities, financial condition and results of operations. Since the beginning of January 2020, the spread of COVID-19 has significantly disrupted the U.S. economy and world financial markets. This disruption could adversely affect the financial condition of our borrowers, which would likely have an adverse effect on our financial condition as well. The spread of COVID-19, or an outbreak of another highly infectious or contagious disease, could cause donations by the congregations of our borrowers to decrease significantly, which could cause those borrowers to be unable to meet their payment obligations under their loans with us. The spread of COVID-19, or an outbreak of another contagious disease, could also negatively affect the availability of key personnel necessary to conduct our business activities. In either event, the continuing spread of COVID-19 could have a material adverse effect on our business, financial condition, and results of operations.

Additionally, the COVID-19 pandemic has caused market interest rates to fall significantly. During March 2020, the 10-year Treasury yield fell below 1.00% for the first time. While this rate subsequently increased to approximately 1.70% by March 2021, it is still well below historic levels that existed before the onset of the COVID-19 pandemic in early 2020. Also in March 2020, the Federal Reserve Board reduced the target federal funds rate to a range from 0.00% to 0.25%, and this range remains in place as of the date of this offering circular. We expect that these reductions in interest rates, especially if prolonged, could adversely affect our net interest income and margins, which could affect our results of operations.

If we are unable to continue generating a profit and to maintain positive net assets, we may not be able to repay Certificates of Participation and Savings Accounts when due. Our operating revenues have exceeded operating expenses during each fiscal quarter since the fourth quarter of 2006. Our annual operating revenues exceeded annual operating expenses by \$133,695 in 2020, \$174,035 in 2019, and \$78,007 in 2018. As of December 31, 2020, we had positive net assets of \$1,772,827. The continued development of the Loan Fund will depend upon, among other things, our ability to attract and retain investors and to achieve a sufficient margin between the interest rates we pay to investors and the interest rates we earn on loans to borrowers. We believe we maintain sufficient liquid resources, investment assets and a line of credit to meet our obligations when due. However, if we are unable to continue to generate a profit and maintain positive net assets, we may not be able to repay principal and interest on the Certificates of Participation and Savings Accounts when due. Moreover, our net assets as of December 31, 2020 were 5.88% of our total assets, which exceeds the regulatory guidelines established by the NASAA Policy Statement, which require net assets to be at least 5% of total assets. See “Management’s Discussion and Analysis.”

The Certificates of Participation and Savings Accounts are subordinate in ranking and priority in relation to the Loan Fund’s existing and future senior secured indebtedness. As of December 31, 2020, we had no secured investment obligations or other secured liabilities, other than a \$3,000,000 revolving line of credit secured by our outstanding loans. The Certificates of Participation and Savings Accounts will be subordinate to amounts due, if any, under this line of credit. As of December 31, 2020, we had no outstanding borrowings under this line of credit. See “Description Of The Certificates Of Participation And Savings Accounts.”

Because no public market exists for the Certificates of Participation and Savings Accounts and none will develop, your ability to transfer your investment will be limited and restricted. The Certificates of Participation and Savings Accounts are only transferable, with our consent, to (1) persons who are members of, contributors to, or participants in the United Methodist Church, and who live in Indiana, Illinois, Kentucky, Hawaii and Texas (and, in limited circumstances, Certificates of Participation may be transferred to such persons who are residents of Florida and North Carolina), (2) persons who are ancestors of, descendants of, or successors in interest to such persons residing in such states, and (3) United Methodist churches and agencies or organizational units of the United Methodist Church in Indiana. We may withhold our consent to a proposed

transfer if we conclude that the transfer would violate applicable state or federal securities laws. Because of these restrictions, you may not be able to resell any securities that you purchase. While you may request repayment of a Savings Account at any time, there are restrictions on repayment of the Certificates of Participation. You should only purchase a Certificate of Participation if you are able to hold the investment for its full term. See “Description Of The Certificates Of Participation And Savings Accounts.”

The Loan Fund’s loans are made to affiliated churches and related religious organizations whose ability to repay the loans depends primarily upon the contributions that they receive from their members. Almost all of our loans will be made to local United Methodist churches. The ability of the churches to repay their loans will largely depend upon the contributions they receive from their members. To the extent that a church experiences a reduction in contributions, it may experience difficulty in repaying a loan. Where we deem necessary, we may require a loan to be guaranteed by another organizational unit of the United Methodist Church, such as an annual conference, agency of an annual conference, or a district or church extension society or union. In many instances, however, these guarantors also depend upon contributions as a primary source of their revenues. If borrowers are unable to make payments on their loans, we may not have sufficient sources of cash to repay principal and interest on the Certificates of Participation and Savings Accounts when due. See “Description Of The Business Of The Loan Fund -- Lending Activities of the Loan Fund.”

Because the Loan Fund’s lending activities are concentrated in Indiana, deterioration in economic conditions in Indiana could affect the ability of borrowers to repay their loans, which would adversely affect the Loan Fund’s financial condition. The borrowers will be United Methodist Churches and agencies of the United Methodist Church or its organizational units in the State of Indiana. Periods of economic slowdown or recession, whether general, regional or industry-related, may increase the probability that borrowers will default on their loans, especially if there is an adverse change in the economic climate in the State of Indiana. If delinquency rates are high, we may not have sufficient sources of cash to repay principal and interest on the Certificates of Participation and Savings Accounts when due. See “Description Of The Business Of The Loan Fund -- Lending Activities of the Loan Fund.”

If the Loan Fund’s competition offers higher interest rates, the Loan Fund may be unable to retain deposits or repay investors upon request. Interest rates on various commercial and money market instruments fluctuate and may sometimes be higher than the rates we pay. If commercial interest rates become significantly higher than those we pay, our investors, including those who may view their investments as a form of stewardship with the United Methodist Church, may seek to withdraw their investments with us and reinvest those funds with our commercial competitors. If that occurs and withdrawal requests increase in a material amount, we may be unable to repay outstanding investment obligations immediately upon request. Our Savings Accounts are payable upon written request by an investor, and our Certificates of Participation mature on a periodic basis (in one, three or five years, or in six, nine, or eighteen months), but may be withdrawn prior to maturity subject to certain penalties. See “Description Of The Certificates Of Participation And Savings Accounts.”

The Loan Fund may not be able to maintain liquid assets sufficient to pay principal and interest on Certificates of Participation and Savings Accounts when due. It is our policy to maintain liquidity in cash, cash equivalents, and federal and corporate bonds with maturities of less than one year, equal to at least 2.0% of the principal balance of our outstanding investment obligations. We maintain additional investments equal to at least 8.0% of our outstanding investment obligations in certificates of deposit maturing in one to five years. We have available a revolving line of credit of up to \$3,000,000 secured by our outstanding loan balances. We believe that this line of credit, together with our cash and cash equivalents, provides us with sufficient liquidity to pay interest and principal due on Certificates of Participation and Savings Accounts. However, we may elect to revise our existing liquidity policy in the future to lessen the amount of our liquid investments. Such a change may adversely affect our ability to pay accrued interest on Certificates of Participation and Savings Accounts or to repay the principal amount of Certificates of Participation and Savings Accounts presented for

payment. See “Description Of The Certificates Of Participation And Savings Accounts -- Financial and Operational Activities of the Loan Fund.”

The value of the properties securing loans may not exceed the loan amount, which could result in a loss for the Loan Fund. Our loans are secured by first- or second-lien mortgages on the properties purchased, constructed, renovated or refinanced with the funds that we lend. In many cases, we will not obtain formal appraisals of the secured properties, although we may, in our discretion, obtain an appraisal or have a member of our staff inspect the property. In addition, in most cases the Loan Committee will request and review data regarding the borrower’s plans for the property, construction costs, the value of the property to be used as security, the financial capabilities of the borrower and the borrower’s arrangements for repayment. It is possible that the value of a specific property may be less than estimated. While generally it is our policy to require that the value of property securing a loan exceed the principal amount of the loan, based upon our estimated valuation of the property, it is possible that the loan amount could exceed the value of the property securing it. If we were to foreclose on a property securing a loan, a subsequent purchaser of the foreclosed property may not pay a price equal to or greater than the amount of the loan because the value of the property may be lower than the amount of the loan. This risk generally increases in the event of a foreclosure of a construction loan to build a new church facility since the value of a partially-completed facility will generally be less than the outstanding loan balance. Further, the purchaser of a partially-completed project will likely decrease the purchase price it will pay for the property by the amount of the anticipated remaining construction costs, thus reducing the net proceeds we will receive in the foreclosure. In addition, church properties are generally single purpose facilities and thus have a restricted resale market. We may not be able to recover the full unpaid amount of the loan. See “Description Of The Business Of The Loan Fund -- Lending Activities of the Loan Fund.”

You will receive no income tax benefits from investing in the Certificates of Participation and Savings Accounts, and you will have to pay taxes on interest earned. You will not receive a charitable deduction for your investment in a Certificate of Participation or Savings Account. Except for IRA Certificates of Participation and IRA Savings Accounts, the interest paid or payable on the Certificates of Participation and Savings Accounts will be taxed as ordinary income to you whether you receive interest or we, at your direction, retain and compound the interest. See “Tax Matters.”

Future changes in federal or state laws may affect our ability to continue to sell the Certificates of Participation and Savings Accounts. We are subject to various federal and state laws in connection with the offering of Certificates of Participation and Savings Accounts. Changes in those laws could make it more difficult or costly for us to offer and sell Certificates of Participation and Savings Accounts in the future. Our inability to sell additional Certificates of Participation and Savings Accounts would adversely affect our ability to generate cash for operations. See “Management’s Discussion and Analysis.”

Deposits are not FDIC insured. Because we are not a bank or other type of insured depository financial institution, the Federal Deposit Insurance Corporation does not insure our Certificates of Participation and Savings Accounts. You therefore must depend solely upon the financial condition and operations of the Loan Fund for repayment of principal and interest. See “Summary -- Offering.”

Your purchase may have negative tax consequences to you. You should consult your tax advisor regarding tax considerations. If we pay below market interest rates on Certificates of Participation and Savings Accounts, an individual Investor who has, or a husband and wife who together have, invested more than \$250,000 in the aggregate with the Loan Fund may be deemed to receive additional taxable interest under Section 7872 of the Internal Revenue Code. If this applies to you, you should consult your tax advisor regarding the special income tax rules applicable to loans and investments that are greater than \$250,000 in the aggregate. To date we have paid at or above market rates, but market fluctuations could change this. See “Tax Matters.”

HISTORY AND OPERATIONS OF THE LOAN FUND

We are an Indiana limited liability company with a single member, the Foundation. We were organized as an Indiana limited liability company on April 9, 2020. Our predecessor in interest, IN U.M. Loan and Savings Ministry, Inc., which was also an affiliate of the Foundation, was organized in 2000 as the North Indiana United Methodist Loan Fund, Inc. In 2003, our Predecessor changed its name to Indiana United Methodist Loan Fund, Inc., and in 2009, change its name again to IN U.M. Loan & Savings Ministry, Inc. Our principal executive offices are located at 8401 Fishers Center Drive, Fishers, IN 46038, and our telephone number is (877) 391-8811.

Upon consummation of the Reorganization on June 30, 2020, we and our Predecessor merged and we were the surviving entity. As a result of the Reorganization and by operation of law, we assumed all of the rights, assets, and liabilities of our Predecessor, including all of its loans and other assets and all of its obligations with respect to the outstanding Savings Accounts and Certificates of Participation. Between April 9, 2020, the date we were organized as an Indiana limited liability company, and June 30, 2020, the date of the Reorganization, we did not engage in any material business activities or hold any material assets or liabilities.

The Foundation was formed January 1, 2011 from the merger of the North Indiana United Methodist Foundation, Inc., the United Methodist Foundation of South Indiana, Inc. and the United Methodist Foundation of Indiana, Inc. The Foundation was formed to promote stewardship among the members of the Indiana Annual Conference of the United Methodist Church. The Foundation's activities include the administration of funds on behalf of local churches in the Annual Conference and receiving and holding in trust charitable gifts and devises made by donors, testators or trustees.

The Foundation created the Loan Fund to promote the growth and development of the United Methodist Church by making first- or second-lien mortgage loans to United Methodist churches and agencies of the United Methodist Church or its organizational units in the State of Indiana for purchasing, constructing, expanding and refinancing churches, parsonages and other facilities, and, in certain circumstances, for financing operating costs.

We are financed through the proceeds of our sales of Certificates of Participation and Savings Accounts and, to a lesser extent, through donations by the Foundation. We offer our Certificates of Participation and Savings Accounts to:

- persons who are members of, contributors to, or participants in the United Methodist Church, and who live in the States of Indiana, Illinois, Kentucky, Hawaii and Texas (we may also sell Certificates of Participation in limited circumstances to such persons who are residents of Florida and North Carolina),
- persons who are ancestors of, descendants of, or successors in interest to such persons residing in such states, and
- United Methodist churches, agencies or organizational units in Indiana.

The Certificates of Participation and Savings Accounts are general unsecured obligations of the Loan Fund and are payable solely out of certain revenues and assets of the Loan Fund. The Certificates of Participation and Savings Accounts, which provide general obligation financing for the Loan Fund, are not specifically secured by particular loans to specific borrowers.

Our sole member, the Foundation, was organized and operates exclusively for religious purposes and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as a religious organization. We have elected to be disregarded as an entity separate from the Foundation, which means that

our activities are treated as those of the Foundation for federal income tax purposes. Accordingly, no portion of our earnings inures or will inure to the benefit of any person, private shareholder or individual.

Our Operating Agreement provides that our business and affairs will be managed by from one to three designated Managers, who will be appointed by the Foundation as our sole member. The Operating Agreement also provides that initially, we will be managed by a single Manager, Manet Shettle. Ms. Shettle operates under the supervision of the Foundation's board of directors. Ms. Shettle also serves as President of the Foundation. See "Management."

USE OF PROCEEDS

We estimate the net proceeds of the offering will be \$25,985,000 after paying estimated offering expenses of approximately \$15,000, which we have paid or will pay from our working capital. We will use the net proceeds to make first- and second-lien mortgage loans to United Methodist churches and agencies of the United Methodist Church or its organizational units in the State of Indiana for purchasing, constructing, expanding and refinancing churches and other facilities, and, in certain circumstances, for financing operating costs. We expect to continuously receive applications from prospective borrowers for mortgage loans, and we will make new loans from time to time in conformity with our loan policies. The proceeds of this offering will not be allocated to any specific loan or loans or for any material loan or loans to a single borrower, and the maximum amount we may lend to any one church will be determined by our Manager from time to time. See "Description of the Business of the Loan Fund – Lending Activities of the Loan Fund – Loan Policies."

In the normal course of our operations, we will issue loan commitments based upon the availability of funds.

We expect to invest a portion of the proceeds of the offering in marketable interest-bearing securities pending their use for our activities or in furtherance of our policy of maintaining a reasonable degree of liquidity. We will make all investments according to the judgment of the Loan Committee appointed by our Manager. The Loan Committee operates under the supervision of our Manager and the Foundation's board of directors.

No underwriters or broker-dealers are participating in this offering, and we will not pay any discounts or commissions in connection with the sale of the Certificates of Participation and Savings Accounts. We will sell the Certificates of Participation and Savings Accounts solely through certain officers and employees of the Loan Fund.

DESCRIPTION OF THE BUSINESS OF THE LOAN FUND

Financial and Operational Activities of the Loan Fund

Our main sources of cash inflows are the proceeds from the sales of Certificates of Participation and Savings Accounts and payments of interest and principal received on mortgage loans made to borrowers. In addition, we receive income on investments. Each of these sources of funds is described below. We also incur certain expenses in an amount we consider immaterial that are unrelated to the sale of Certificates of Participation. Our ability to repay principal and interest on outstanding deposits depends upon our financial condition and the funds available to us. In prior years, we have been able to meet principal and interest requirements on our outstanding deposits from our available funds.

All of our assets are unrestricted and may be used to make mortgage loans to borrowers for projects, subject to the liquidity and capital maintenance policies established by our Manager from time to time. See "Lending Activities of the Loan Fund." Information presented below for periods ending before June 30, 2020, the effective date of the Reorganization, relates to the activities of our Predecessor.

Certificates of Participation and Savings Accounts Payable. Our primary means of generating funds for lending activities is through the sale of our Certificates of Participation and Savings Accounts. The following chart sets forth the types of deposit obligations that have been sold and incurred as of December 31, 2020:

Description	Balance December 31, 2020
<i>Deposit Obligations:</i>	
Savings Accounts	\$ 4,721,842
Certificates of Participation, 1 year	1,786,272
Certificates of Participation, 3 year	5,808,256
Certificates of Participation, 5 year	6,370,894
Certificates of Participation, 6 month	346,890
Certificates of Participation, 9 month	89,795
Certificates of Participation, 18 month	9,021,387
Total deposit obligations	<u>\$ 28,145,336</u>
<i>Other Obligations:</i>	
Account payable to United Methodist Foundation of Indiana, Inc.	\$ (12,416)
Other accounts payable	14,415
Accrued interest payable	254,987
Total other obligations	<u>256,986</u>
Total all obligations	<u><u>\$ 28,402,322</u></u>

Maturities of Deposits Payable. The following table shows the maturities of the Savings Accounts and Certificates of Participation payable for each of the next five years. Savings Accounts do not have maturity dates, and the funds held therein may be withdrawn at any time. We believe that we will be able to pay expected redemptions from repayments of loan principal and interest expected to be received for the same periods.

Year	Maturities
2021	\$ 17,566,407
2022	\$ 5,768,478
2023	\$ 2,332,422
2024	\$ 1,346,005
2025	\$ 1,132,024

Sales Proceeds and Redemptions. Annual cash sales proceeds and cash redemptions of our outstanding deposit obligations for each of the last three years are reflected in the following table:

Year	Sales Proceeds	Repayments
2020	\$ 6,770,101	\$ 7,136,838
2019	\$ 6,752,518	\$ 9,068,784
2018	\$ 3,994,654	\$ 8,166,155

Loans Receivable. At December 31, 2020, we held 91 mortgage loans with an aggregate principal balance of \$6,493,336. The interest rates on these loans range from 3.75% to 6.75%, with the exception of one loan that is in workout status where we have reduced the interest rate to 0.00%. See “Lending Activities of the Loan Fund – Loan Delinquencies.”

The following table shows the approximate principal maturities of outstanding mortgage loans receivable, calculated on the basis of regularly scheduled contract payments.

Year	Maturities
2021	\$ 3,200,593
2022	\$ 759,659
2023	\$ 288,412
2024	\$ 153,383
2025	\$ 190,137
2026 and thereafter	\$ 21,901,152

Loans issued by the Loan Fund may be prepaid without penalty. Accordingly, expected future cash flows may differ from the contractual amounts indicated above.

Our largest loan represented 12.69% of total deposits, or 13.48% of total loans outstanding, at December 31, 2020, and our second largest loan represented 11.29% of total deposits, or 12.00% of total loans outstanding, on that date.

All of the above loans are secured by a first-lien mortgage on real estate, or in some circumstances, by a security interest in an investment account of the debtor, with an estimated value which exceeds the amount of the loan. Generally, we do not loan in excess of 80% of the value of the improved real property or investment account pledged as collateral. In most every case, the collateral pledged is significantly greater than the required minimum.

Income on Investments. In accordance with our policy of maintaining reasonable reserves, we may maintain a portion of our assets in investments consisting primarily of marketable interest-bearing securities, which we expect will generate additional income for our operations. Our policy is to maintain assets in an amount deemed sufficient to meet normal interest payments as accrued and to repay principal amounts on our outstanding investment obligations. We will also maintain reserves sufficient to fund outstanding loan commitments. Our current policy requires us to maintain liquid assets, defined as the aggregate of cash and securities which mature in one year or less, of at least 2.0% of the total principal amount of our outstanding deposit liabilities. We also invest an amount equal to at least 8.0% of our outstanding deposit liabilities in certificates of deposit maturing in one to five years.

Lending Activities of the Loan Fund

Nature and Types of Loans. We make first- and second-lien mortgage loans to United Methodist churches and agencies of the United Methodist Church or its organizational units in the State of Indiana for purchasing, constructing, expanding and refinancing churches, parsonages and other facilities, and, in certain circumstances, for financing operating costs.

All loans made by the Loan Fund are interest-bearing loans that are secured by a pledge or mortgage of the property and buildings for which the funds are to be used, or other suitable real estate collateral owned by the borrower. All existing loans are supported by a first-lien mortgage on the collateral, or in some circumstances, by a security interest in an investment account owned by the debtor. In special circumstances, we may consider accepting a second-lien mortgage on collateral. In the case of newly formed congregations, each loan will be secured by a first- or second-lien mortgage on the church's property and will be guaranteed by another organizational unit of the United Methodist Church, such as an annual conference, agency of an annual conference, or a district or church extension society or union. In general, the value of the property securing a loan must exceed the principal amount of the loan, based on a valuation of the property by our Loan Committee.

We determine interest rates by using the current cost of funds plus a margin of at least two percentage points (2%) for costs associated with administering the Loan Fund. Interest rates on these loans vary as a

function of market interest rate conditions at the time of the loan and are subject to adjustment periodically throughout the term of the loan. Generally, we offer loans with an amortization of up to 30 years. We offer loans with interest rates that adjust every one, three, five, or ten years. Most loans adjust every three or five years. Our Manager periodically reviews our loan products and may change the products offered.

Loan Committee. We will make loans pursuant to the loan policies and procedures adopted by our Manager, which are the same loan policies and procedures previously adopted by our Predecessor prior to the Reorganization. Our Manager has appointed a loan committee (the “**Loan Committee**”) that is responsible for implementing these policies and procedures. Our Loan Committee operates under the supervision of the Foundation’s board of directors. Its members are Dave Berry, Karla Elliott, Scott Green, Jeff Lorentson, and Jim Need, each of whom also serves on the Foundation’s board of directors. Our Loan Committee will consider for approval only applications that are made in accordance with our loan policies and procedures, and is authorized to approve loans in excess of \$100,000 (See “Loan Policies” below). We intend that a majority of the members of our Loan Committee will have experience in the lending industry.

Loan Applications. We require all prospective borrowers to follow certain procedures in authorizing the capital projects for which they seek financing from us. These procedures are set forth in the Book of Discipline of the United Methodist Church (the “**Book of Discipline**”) and in our loan policies and procedures. The Loan Committee will not consider any loan where the prospective borrower has not followed these required procedures.

These procedures require a prospective borrower to submit a completed loan application form; a project description and purpose; a copy of contracts and commitments that have been entered into at that time; for churches, the appropriate consents of church, annual conference and district boards and agencies, as required by the Book of Discipline, and copies of recent Annual Conference Statistical Reports; documentation of the appropriate governmental approvals; recent financial statements and annual conference audit reports; a description of capital funds drive results, if any such drive was conducted; an environmental audit report of the property to secure the loan, if required by the Loan Committee; organizational documents of the prospective borrower, and any other information, data and materials requested by the Loan Committee.

Loan Policies. Our Manager has adopted policies with respect to making loans to borrowers and may modify these policies at any time. These guidelines were previously adopted by our Predecessor and were developed after consulting with other similar loan funds with many years of experience lending to church borrowers. In general, the policies limit the maximum amount we may loan to a borrower based on certain factors, including, but not limited to, the cost of the project, the ratio of the debt service to the borrower’s annual revenues and maximum loan amounts per giving unit. The costs of the construction, major improvement or purchase, the value of the property to be used to secure the loan and the financial capability of the applicant to repay the loan are some of the factors the Loan Committee will consider in approving or denying loan applications. Prospective loans meeting all guideline tests may be approved by the staff or by the Loan Committee, operating under the supervision of the Foundation’s board of directors, depending upon the size of the loan request. Prospective loans that do not meet guideline tests may be recommended for further consideration by the next level of review. Review and approval levels are as follows:

- our staff, with the President’s approval, may approve loans up to \$100,000 with no exceptions to the guideline tests; and
- our Loan Committee may approve loans up to our maximum lending authority.

Borrowers may be required to make certain covenants, such as agreeing to provide cash flow projections over the life of the loan, agreeing not to assume any additional debt during the term of the loan without our consent, and agreeing to pay certain fees and costs related to the loan.

The Loan Committee may approve loans to newly formed congregations that do not comply with its standard loan guidelines. However, all such loans will be secured by a first- or second-lien mortgage on the church’s property and will be guaranteed by another organizational unit of the United Methodist Church, such as an annual conference, agency of an annual conference, or a district or church extension society or union.

We sometimes sell on a non-recourse basis participation interests in certain larger loans we originate to reduce our credit risk on those loans to the extent of the participation interest we sell. In these cases, we retain servicing responsibility for the loans in which we sell a participation interest, meaning that the borrower continues to make payments to us, and we distribute a pro rata portion of each payment to the applicable participant. We currently have two loans in which we have sold a participation interest. We originated the first loan in 2017 with an original principal balance of \$4,255,835, and sold a 28.2% interest to another United Methodist lending organization during 2017. We originated the second loan in 2019 with a \$3,500,000 line of credit and sold a 34.28% interest to the same United Methodist lending organization.

Loan Repayment. Our Manager has adopted the policies of our Predecessor governing the repayment of loans, which our Manager may modify from time to time. Currently these policies provide for a borrower to repay its loan by making monthly payments, which are applied first to fees, second to accrued interest, and third to outstanding principal. During the construction phase of a project, borrowers are required to pay interest only. Our loan policies do not include prepayments penalties; however, any partial prepayment of principal does not relieve a borrower of its obligation to make subsequent monthly payments as scheduled. We charge a late fee on loan payments received ten days after the due date.

Material Loans to a Single Borrower. To manage our risks, we generally limit loans to a single borrower to an amount that does not exceed 18% of our total deposits, although our Manager may grant exceptions in unusual circumstances. We have not made any loans that exceed this limit to date, however. At December 31, 2020, our largest loan represented 12.69% of total deposits, or 13.48% of total loans outstanding, and our second largest loan represented 11.29% of total deposits, or 12.00% of total loans outstanding.

Loan Delinquencies. The following table shows the number, past due amount, and principal balance of loans that have been delinquent for 90 days or more as of December 31 of the following years:

Year	Number of Loans	Past Due Amount	Principal Balance
2020	None	None	None
2019	None	None	None
2018	None	None	None

We have not written off any loans since the Loan Fund’s inception but, due to recent economic circumstances and the inherent risk of lending, we have established an allowance for possible loan losses. At December 31, 2020, our allowance for loan losses was \$500,000. Our goal is to work with our borrowers to help them repay their loans with us and to avoid foreclosures. These efforts include, but are not limited to, consulting with borrowers to improve their fund-raising, financial management, and church growth, and working with the governing body of the borrower to establish revised terms of repayment. We believe that these efforts distinguish us from our commercial lender competitors, although we may not be able or willing to continue these policies in the future. To date, we have only seven loans that have required slight loan modifications. Each of these loans is currently performing in accordance with its modified terms, including one loan on which we reduced the interest rate to 0.00% to accommodate the borrower during a difficult financial period.

Investing Activities of the Loan Fund

We maintain a portion of our assets in investments in accordance with our policy of maintaining reasonable liquidity to meet investor withdrawal requests. It is our policy to maintain liquidity in a minimum

amount of 10% of the Loan Fund’s outstanding deposit obligations. This required 10% reserve is allocated 20% to cash, cash equivalents, and federal and corporate bonds with maturities of less than one year. The remaining 80% of this reserve is invested in insured certificates of deposit maturing in one to five years. Our investment policy describes the types of securities in which our liquidity reserve may be invested and the authority of our staff to buy and sell securities on our behalf. We may also invest in money market accounts funds awaiting disbursement as loan proceeds.

Our investments consist solely of readily marketable securities comprised of cash equivalents, money market mutual funds, and certificates of deposit. For this purpose, cash equivalents consist of liquid investments with original maturities of three months or less.

As of December 31, 2020, our investments were as follows:

Description	Weighted Average Rate of Return	Market Value	Percent of Total Invested Funds
Cash Equivalents	0.01%	\$ 2,998,570	51.81%
Certificates of Deposit	1.80%	\$ 2,788,951	48.19%
Total	0.87%	\$ 5,787,521	100.00%

These investments, together with cash on hand of \$269,517 at December 31, 2020, represented 21.52% of our deposit obligations as of that date. See “Management’s Discussion and Analysis - Liquidity.”

Our Manager adopted a Statement of Investment Policy following the Reorganization that is the same as the Statement of Investment Policy originally adopted by our Predecessor in February 2002, which it revised in October 2011. This policy restricts our permissible investments to the following:

Cash Equivalents-

- U. S. Treasury bills
- Money market funds
- Short-term investment funds
- Commercial paper
- Banker’s acceptances
- Repurchase agreements
- Certificates of deposit

Fixed Income Securities (Maximum Maturity 10 Years, Preferred Target Average Five Years)-

- US Government Securities
- Corporate notes and bonds (AA or AAA rated only)
- Certificates of deposit

Prohibited Assets-

- Equity securities
- Commodities and futures contracts
- Private placements
- Limited partnerships
- Venture capital investments

Prohibited Transactions-

- Short selling
- Margin transactions

All of our investments at December 31, 2020 comply with our Statement of Investment Policy.

The following table shows net realized and unrealized gains (losses) on our invested funds for the last three years:

Year	Realized Gains (Losses)	Unrealized Gains (Losses)	Aggregate Gains (Losses)
2020	-	\$ 37,144	\$ 37,144
2019	-	\$ 107,545	\$ 107,545
2018	-	\$ (40,708)	\$ (40,708)

All unrealized gains and losses result from changes in market value of publicly traded certificates of deposit held (because of changing market interest rates). We normally expect to hold those certificates of deposit to maturity. In such case, the certificates would mature at face value and unrealized gains and losses would not become realized.

Competition

We compete with a wide variety of financial institutions, investment companies and other financial companies that offer products in which investors in our Certificates of Participation and Savings Accounts may choose to invest. For example, many banks, savings associations and credit unions offer certificates of deposit or savings accounts that may be attractive investments for some investors because they have higher interest rates, are insured by the Federal Deposit Insurance Corporation or have other favorable terms. Other investors may be more interested in riskier investments, such as corporate bonds, equity securities and mutual funds. Accordingly, there are infinite investment opportunities available to prospective investors that may from time to time offer more attractive rates of interest or more security than our Certificates of Participation and Savings Accounts.

However, our Certificates of Participation and Savings Accounts may be distinguishable from the universe of alternative investment vehicles by one of our primary purposes and goals: to make loans solely for purchasing, constructing, expanding and refinancing churches, parsonages and other facilities associated with the United Methodist Church in the State of Indiana. We limit the availability of investment accounts to those persons who are associated with the United Methodist Church. Although investors may reside in any of the states identified in this offering circular, they generally will have some affiliation with a United Methodist Church or agency in the State of Indiana. Some potential investors may have affiliations with United Methodist churches or agencies in other states or geographic regions; therefore, we may compete to some extent with other church extension funds affiliated with the United Methodist denomination. While there are several other nationwide religious denominations or organizations that solicit funds for purposes similar to ours, those other denominations or organizations generally limit their solicitations to members of their own denomination or organization. Thus, we do not perceive those groups as being direct competitors of the Loan Fund.

Property

We do not own any real property.

Employees

We employ two full-time employees. In addition, several employees of the Foundation provide services to the Loan Fund, which reimburses the Foundation periodically for the value of those services.

Material Contracts

We are not a party to any material contracts that, if terminated, would materially affect our business.

SELECTED FINANCIAL DATA

The tables below set forth certain selected financial data with respect to our statements of financial position and our statements of activities for the most recent five fiscal years. Management has compiled this data from our audited financial statements and, for periods ending prior to June 30, 2020, the audited financial statements of our Predecessor. You should read this information together with our current audited financial statements, which are included as **Exhibit A** to this offering circular.

Summary Balance Sheet Information at December 31,

Description	2020	2019	2018	2017	2016
Cash	\$ 269,517	\$ 814,258	\$ 417,130	\$ 251,198	\$ 216,534
Investments	\$ 5,787,521	\$ 3,314,269	\$ 5,118,722	\$ 7,025,212	\$13,460,772
Total net loans receivable (allowance of \$500,000, \$500,000, \$500,000, \$500,000, and \$500,000, respectively, for 2020, 2019, 2018, 2017 and 2016)	\$23,897,338	\$26,156,203	\$ 26,872,702	\$ 29,331,525	\$26,801,380
Unsecured loans receivable	None	None	None	None	None
Loan delinquencies (90 days or more) as a percent of loans receivable	None	None	None	None	None
Total assets	\$ 30,175,149	\$ 30,484,821	\$ 32,571,608	\$ 36,689,136	\$40,555,574
Total Savings Accounts and Certificates of Participation payable	\$ 28,145,336	\$ 28,512,073	\$ 30,828,339	\$ 34,999,840	\$38,879,934
Amount of Savings Accounts and Certificates of Participation redeemed during the fiscal year	\$ 7,136,838	\$ 9,068,784	\$ 8,166,155	\$ 15,930,838	\$14,483,247
Other long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Net assets	\$ 1,772,827	\$ 1,639,132	\$ 1,465,097	\$ 1,387,090	\$ 1,356,194
Change in net assets	\$ 133,695	\$ 174,035	\$ 78,007	\$ 30,896	\$ 85,058

Summary Statement of Activities for Years Ended December 31,

Description	2020	2019	2018	2017	2016
Total interest income	\$ 1,250,824	\$ 1,260,549	\$ 1,354,677	\$ 1,381,228	\$ 1,199,642
Total interest expense	\$ 676,891	\$ 677,202	\$ 749,575	\$ 819,654	\$ 665,267
Total operating expenses	\$ 440,238	\$ 409,312	\$ 527,095	\$ 530,678	\$ 449,317
Other income (excluding gain or (loss) on investments)	\$ 2,250	\$ 5,625	\$ 7,200	\$ 11,455	\$ 9,375
Unrealized gain or (loss) on investments	\$ 37,144	\$ 107,545	\$ (40,708)	\$ (17,438)	\$ 6,227
Capital contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Excess or (deficit) of operating revenue over expenses	\$ 133,695	\$ 174,035	\$ 78,007	\$ 30,896	\$ 85,058

MANAGEMENT'S DISCUSSION AND ANALYSIS

We began offering Certificates of Participation and Savings Accounts to the public in 2002. After incurring losses during our first several years of operations, we have earned positive operating income during each quarter since the fourth quarter of 2006. During 2009, we fully recovered the operating deficit we accumulated during our startup period, and we have ended each year since then with a positive net asset balance. Information presented below for periods ending before June 30, 2020, the effective date of the Reorganization, relates to the activities of our Predecessor.

The following is a summary of our operating income during each year in the five-year period ended December 31, 2020:

Year	Income (loss) from operations	Unrealized gain (loss) on investments	Total income (loss)
2020	\$ 96,551	\$ 37,144	\$ 133,695
2019	\$ 66,490	\$ 107,545	\$ 174,035
2018	\$ 118,715	\$ (40,708)	\$ 78,007
2017	\$ 48,334	\$ (17,438)	\$ 30,896
2016	\$ 78,831	\$ 6,227	\$ 85,058

Source of Funds for Deposit Redemption. Historically, interest and principal payments on our deposits have been made primarily from the amounts received as principal and interest payments on outstanding loans. We anticipate that we will continue to experience similar results in the future. To date, repayments of loans receivable have been sufficient to fund redemptions of deposit accounts.

Capital Adequacy. As of December 31, 2020, we had positive net assets of \$1,772,827, constituting 5.88% of our total assets. This exceeds the minimum requirement in the regulatory guidelines established by the NASAA Policy Statement, which requires net assets to be 5% of total assets.

Liquidity. We maintain sufficient liquid resources, investment assets, and a line of credit to provide funds necessary to pay anticipated interest and redemptions to depositors. We maintain operating liquidity to provide for cash requirements for the next twelve months as well as a liquidity reserve in a minimum amount of 10% of the outstanding deposit obligations. At December 31, 2020, cash, cash equivalents and readily marketable assets had a market value equal to 21.52% of the outstanding deposit obligations, as shown in the following chart.

Description	At December 31, 2020
Cash	\$ 269,517
Investments	\$ 5,787,521
Subtotal	\$ 6,057,038
Line of credit	\$ 3,000,000
Total liquidity	\$ 9,057,038
Total deposits	\$ 28,145,336
Cash assets (excluding line of credit) as a percent of deposits	21.52%
Total liquid assets (including line of credit) as a percent of deposits	32.18%

In 2009, we established a revolving line of credit through a larger United Methodist foundation that is secured by the Loan Fund's book of loans. Under this line of credit, we may borrow up to \$3.0 million. As of the date of this offering circular, we have not accessed this line of credit. We believe that this line of credit, together with our cash and cash equivalents, provide us with sufficient liquidity to pay interest and principal due on Certificates of Participation and Savings Accounts.

Cash Flow. The amount of available cash from principal repayments from our loan portfolio historically has met the demand for redemption of Certificates of Participation. Generally, withdrawal activity from Savings Accounts has historically been funded from deposits to these same type accounts. The following chart shows our cash flow during each year in the three-year period ended December 31, 2020.

	2020	As of December 31, 2019	2018
Available cash			
Cash provided by operations	\$ (761)	\$ 84,897	\$ 12,829
Liquid assets at beginning of year-			
Cash	814,258	417,130	251,198
Cash equivalents	659,627	1,856,365	1,506,325
Readily marketable securities	2,654,642	3,262,357	5,518,887
Loan principal repayments received	6,398,465	2,752,676	5,026,942
Less: Loan disbursements	(4,139,600)	(2,036,177)	(2,568,119)
Sale of notes (additional deposits)	6,770,101	6,752,518	3,994,654
Total Available Cash	\$ 13,156,732	\$ 13,089,766	\$ 13,742,716
Redemptions			
Cash redemption of notes during the fiscal year	\$ 7,136,838	\$ 9,068,784	\$ 8,166,155
Ratio of available cash to redemptions	184.35%	144.34%	168.29%

Loan Delinquencies. At December 31, 2020, we had no loans receivable with payments over 90 days past due.

Profitability. We strive to manage our operations to provide interest income sufficient to fund our interest expense on our deposit obligations and our operating expenses. While we incurred losses during our first several years of operations, we have earned positive operating income during each quarter since the last quarter of 2006. During 2009, we fully recovered the cumulative deficit we incurred during our startup period.

Future Plans and Activities. We have adopted, and expect to maintain, policies and procedures that are intended to allow us to adjust readily to fluctuating economic conditions.

These policies and procedures are intended to maintain a balance between our short-term and long-term invested funds so as to achieve a reasonable and prudent position of liquidity. These policies are also intended to allow us greater flexibility in times of significant inflation and fluctuating interest rates. We will also continue to strive to match the average maturity of our deposit obligations with the average maturity of our loans receivable. You should note, however, that changes in federal or state laws could make it more difficult or costly for us to offer and sell Certificates of Participation and Savings Accounts in the future which would adversely affect our ability to generate cash for operations and maintain liquidity.

Although we anticipate operating under the above policies and guidelines, we cannot assure you that all these policies and guidelines will continue as stated. We may need to adopt new policies and guidelines or

modify or eliminate existing policies and guidelines to maintain our flexibility to operate within ever changing economic conditions, maintain our financial stability and continue serving the needs of our depositors and the United Methodist churches and agencies in Indiana.

Forward-looking Statements. This Management’s Discussion and Analysis contains forward-looking statements which state management’s expectations and projections for future results. We cannot assure you that the predicted outcome will occur. Various factors will affect whether we will be able to achieve the projected results. Some of these factors are discussed in the “Risk Factors” section beginning on page 5 of this offering circular.

**DESCRIPTION OF THE CERTIFICATES OF PARTICIPATION
AND SAVINGS ACCOUNTS**

Certificates of Participation

You may purchase a Certificate of Participation with a minimum investment of \$1,000. A Certificate of Participation represents a general unsecured deposit with the Loan Fund that matures in one, three or five years, or in six, nine or eighteen months from the date of issue, as elected by you at the time of deposit. At least 30 days before the maturity date of a Certificate of Participation, we will send you written notice of the pending maturity of your Certificate of Participation and, if not previously sent to you, the most current version of this offering circular. You may elect to receive payment in full or, subject to our continued offering, to reinvest principal and any accrued interest (if you have previously elected to reinvest interest on your Certificates of Participation) for another term equal in length to the term of the maturing Certificate. We will pay interest on the renewed Certificate of Participation at the applicable rate then in effect for the renewal term. If you notify us in writing on or prior to the maturity date that you elect not to extend or renew the Certificate, we will promptly repay to you upon maturity the principal and interest accrued thereon.

From time to time, our Manager will determine the interest rate offered on new Certificates of Participation. The interest rate will be based in part on changes in broader interest rates and changes in the financial markets. The interest rate for a particular Certificate of Participation will be fixed for the term of the Certificate at the applicable rate being offered at the time the Certificate of Participation is purchased or renewed. Our Manager will periodically evaluate the interest rates paid by financial institutions to determine competitive rates to depositors and change the rate paid on new Certificates of Participation when deemed necessary. Our objective is to earn a sufficient margin between the interest earned on loans and the interest paid on Certificates of Deposit.

An Investor may request early withdrawal of all or a portion of his or her Certificate prior to the Certificate’s maturity date. Unless the withdrawal is the result of the death of the depositor, there will be a penalty for early withdrawal on the portion withdrawn as follows:

<u>Term of Certificate</u>	<u>Early Withdrawal Penalty of interest earned up to a maximum of</u>
One year	Three months’ interest
Three years	Six months’ interest
Five years	Six months’ interest
Six months	Three months’ interest
Nine months	Three months’ interest
Eighteen months	Three months’ interest

We will not issue physical certificates to investors who purchase Certificates of Participation. We will maintain a separate account for each investor to record the initial investment, additional investments, withdrawals, interest accruals and interest payments.

IRA Certificates of Participation. We only issue IRA Certificates of Participation to custodians for individual retirement accounts established by investors pursuant to Section 408 of the Internal Revenue Code. The IRA Certificates of Participation have three-year terms. If you request, and we allow, an early withdrawal of all or a portion of an IRA Certificate of Participation prior to the Certificate’s maturity date, you will not incur a penalty if the withdrawal is not subject to additional tax under Section 72(t) of the Internal Revenue Code (a “normal” distribution). This includes a distribution for a disability, which is a “normal” distribution for this purpose. You will incur a penalty, however, for an early withdrawal from an IRA Certificate of Participation that is not a “normal” distribution. You should consult your tax advisor before investing in, or requesting an early withdrawal from, an IRA Certificate of Participation.

Savings Accounts

Churches, agencies and individuals may also invest in Savings Accounts, except that we currently do not offer Savings Accounts to residents of Florida or North Carolina. Our Savings Accounts typically pay a lower interest rate than our Certificates of Participation. Any church, agency or person eligible to invest in a Certificate of Participation (excluding residents of Florida or North Carolina) may invest \$25 or more in a Savings Account. The value of a Savings Account at any point in time is the amount the depositor has invested in the Savings Account previously, less any withdrawals, plus any accrued but unpaid interest on the periodic balance of funds in the Savings Account. Investments or withdrawals generally are made by mailing to us a check in the amount of the investment or a request for a withdrawal. We will usually process the transaction on the day of receipt of investment or request for withdrawal. There is no penalty for participants to make withdrawals from Savings Accounts.

We will not issue physical certificates to investors who open Savings Accounts. We will maintain a separate account for each investor to record the initial investment, additional investments, withdrawals, interest accruals and interest payments.

IRA Savings Accounts. We only issue IRA Savings Accounts to custodians for individual retirement accounts established by investors pursuant to Section 408 of the Internal Revenue Code.

Interest

As of the date of this offering circular, the interest rate for all Savings Accounts and new Certificates of Participation offered by this offering circular are as follows:

Savings Accounts	0.35%
IRA Savings Accounts	0.35%
One-year Certificates of Participation	0.85%
Three-year Certificates of Participation	1.80%
Five-year Certificates of Participation	2.30%
Six-month Certificates of Participation	0.65%
Nine-month Certificates of Participation	0.70%
Eighteen-month Certificates of Participation	1.20%
IRA Three-year Certificates of Participation	1.80%

We will periodically evaluate these interest rates and may change them as we deem necessary. In addition, rates of interest upon Certificates of Participation and Savings Accounts offered in the future may vary from time to time depending upon economic conditions.

At your option, we will pay interest on Certificates of Participations with maturities of one, three or five years either quarterly or annually or you may elect to have interest reinvested annually. If you invest more than \$10,000 in a Certificate of Participation, you may elect to have interest paid on a monthly basis. For Certificates of Participation with maturities of six or nine months, we will pay interest at maturity and for

Certificates of Participation with maturities of 18 months, we will pay interest 12 months after issuance and at maturity.

Interest on IRA Certificates of Participation will be reinvested annually. However, you may have the option of requesting periodic distributions as provided by the Internal Revenue Code and regulations.

Interest earned on Savings Accounts will be added to the accounts quarterly. Investors in IRA Savings Accounts may have the option of requesting periodic distributions as provided by the Internal Revenue Code and regulations.

Interest on any Certificate of Participation or Savings Account is subject to federal income tax. See “Tax Matters.”

We will send a written statement quarterly to each investor showing the principal and interest balance of each Savings Account. We will send each investor in a one-, three- or five-year Certificate of Participation an annual statement of the account at the annual anniversary of the purchase of the Certificate.

Transfer

The Certificates of Participation and Savings Accounts are transferable only with our consent when a transfer request is presented to us. We may withhold our consent to a proposed transfer if we conclude that the transfer would violate applicable state or federal securities laws. Transfers are permitted only to:

- persons who are members of, contributors to or participants in the United Methodist Church, and who live in the States of Indiana, Illinois, Kentucky, Hawaii and Texas (and, in limited circumstances, Certificates of Participation may be transferred to residents of Florida and North Carolina),
- persons who are ancestors, descendants, or successors in interest to such persons and residing in such states, and
- United Methodist churches and agencies or organizational units of the United Methodist Church in Indiana.

No Trust Indenture or Sinking Fund

The Certificates of Participation and Savings Accounts are not issued pursuant to any trust indenture. There also is no appointed indenture trustee or other agent to represent the interests of investors.

No Priority

The Certificates of Participation and Savings Accounts represent unsecured indebtedness of the Loan Fund. Investors do not have an equity interest in the Loan Fund and have no right to vote on matters brought before our Manager. In effect, our investors are unsecured creditors of the Loan Fund, entitled to an equal claim upon our assets with all of our other unsecured creditors.

Repayment of Certificates of Participation and Savings Accounts; Prepayment

Savings Accounts. You may request repayment of principal or any accrued interest on a Savings Account at any time, without penalty, by mailing a request for withdrawal to the Loan Fund at 8401 Fishers Center Drive, Fishers, IN 46038.

Certificates of Participation (Other than IRA Certificates of Participation). If you, prior to the maturity date, request repayment of principal or any accrued interest on a Certificate of Participation, we will repay the entire principal amount promptly and assess a prepayment penalty, which will be deducted from the repayment of the principal and will pay interest which has accrued since the last interest payment date. The prepayment penalty will be interest earned up to a maximum of three months’ interest for a Certificate of Participation with an initial maturity date of eighteen or fewer months and six months’ interest for a three-year or five-year

Certificate of Participation. You may mail a request for withdrawal to the Loan Fund at 8401 Fishers Center Drive, Fishers, IN 46038.

IRA Certificates of Participation. If you request, and we allow, an early withdrawal of all or a portion of an IRA Certificate of Participation prior to the Certificate's maturity date, you will not incur a penalty if the withdrawal is not subject to additional tax under Section 72(t) of the Internal Revenue Code (a "normal" distribution). This includes a distribution for a disability, which is a "normal" distribution for this purpose. You will incur a penalty, however, for an early withdrawal from an IRA Certificate of Participation that is not a "normal" distribution. You should consult your tax advisor before requesting an early withdrawal. You may mail a request for withdrawal to the Loan Fund at 8401 Fishers Center Drive, Fishers, IN 46038.

Annual Reports

Current audited financial statements will be made available to any investor upon written request. We will also mail audited financial statements, prepared as of the end of the preceding fiscal year, to each investor within 120 days following the close of such fiscal year.

TAX MATTERS

The following is a summary of tax issues you should consider before purchasing a Certificate of Participation or Savings Account. The summary is not complete. You should consult your tax advisor for further information.

You will not receive a charitable deduction for the purchase of Certificates of Participation and Savings Accounts. Except for IRA Certificates of Participation and IRA Savings Accounts, the interest paid on the Certificates of Participation and Savings Accounts is taxable as ordinary income to an Investor in the year paid or accrued. Even though the interest may not be actually paid to you because you have chosen to have the interest accrue and earn interest (*i.e.*, compounded), the accrued interest is taxable as ordinary income in the year in which it is accrued.

If an IRA Certificate of Participation or IRA Savings Account is not rolled over and is paid out before you reach age 59 ½, you may incur a 10% penalty tax on the taxable portion of the distribution. There are exceptions to this general rule, and they include distributions due to death or disability and distributions needed to pay medical or unemployed health insurance costs.

If we pay below the market interest, an individual Investor who has, or a husband and wife who together have, invested more than \$250,000 in the aggregate with the Loan Fund may be deemed to receive additional taxable interest under Section 7872 of the Internal Revenue Code. If this applies to you, you should consult your tax advisor regarding the special income tax rules applicable to loans and investments that are greater than \$250,000 in the aggregate.

We will notify you of interest earned on Certificates of Participation and Savings Accounts by sending you IRS Form 1099 or a substitute form by January 31 of each year, in accordance with IRS rules.

You should be careful to provide us with a correct Social Security number or other appropriate tax identification number. We must deduct, withhold, and pay over to the Internal Revenue Service, a backup withholding tax equal to 28% of any reportable payments due to an Investor if the Internal Revenue Service notifies us that the Social Security number or other tax identification number you furnish to us is incorrect.

MANAGEMENT

Manager

Pursuant to our operating agreement, our affairs are managed by from one to three Managers designated by our sole member, the Foundation. Our operating agreement also provides that initially, Manet Shettle will serve as our sole Manager. Accordingly, Ms. Shettle, as our sole Manager, manages our business and affairs, subject to the supervision of the Foundation's board of directors.

Our Manager has adopted the same loan policies and procedures that were used by our Predecessor, and has also established the Loan Committee to oversee the implementation of these loan policies and procedures. A majority of the members of our Loan Committee have experience in the lending industry.

Foundation Board of Directors

As noted above, our Manager operates under the supervision of the Foundation's board of directors. Each member of the Foundation's board of directors holds office for a term of three years. The terms are staggered so that the terms of approximately one-third of the directors expire each year, except for the term of Larry Whitehead, who serves an indefinite term as determined by the Bishop of the Indiana Area of the United Methodist Church. The number of terms a director may serve is limited to three, three-year terms. The directors receive no compensation for their services.

Below is certain biographical information with respect to the directors:

Dave Berry, age 52, is Director of Finance at Hill-Rom Corporation for whom he has worked for over 10 years. Term expires July 1, 2021.

Forest Bowers, Age 82, is a retired local pastor of the United Methodist Church. He is currently the President of the Children's Clothing Center of Delaware Co. Inc., and President-Elect of the Muncie Exchange Club. Term Expires July 1, 2021.

Monte Chamberlin, Age 64, is a business consultant and for the past 10 years has been the owner of Cost Stewardship, Inc., serving all business sectors including over 500 faith-based clients. Term Expires July 1, 2022.

John Clay, age 64, has owned JBC & Associates, an insurance agency in Warsaw, Indiana, since 2000. Term Expires July 1, 2023.

Teri Crouse, age 59, is an ordained Elder in the United Methodist Church (Indiana Annual Conference), currently appointed to Bloomington First United Methodist Church in Bloomington, Indiana. Prior to entering ministry, Rev. Crouse practiced law in the pharmaceutical industry. Term Expires July 1, 2022.

Karla Elliot, age 50, is a local pastor in the United Methodist Church, currently appointed to Tipton Kemp UMC. Prior to entering ministry, she had been employed for 20 years as CEO and General Counsel for Eagle Adjusting Services in Noblesville, and also worked in private law practice for 9 years. Term expires July 1, 2023.

Scott Green, age 60, is a Vice President in Commercial Lending for Northwest Bank after previously working at MutualBank for over 10 years. Term expires July 1, 2021.

Shalimar Holderly, age 42, has been an ordained Elder in the United Methodist Church (Indiana Annual Conference) since 2004, and is currently appointed to Avilla Calvary UMC. Term Expires July 1, 2023.

Shelley Johnson, Age 58, is the managing member of Allman Johnson Company LLC, an Indianapolis based CPA firm. She has owned the firm since 2010 and has worked in public accounting since 1990. Term Expires July 1, 2021.

Jeff Lorenston, age 57, is the Chief Risk Officer for First Merchants Corporation for whom he was worked for over 10 years. Term expires July 1, 2021.

James Need, age 77, retired as Community Bank President of Regions Bank, Frankfort, Indiana branch. He had been with Community Bank of Regions Bank, Frankfort, Indiana branch for 39 years. Term expires July 1, 2022.

Larry Price, age 72, worked at Edward Jones for 33 years as a limited partner. Term Expires July 1, 2023.

Lee White, age 60, is the Vice President of Commercial Sales for Bosma Enterprises, a nonprofit that serves blind and visually impaired adults in Indiana. He has served in this position since 2018, and prior to that worked for 18 years as Vice President of National Accounts at Mainscape. Term Expires July 1, 2023.

Larry Whitehead, Age 68, is an ordained elder of the United Methodist Church and is an ex-officio member of the Foundation's board of directors as the representative of the Bishop of the Indiana Area of the United Methodist Church.

Craig Wood, Age 66, is a semi-retired farmer from Westfield, Indiana. The current farming operation includes freezer meat (beef and pork) and hay. Term Expires July 1, 2022.

Manet Shettle, age 59, is the President of the Foundation and President and sole Manager of the Loan Fund. She served as President of our Predecessor from 2009 until the Reorganization on June 30, 2020, and has served as our President and sole Manager since then. She is also a non-voting member of the Foundation's board of directors. Mrs. Shettle has been a certified public accountant for over 20 years prior to joining the Foundation in 2008.

Ian Hall, age 41, is the Director of Administration and Financial Services and Treasurer for the Indiana Annual Conference of the United Methodist Church. He is a non-voting member of the Foundation's board of directors.

Officers

Our officers exercise general charge and supervision of the Loan Fund's affairs. Each officer serves a two-year term. Our current officers, whose terms will expire on July 1, 2022, are as follows:

Name	Office
Shelley Johnson	Chair
Monte Chamberlin	Vice Chair
Jeff Lorentson	Secretary
Manet Shettle	President

For information regarding the principal occupations of these officers, see the biographical information included in the list of directors. None of the officers will be employed full-time by the Loan Fund; however, Mrs. Shettle is a full-time employee of the Foundation, which is an affiliate of the Loan Fund. Each of the officers will devote sufficient time to fulfill his or her duties and obligations to the Loan Fund.

None of the officers will receive any compensation from the Loan Fund. No officer has a material employment contract with the Loan Fund. Mrs. Shettle will receive compensation from the Foundation, of which she is the President. There have been no material transactions, nor are there any proposed transactions or other conflicts of interest between us and any director or officer of the Loan Fund or Foundation.

No officer or director has, during the past ten years, been convicted of any criminal matter (other than for traffic violations and other minor misdemeanors) or has been the subject of any order, judgment, or decree of any court enjoining such person from any activities associated with the offer or sale of Certificates of Participation and Savings Accounts.

LITIGATION AND OTHER INFORMATION

As of the date of this offering circular, there are no suits, actions, or other legal proceedings or claims pending against the Loan Fund or any of our officers or directors.

PLAN OF DISTRIBUTION

We will offer the Certificates of Participation and Savings Accounts for sale through the distribution of the offering circular to prospective investors. We may advertise the Certificates of Participation and Savings Accounts in regional United Methodist publications. Any such advertisement will include a statement that the advertisement itself is neither an offer to sell nor a solicitation of offers to purchase Certifications of Participation or Savings Accounts, and that such offers or solicitations may be made only through this offering circular. All advertising will contain our toll-free phone number so that a request for an offering circular can be made at no expense to the prospective investor. On occasion the offering circular will be distributed at United Methodist meetings, generally those held on a conference-wide or district-wide basis. When the opportunity arises, the Foundation staff, our Manager, or members of the Foundation's board of directors may speak with regard to the nature and purpose of our work. No funds will be accepted for the purchase of a Certificate of Participation or a Savings Account, nor will any security be issued, until we first have received an executed application from the investor. See "Method of Offering and Withdrawal of Subscriptions."

There are no underwriting or selling agreements, and no commissions, direct or indirect, or other remuneration will be paid to any individual or organization in connection with the offer and sale of the Certificates of Participation and Savings Accounts. We will offer and sell the Certificates of Participation and Savings Accounts only through our officers and employees.

We have paid or will pay all expenses relating to this offering and the issuance of Certificates of Participation and Savings Accounts from working capital. We expect such expenses to be approximately \$15,000.

METHOD OF OFFERING AND WITHDRAWAL OF SUBSCRIPTION

How to Purchase Certificates of Participation and Savings Accounts

You may purchase a Certificate of Participation or open a Savings Account by completing, respectively, an Application to Purchase Certificate of Participation or Savings Account Application, each of which accompanies this offering circular. Please mail the completed application along with a check payable to IN Loan & Savings Ministry, LLC to the following address:

IN Loan & Savings Ministry, LLC
8401 Fishers Center Drive

Fishers, IN 46038
Attn: Tammy Foster

The Certificates of Participation and Savings Accounts will be sold for cash, at face value, and we will offer no financing terms for any purchase of a Certificate of Participation or Savings Account. Certificates of Participation and Savings Accounts will be issued only upon payment by you in cash of the full purchase price of the Certificates of Participation and/or Savings Accounts that you acquire.

Restricted Offering

The offer and sale of the Certificates of Participation and Savings Accounts is restricted solely to:

- persons who are members of, contributors to, or participants in the United Methodist Church, and who live in the States of Indiana, Illinois, Kentucky, Hawaii or Texas (we may also sell Certificates of Participation in limited circumstances to residents of Florida and North Carolina),
- persons who are ancestors of, descendants of, or successors in interest to such persons residing in such states, and
- United Methodist churches and agencies or organizational units of the United Methodist Church in Indiana.

Withdrawal of Subscription

We reserve the right at any time to withdraw all or any part of the Certificates of Participation and Savings Accounts we are offering by this offering circular without notice and to reject any subscription for such Certificates of Participation or Savings Accounts. There is no minimum amount which must be raised, and 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.

LEGAL MATTERS

Legal matters in connection with the Certificates of Participation and Savings Accounts and in connection with this offering have been passed upon by Barnes & Thornburg LLP, Indianapolis, Indiana. In connection therewith, Barnes & Thornburg LLP has given its legal opinion to the effect that all of the Certificates of Participation and Savings Accounts to be issued pursuant to this offering will be legal, valid and binding obligations of the Loan Fund.

EXPERTS

The audited Statement of Financial Position of the Loan Fund as of December 31, 2020, 2019, and 2018 and the related Statements of Activities and Cash Flows for the year then ended included in this offering circular have been audited by Blue & Co., LLC, Indianapolis, Indiana.

ADDITIONAL INFORMATION

We have filed certain documents with the appropriate agencies of various states, including:

- a registration statement with respect to the Certificates of Participation and Savings Accounts offered by this offering circular, filed in the office of the State of Indiana Securities Division. This registration statement includes certain exhibits only summarized or alluded to in this offering circular, and these additional documents are available for inspection at the offices of the Division during regular business hours.

This offering circular does not contain all the information that has been filed with states, but that information is made part of this offering circular and may be inspected in the offices of the regulatory bodies of those states.

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

Except as indicated in this offering circular, this offering circular speaks as of the date on its front cover.

IN Loan & Savings Ministry, LLC



FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2020

CPAs / ADVISORS



IN LOAN & SAVINGS MINISTRY, LLC

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DECEMBER 31, 2020

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Blue & Co., LLC / 500 N. Meridian Street, Suite 200 / Indianapolis, IN 46204
main 317.633.4705 fax 317.633.4889 email blue@blueandco.com

REPORT OF INDEPENDENT AUDITORS

Board of Managers
IN Loan & Savings Ministry, LLC
Fishers, Indiana

We have audited the accompanying financial statements of IN Loan & Savings Ministry, LLC. (the Loan Fund), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, and cash flows for the period from inception (April 9, 2020) through December 31, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Managers
IN Loan & Savings Ministry, LLC
Fishers, Indiana

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Loan Fund as of December 31, 2020, and the changes in its net assets and its cash flows for the period from inception (April 9, 2020) through December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Equity Transfer

As discussed in Note 2 to the financial statements on June 30, 2020, the Loan Fund, whose sole member is the United Methodist Foundation of Indiana, Inc. acquired through equity transfer IN U.M. Savings & Loan Ministry, Inc. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of financial activities is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Blue & Co., LLC

Indianapolis, Indiana
April 23, 2021

IN LOAN & SAVINGS MINISTRY, LLC

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

Assets

Cash	\$ 269,517
Investments	5,787,521
Mortgage notes receivable, net	23,897,338
Prepaid expenses and other assets	219,467
Property and equipment, net	<u>1,306</u>
Total assets	<u>\$ 30,175,149</u>

Liabilities

Deposits	\$ 28,145,336
Accounts payable and accrued expenses	<u>256,986</u>
Total liabilities	28,402,322

Net assets - without donor restriction

	<u>1,772,827</u>
Total liabilities and net assets	<u>\$ 30,175,149</u>

IN LOAN & SAVINGS MINISTRY, LLC

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS PERIOD FROM INCEPTION (APRIL 9, 2020) THROUGH DECEMBER 31, 2020

Change in net assets without donor restriction

Interest income from	
Mortgage notes receivable	\$ 586,344
Investments	25,451
	<hr/>
	611,795
Interest expense on deposits	(321,890)
	<hr/>
Net interest income	289,905
Noninterest income and expense	
Investment return, net	(18,647)
Other income	1,495
Contributions	5
Salaries and benefits	(90,091)
Administrative fees	(80,899)
Other expense	(26,296)
Grant expense	(7,577)
	<hr/>
Total noninterest income and expense	(222,010)
Equity transfer	1,704,932
	<hr/>
Change in net assets without donor restriction	1,772,827

Net assets

Beginning of period	-0-
End of period	<hr/> <hr/>
	\$ 1,772,827

See accompanying notes to financial statements.

IN LOAN & SAVINGS MINISTRY, LLC

STATEMENT OF CASH FLOWS PERIOD FROM INCEPTION (APRIL 9, 2020) THROUGH DECEMBER 31, 2020

Operating activities

Change in net assets	\$ 1,772,827
Adjustments to reconcile change in net assets to net cash flows from operating activities	
Equity transfer	(1,704,932)
Realized and unrealized losses on investments	18,647
Depreciation	939
Change in operating assets and liabilities	
Prepaid expenses and other assets	(27,580)
Accounts payable and accrued expenses	(31,163)
Net cash flows from operating activities	<u>28,738</u>

Investing activities

Cash from acquisition	461,902
Purchase of investments	(1,988,813)
Proceeds from sale and maturity of investments	1,800,000
Advances on mortgage notes receivable	(2,457,000)
Payments received on mortgage notes receivable	<u>2,831,986</u>
Net cash flows from investing activities	648,075

Financing activities

Additions to deposits	2,896,876
Withdrawals from deposits	<u>(3,304,172)</u>
Net cash flows from financing activities	<u>(407,296)</u>
Change in cash	269,517

Cash

Beginning of period	<u>-0-</u>
End of period	<u>\$ 269,517</u>

Supplemental disclosure of cash flows

Cash paid for interest	\$ 360,225
Equity transfer of assets acquired and liabilities assumed	\$ 1,704,932

See accompanying notes to financial statements.

IN LOAN & SAVINGS MINISTRY, LLC

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

IN Loan & Savings Ministry, LLC (the Loan Fund) was founded on April 9, 2020 to receive investments and deposits from United Methodist churches, agencies, and individuals affiliated with United Methodist churches located in the states of Indiana, Illinois, Kentucky, Hawaii, Texas, Florida, and North Carolina. Assets received through these investments and deposits are used to make mortgage-backed loans to United Methodist churches and agencies throughout Indiana. From April 9, 2020 through June 29, 2020, there was no financial activity for the Loan Fund.

On June 30, 2020, the Loan Fund, whose sole member is the United Methodist Foundation of Indiana, Inc. (the Foundation) acquired IN U.M. Savings & Loan Ministry, Inc. (the Predecessor). The Loan Fund shares facility and support staff with the Foundation and pays the Foundation an administrative fee.

Basis of Accounting

The Loan Fund's financial statements are prepared under the accrual method of accounting. Revenue is reported when earned. Expenses are reported when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

While the Loan Fund's cash at times may exceed federally insured limits, the Loan Fund has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on these accounts.

Investments

Investments include cash (mainly money market deposit accounts), money market mutual funds and certificates of deposit. Money market mutual funds and certificates of deposit are reported at fair value. Realized and unrealized gains and losses are reported in investment return without donor restrictions in the statement of activities and changes in net assets unless a donor or law restricts their use.

IN LOAN & SAVINGS MINISTRY, LLC

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Mortgage Notes Receivable

Mortgage notes receivable are stated at the amount of unpaid principal, less an allowance for loan losses, if any, and are collateralized by church buildings and land. Interest is calculated using the simple interest method on the principal amount outstanding, and interest rates on loans are generally subject to review and adjustment every three years. Mortgage notes receivable are restricted to United Methodist churches located in Indiana. The Loan Fund's policy is to place mortgages ninety days past due on nonaccrual status; however, the Loan Fund had no such delinquencies as of December 31, 2020.

An allowance for losses on mortgage notes is maintained at a level considered adequate to absorb potential loan losses based on management's review and evaluation of the loans and its judgment as to the impact of current economic conditions on the loans. The evaluation includes consideration of past loan experience and the current volume and condition of loans outstanding. Recognized losses are charged to the allowance and subsequent recoveries are added. Loans are classified as delinquent when payments are thirty days overdue.

Property, Equipment, and Depreciation

Property and equipment, consisting mainly of furniture and computer equipment, is stated at cost or, if donated, at fair value on the date of the gift. Depreciation is provided on the straight-line method based upon the estimated useful life of the related asset, ranging from three to seven years. The Loan Fund capitalizes expenditures for property and equipment in excess of \$2,500. The following is a summary of property and equipment as of December 31:

Property and equipment	\$	2,245
Accumulated depreciation		(939)
		<hr/>
	\$	1,306
		<hr/>

Gifts of long-lived assets such as land, buildings and equipment are reported as without donor restrictions support unless explicit donor stipulations specify how the assets are to be used. The gifts of cash and other assets that must be used to acquire long-lived assets are reported as with donor restrictions support. Absent explicit donor stipulations about how long-lived assets must be maintained, expirations of donor restrictions are reported when the donated acquired long-lived assets are placed in service.

Deposits

The Loan Fund has filed an effective registration statement with the Indiana Securities Division under which it may offer and sell savings accounts and certificates of participation in the State of Indiana. The Loan Fund offers and sells savings accounts and certificates of participation in certain other states pursuant to exemptions from the registration requirements under the securities laws of those states. Certificates earn a fixed rate of interest for their term. Savings accounts are subject to periodic change in interest rates as determined by the Loan Fund. Deposits are not insured nor are fees charged for deposits.

IN LOAN & SAVINGS MINISTRY, LLC

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

Net Assets and Contributions

Contributions received are recorded as without donor restriction or with donor restriction support depending on the existence and/or nature of any donor restrictions. The Loan Fund recognizes all contributions as income in the period received. All contributions are considered to be without donor restriction unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restriction. When the restriction expires, the net assets are reclassified to net assets without donor restriction and reported in the statements of activities and changes in net assets as net assets released from restriction. There were no net assets with donor restriction as of December 31, 2020.

Income Taxes

The Loan Fund is organized as a limited liability company, whereby net taxable income is taxed directly to the Foundation and not the Loan Fund. Since the Foundation is the sole member of the Loan Fund, it is treated as a disregarded entity under the appropriate code of the Internal Revenue Code. As such, the financial activity of the Loan Fund is included in the Foundation's Federal Form 990 Return of Organization Exempt from Income Tax.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Loan Fund and recognize a tax liability if the Loan Fund has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Loan Fund, and has concluded that as of December 31, 2020, there were no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements. The Loan Fund is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Subsequent Events

The Loan Fund evaluated events or transactions occurring subsequent to the statement of financial position date for recognition and disclosure in the accompanying financial statements through the date the financial statements were available to be issued which was April 23, 2021.

2. EQUITY TRANSFER

On June 30, 2020, the Predecessor was acquired by the Loan Fund, whose sole member is the Foundation. The transaction was completed to allow the Loan Fund and the Foundation to further their missions to support and resource church, agencies, and members of the United Methodist churches in Indiana. Under accounting principles generally accepted in the United States of America as the Predecessor and the Loan Fund, through the Foundation, are under common control, the transfer of net assets was recorded at carrying value.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

The following is a summary of the financial position, recorded at carrying value, by the Loan Fund at the date of acquisition.

Cash and investments	\$ 6,079,256
Mortgage notes receivable, net	24,272,324
Other assets	<u>194,132</u>
Total assets	<u>\$ 30,545,712</u>
Deposits and accrued interest	\$ 28,814,753
Other liabilities	<u>26,027</u>
Total liabilities	28,840,780
Net assets without donor restriction	<u>1,704,932</u>
Total liabilities and net assets	<u>\$ 30,545,712</u>

As no consideration was paid for the acquisition, an inherent contribution noted as excess of assets acquired over liabilities assumed of approximately \$1,705,000 was recorded in the statement of activities and changes in net assets.

3. INVESTMENTS

Investments consist of:

Money market deposit accounts	\$ 143,641
Money market mutual funds	2,854,929
Certificates of deposit	<u>2,788,951</u>
	<u>\$ 5,787,521</u>

4. FAIR VALUE MEASUREMENTS

On April 9, 2020, the Loan Fund adopted the Financial Accounting Standards Board Accounting Standards Update (ASU) 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement. The amendments in this ASU remove and modify certain disclosure requirements in Topic 820.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Loan Fund has the ability to access.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2020.

- *Money market mutual funds*: Valued at the subscription and redemption activity at a \$1 stable net asset value (NAV). However, on a daily basis, the funds are valued at their daily NAV calculated using the amortized cost of the securities.
- *Certificates of deposit*: Valued using pricing models maximizing the use of observable inputs for securities of comparable maturity, quality and type.

The following tables set forth by level, within the hierarchy, the Loan Fund's assets and liabilities measured at fair value on a recurring basis as of:

	Total	December 31, 2020		
		Level 1	Level 2	Level 3
Assets				
Investments				
Money market mutual funds	\$ 2,854,929	\$ -0-	\$ 2,854,929	\$ -0-
Certificates of deposit - Financial institutions	2,788,951	-0-	2,788,951	-0-
	5,643,880	<u>\$ -0-</u>	<u>\$ 5,643,880</u>	<u>\$ -0-</u>
Money market deposit accounts	143,641			
Total investments	<u>\$ 5,787,521</u>			

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

Realized gains and losses are reported in the statement of activities and changes in net assets as a component of investment return. Realized losses amounted to approximately \$500 for 2020. Differences between market value and cost of investments are classified as unrealized gains or losses. Unrealized gains or losses are included in earnings for the period attributable to the change in unrealized gains relating to assets held as of December 31, 2020 and are reported in the statement of activities and changes in net assets in investment return.

The Loan Fund holds investments, which are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying financial statements.

5. MORTGAGE NOTES RECEIVABLE

Mortgage notes receivable as of December 31, 2020 were as follows:

Mortgage notes receivable	\$ 26,493,336
Participation interest sold	(2,095,998)
Allowance for loan losses	<u>(500,000)</u>
	<u>\$ 23,897,338</u>

Interest rates range from 3.75% to 6.25% with maturity dates through 2050. All mortgage notes receivable are for churches located in Indiana. Mortgage notes receivable that mature in 2021 include maturing notes and lines of credit. Mortgage notes receivable mature as follows:

<u>Year Ending December 31,</u>	<u>Amounts</u>
2021	\$ 3,200,593
2022	759,659
2023	288,412
2024	153,383
2025	190,137
Thereafter	<u>21,901,152</u>
	<u>\$ 26,493,336</u>

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Allowance for credit losses and recorded investment in financing receivables:

Allowance for credit losses	
Beginning balance	\$ -0-
Allowance assumed in acquisition	500,000
Charge-offs	-0-
Recoveries	-0-
Provision	-0-
	<u>\$ 500,000</u>
Allowance for credit losses:	
Collectively evaluated for impairment	<u>\$ 500,000</u>
Individually evaluated for impairment	<u>\$ -0-</u>
Financing receivables:	
Collectively evaluated for impairment	<u>\$ 26,493,336</u>
Individually evaluated for impairment	<u>\$ -0-</u>

Age analysis of past due financing receivables as of December 31, 2020:

0-30 days past due	\$ 1,492
31-60 days past due	-0-
Greater than 60 days	-0-
	<u>1,492</u>
Current	<u>26,491,844</u>
	<u>\$ 26,493,336</u>

Credit risk profile based on payment activity as of December 31, 2020:

Performing	\$ 26,493,336
Nonperforming	-0-
	<u>\$ 26,493,336</u>

The credit quality indicator is performance determined by delinquency status. Delinquency status is updated monthly. All mortgage notes receivable are considered performing as of December 31, 2020.

There were no troubled debt restructurings during 2020.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

A portion of two mortgage notes receivable (Participation Interests) are held by a financial institution (the Participant) at book value for \$1,200,000 each. The Loan Fund agreed that the Participant will have a pro-rata undivided interest in the related collateral equal to the ratio of the Participant's portion of the loans to the total outstanding loans. The terms of the Participation Interests are the same as the terms for the original loans. The Loan Fund is responsible for the administration of the loans, collection of full payments from the borrowers, and remitting the pro-rata share of the payments to the Participants based upon the ratio of the Participant's portion of the loans to the total outstanding loans.

6. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Loan Fund made commitments to extend mortgage loans. The mortgage loans are secured by real estate. Outstanding commitments represent expected disbursements based on estimated construction costs and may vary based on actual construction costs. The Loan Fund's exposure to credit loss, in the event of nonperformance by the churches to which it has extended commitments, is limited to the amount of the commitment. The Loan Fund controls the credit risk of its commitments through credit approvals and limits.

As of December 31, 2020, the Loan Fund approved loans pending disbursement for approximately \$1,137,000. There were no approved loans pending closure as of December 31, 2020. Total approved loans as of December 31, 2020 were \$1,137,000.

The Loan Fund can be subject to litigation arising in the normal course of business. After consultation with legal counsel, it is management's opinion that any matters will be resolved without a material adverse effect on the Loan Fund's financial position or results of activities, changes in net assets, and cash flows.

7. FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET CREDIT RISK

Accounting principles generally accepted in the United States of America require all entities to disclose certain information about their financial instruments. Specifically, all entities are required to disclose the risk of an accounting loss from a financial instrument. The possibility that a loss may occur from the failure of another party to perform according to the terms of a contract represents credit risk.

The Loan Fund is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates. These financial instruments are commitments to extend credit and involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the statements of financial position. The contract amounts of those instruments reflect the extent of involvement the Loan Fund has in those particular classes of financial instruments.

The Loan Fund's exposure to credit loss, in the event of nonperformance by the other party to the financial instrument for commitments to extend credit, is represented by the contractual notional amount of those instruments. The Loan Fund uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments are fixed as to the maximum dollar amount that is available to a particular customer. The making of the commitment itself may require the payment of a fee. Not all commitments have the full amount of the approved funds advanced upon execution of the loan, and some do not fully utilize the entire commitment established. Consequently, the total commitment amounts do not necessarily represent future cash requirements.

The creditworthiness of each loan applicant is assessed on a case-by-case basis. The Loan Fund makes loans only to not-for-profit organizations that would qualify under Section 501(c)(3) of the Internal Revenue Code as tax-exempt organizations. These consist of churches and other related organizations of the United Methodist Church in Indiana. The purpose of the loans is to enable churches and other organizations to acquire and develop land, build facilities, or remodel and expand existing facilities, with reasonable financing costs. Currently, 100 percent of loans are secured by a first mortgage on the existing facility or real property. There are no loans secured by either a second mortgage or deposit account. Other credit considerations are represented by the terms of the loan and other credit factors. Currently, the interest rate charged ranges from 3.75% to 6.25%. The Loan Fund maintains a policy to review past due or delinquent statuses based on contractual terms and how recently payments have been received. The Loan Fund maintains a reserve for uncollectible accounts in an amount that is adequate to absorb potential loan losses within the portfolio.

Typically, the Loan Fund will not consider a loan for the purpose of constructing a new building until the congregation or other organization has met an equity interest in the property to the satisfaction of the Loan Fund, unless there are other unrelated sources of repayment. In most instances, the ability of these organizations to repay loans will depend primarily upon the contributions they receive from their constituents. The number of constituents of these organizations, and the amount of contributions they receive may fluctuate. Further, the Loan Fund does not only have commercial and/or profit motives, which may affect how it works with its borrowers.

8. CONCENTRATION OF CREDIT RISK

The ministry of the Loan Fund is concentrated within the geographic boundaries of Indiana. All of the mortgages approved and 98% of the deposits held are generated within Indiana. While the Loan Fund does not anticipate any material losses as a result of these concentrations, a major disaster, either natural or economic, would pose a risk.

A substantial portion of deposits issued by the Loan Fund are demand instruments or will be maturing within the next year. The Loan Fund has insufficient liquid assets to satisfy repayment of this amount. Management anticipates that a substantial portion of these deposits will be reinvested or rolled over into new certificates of participation with the Loan Fund, as has been the Loan Fund's historical experience.

IN LOAN & SAVINGS MINISTRY, LLC

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

9. DEPOSITS

Deposits consist of as of December 31, 2020:

Savings deposits	\$ 4,721,842
Certificates of participation	<u>23,423,494</u>
	28,145,336
Accrued interest	<u>254,987</u>
	<u>\$ 28,400,323</u>

The Loan Fund had 77 investors with aggregate balances of \$100,000 or more as of December 31, 2020. The balances over \$100,000 are distributed as follows:

Investment account balances	December 31, 2020		
	Number of Investors	Aggregate Balance	Percentage of Investment Accounts
\$100,000 - \$200,000	50	\$ 6,621,119	23%
\$200,001 - \$300,000	15	3,472,188	12%
Greater than \$300,000	12	4,959,272	17%
	<u>77</u>	<u>\$ 15,052,579</u>	<u>52%</u>

Deposits, which bear interest at rates ranging from .35% to 3.5%, mature as follows:

Year Ending <u>December 31,</u>	
2021	\$ 17,566,407
2022	5,768,478
2023	2,332,422
2024	1,346,005
2025	<u>1,132,024</u>
	<u>\$ 28,145,336</u>

IN LOAN & SAVINGS MINISTRY, LLC

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

As December 31, 2020, the Loan Fund was indebted to deposits as summarized below:

Savings deposits	\$ 4,721,842
Certificates, 6 month	346,890
Certificates, 9 month	89,795
Certificates, 1 year	1,786,272
Certificates, 18 month	9,021,387
Certificates, 3 year	5,808,256
Certificates, 5 year	6,370,894
	<u>\$ 28,145,336</u>

The Loan Fund has geographic restrictions on deposits within the United States limited to the states disclosed at Note 1; however, savings and certificate deposits held by depositors within Indiana were 98% as of December 31, 2020.

10. LINE OF CREDIT

The Loan Fund has a line of credit agreement in the amount of \$3,000,000 available with Texas Methodist Foundation. The available line of credit bears interest at prime less 0.50%, with a floor of 5.00% and a ceiling of 7.00%, which is payable monthly on the outstanding balance. The line of credit has a maturity date of August 2021 and is secured by loans held by the Loan Fund. There were no borrowings or repayments on the line of credit during 2020.

11. RELATED PARTY TRANSACTIONS

Related party transactions as of December 31, 2020 and for the period from inception (April 9, 2020) through December 31, 2020 consist of:

Deposits held with related parties:	
Board of directors and officers	<u>\$ 104,740</u>
Foundation	<u>\$ 105,442</u>
Administrative expenses paid to	
Foundation	<u>\$ 114,450</u>
Amount due to (from)	
Foundation	<u>\$ (12,416)</u>

IN LOAN & SAVINGS MINISTRY, LLC

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

12. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Loan Fund strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess daily cash requirements are invested in certificates of deposit and money market funds. The following table reflects the Loan Fund's financial assets as of December 31, 2020, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date. Amounts not available include certificates of deposit and mortgage notes receivable with maturity dates greater than one year.

Financial assets	
Cash	\$ 269,517
Investments	5,787,521
Mortgage notes receivable, net	23,897,338
Accounts receivable and accrued interest receivable	<u>218,534</u>
Total financial assets	30,172,910
Financial assets unavailable for general expenditure within one year, due to:	
Investments with liquidity horizons greater than one year	(2,320,000)
Mortgage notes receivable, net due after one year	<u>(20,696,745)</u>
	<u>(23,016,745)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,156,165</u>

The Loan Fund has a potential source of liquidity through a line of credit of \$3,000,000 that expires in August 2021.

13. FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Loan Fund. Certain costs such as salaries and benefits, administrative fees and other expenses have been allocated among program expenses and management and general categories based on the actual direct expenditures and cost allocations based upon time spent by the Loan Fund's personnel. Although the methods used were appropriate, alternative methods may provide different results. Fundraising expenses were not significant to the Loan Fund. Expenses are allocated as follows:

	2020		
	Program Expenses	Management & General	Total
Interest expense	\$ 321,890	\$ -0-	\$ 321,890
Salaries and benefits	45,946	44,145	90,091
Administrative fees	16,180	64,719	80,899
Other expenses	23,140	3,156	26,296
Grant expense	7,577	-0-	7,577
Total expenses	<u>\$ 414,733</u>	<u>\$ 112,020</u>	<u>\$ 526,753</u>

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

14. CONTINGENCIES

In March 2020, the World Health Organization declared Coronavirus (COVID-19) a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may continue to adversely impact the local, regional, national and global economies. The extent to which COVID-19 continues to impact the Loan Fund's operating results is dependent on the breadth and duration of the pandemic and could be affected by other factors management is not currently able to predict. Potential impacts include, but are not limited to, additional costs for responding to COVID-19, shortages of personnel, delays, loss of, or reduction to, revenue and funding, increased credit risk on receivables and deposits, and investment portfolio declines. Management believes the Loan Fund is taking appropriate actions to respond to the pandemic, however, the full impact is unknown and cannot be reasonably estimated at the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

IN LOAN & SAVINGS MINISTRY, LLC

SCHEDULE OF FINANCIAL ACTIVITIES DECEMBER 31, 2020

	Period Covered		Total 2020 Activity
	1/1/2020 - 6/30/2020	6/30/2020 - 12/31/2020	
	Predecessor	Loan Fund	
Change in net assets without donor restriction			
Interest income from			
Mortgage notes receivable	\$ 605,585	\$ 586,344	\$ 1,191,929
Investments	33,444	25,451	58,895
	639,029	611,795	1,250,824
Interest expense on deposits	(355,001)	(321,890)	(676,891)
Net interest income	284,028	289,905	573,933
Noninterest income and expense			
Investment return, net	55,791	(18,647)	37,144
Other income	755	1,495	2,250
Contributions	95	5	100
Salaries and benefits	(80,344)	(90,091)	(170,435)
Administrative fees	(114,450)	(80,899)	(195,349)
Other expense	(72,764)	(26,296)	(99,060)
Grant expense	(7,311)	(7,577)	(14,888)
Total noninterest income and expense	(218,228)	(222,010)	(440,238)
Equity transfer	(1,704,932)	1,704,932	-0-
Change in net assets without donor restriction	(1,639,132)	1,772,827	133,695
Net assets			
Beginning of period	1,639,132	-0-	1,639,132
End of period	\$ -0-	\$ 1,772,827	\$ 1,772,827
Operating activities			
Change in net assets	\$ (1,639,132)	\$ 1,772,827	\$ 133,695
Adjustments to reconcile change in net assets to net cash flows from operating activities			
Equity transfer	1,704,932	(1,704,932)	-0-
Realized and unrealized (gains) losses on investments	(55,791)	18,647	(37,144)
Depreciation	638	939	1,577
Change in operating assets and liabilities			
Prepaid expenses and other assets	5,321	(27,580)	(22,259)
Accounts payable and accrued expenses	(45,467)	(31,163)	(76,630)
Net cash flows from operating activities	(29,499)	28,738	(761)
Investing activities			
Cash from equity transfer	(461,902)	461,902	-0-
Purchase of investments	(2,797,295)	(1,988,813)	(4,786,108)
Proceeds from sale and maturity of investments	550,000	1,800,000	2,350,000
Advances on mortgage notes receivable	(1,682,600)	(2,457,000)	(4,139,600)
Payments received on mortgage notes receivable	3,566,479	2,831,986	6,398,465
Net cash flows from investing activities	(825,318)	648,075	(177,243)
Financing activities			
Additions to deposits	3,873,225	2,896,876	6,770,101
Withdrawals from deposits	(3,832,666)	(3,304,172)	(7,136,838)
Net cash flows from financing activities	40,559	(407,296)	(366,737)
Change in cash	(814,258)	269,517	(544,741)
Cash			
Beginning of period	814,258	-0-	814,258
End of period	\$ -0-	\$ 269,517	\$ 269,517

See Report of Independent Auditors on Pages 1 and 2.