EST. 1967

BAPTIST FOUNDATION OF INDIANA

Offering Circular

2021-2022

BAPTIST FOUNDATION OF INDIANA

EST. 1967

3021 E. 71st Street
Indianapolis, IN 46220
(317) 481-2400 ext. 300
www.inbaptistfoundation.org

$20,000,000

The following investments are offered by the Foundation as further described in "DESCRIPTION OF THE CERTIFICATES" beginning on page 19:

Demand Certificates – A demand investment with an interest rate that may be adjusted on a monthly basis and that permits additions of principal and partial withdrawals at any time without any penalty or service fee upon request (which may be required to be provided up to thirty (30) days in advance of any partial withdrawal). Minimum investment of $1,000.

Time Certificates – A term investment with an interest rate that remains fixed throughout its term, with available terms of periods from one (1) year to five (5) years, as may be offered by the Foundation from time to time. Minimum investment of $5,000.

The offering of Certificates is subject to certain risks. See "RISK FACTORS" beginning on page 6.

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

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

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

IN MAKING AN INVESTMENT DECISION, YOU MUST RELY ON YOUR OWN EXAMINATION OF THE FOUNDATION AND THE CERTIFICATES, INCLUDING THE DISCLOSURE, MERITS AND RISKS INVOLVED.

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

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

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

There are no underwriters or outside selling agents involved with this offering, and no commissions or underwriting expense will be paid. We will receive 100% of the proceeds of the sale of the Certificates, out of which we must pay all related expenses of the offering, which is estimated to be $5,000.

You must be, prior to the receipt of this Offering Circular, a member of, contributor to (including a previous investor), or participant in the Foundation, SCBI, or in any program, activity, or organization which constitutes a part of the SCBI, the Foundation, or in other religious organizations that have a programmatic relationship with the SCBI or the Foundation.

STATE SPECIFIC DISCLOSURE - INDIANA

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

Dated May 1, 2021

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DEFINITIONS

Certificates – Demand Certificates and Time Certificates.

CROs – Church related organizations.

Foundation – Baptist Foundation of Indiana Inc.

Investors – The persons or organizations to whom the Certificates are offered and sold.

SCBI – State Convention of Baptists in Indiana Incorporated.

SUMMARY

This summary is provided for your convenience. Before investing, please read this entire offering circular carefully. The terms "we," "us," "our" and similar words, as well as the word "Foundation," refer to the Baptist Foundation of Indiana Inc.

The Foundation

Baptist Foundation of Indiana Inc (herein, the "Foundation") is an Indiana nonprofit corporation with our principal office located at 3021 East 71st Street, Indianapolis, IN 46220. Our phone number is (317) 481-2400. Our sole member is the State Convention of Baptists in Indiana Incorporated ("SCBI"). See "History and Operations." The Internal Revenue Service has determined that we are exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

The Certificates

We are making available up to $20,000,000 worth of Certificates. You may invest in a variable rate Demand Certificate, which pays a lower rate of interest that varies from time to time, or a fixed rate Time Certificate, which, in exchange for longer commitment, pays at higher fixed rates of interest. The Certificates pay a higher interest rate for higher average balances maintained. We review, and may adjust, the interest rates paid on Certificates placed with us on a monthly basis. Money can be invested in, or redeemed from, a Certificate at any time in any increment; however, on Time Certificates, an early withdrawal will carry a substantial interest penalty. On Demand Certificates, we calculate interest on a monthly basis and, at your election, will either reinvest the interest or send it to you. Unless redeemed, the Time Certificates automatically renew at maturity for another term. We send maturity notices with current interest rate information to Investors at least thirty (30) days prior to maturity. The current Offering Circular will be provided to all Investors. See "DESCRIPTION OF THE CERTIFICATES."

Use of Proceeds

We will use the cash proceeds from the sale of Certificates to make loans, or to participate in loans made by other lenders, to churches and church related organizations ("CROs") to acquire land, construct and remodel churches, parsonages, multi-purpose buildings, educational units and other similar structures, and to fund and finance other capital and general projects and expenses for churches and church-related entities. See "USE OF PROCEEDS."

Selected Financial Data

The following summarizes selected financial information for the fiscal year ending December 31, 2020. See "SELECTED FINANCIAL DATA" for selected financial data for the past five years. The financial information related to investment redemptions, amount and percentage of unsecured loan receivables, and loan delinquencies as a percentage of loan receivables was not reported in or derived from the audited financial statements, but is analysis prepared by management.

	2020
Cash and Investments	$3,590,826
Total Outstanding Loans, net	$4,547,366
Unsecured Loans – Amount	$14,569
Unsecured Loans - % of Total	0.33%
Loan Delinquencies - % of Total	0%
Total Assets	$8,184,023
Outstanding Notes and Other Obligations	$5,807,647
Notes Redeemed During Year	$643,207
Net Assets	$1,833,145
Net Operating (Loss)	($119,152)
Total Net Interest Income and Non-Interest Operating Income	$240,042
Total Non-Interest Operating Expenses	($215,361)
Change in Net Assets Without Donor Restrictions	$24,681

RISK FACTORS

The Certificates involve certain risks. You should carefully consider the risks described below, together with all of the other information in this offering circular, before you decide to purchase a Certificate. If any of the following risks occur, our financial condition, liquidity and results of operations could suffer. In that event, we may be unable to meet our obligations under the Certificates and you may lose all or part of your investment.

The Certificates are unsecured and uninsured general debt obligations.

The Certificates are unsecured general obligations of the Foundation. The repayment of principal and interest on the Certificates is solely dependent upon our financial condition, operations, and liquidity.

The Certificates are subordinate to Senior Secured Indebtedness.

The Certificates are subordinate in ranking and priority in relation to our existing and anticipated future Senior Secured Indebtedness. Claims for repayment of Certificates are subordinate to claims of any secured creditors. We currently have no secured creditors; however, there are no restrictions on our ability to incur indebtedness to them. We could incur indebtedness in the future through an action by our Board of Directors (the "Board"). Although we cannot assure you that we will not issue secured investment obligations, or incur secured debt having a higher priority to our assets in the future, it is not presently anticipated. In the event we do incur Senior Secured Indebtedness, it shall not exceed ten percent (10%) of our tangible assets.

There is no sinking fund or trust indenture.

No sinking fund or trust indenture has been or will be established to ensure or secure the repayment of Certificates. We do, however, have a policy to maintain unrestricted liquid assets of an amount not less than ten percent (10%) of our outstanding Certificates for the purpose of providing short-term liquidity to satisfy a reasonable number of redemption requests and other obligations. Our ability to repay a Certificate will be affected by our financial condition and liquidity at the time the Certificate is to be redeemed.

No public market exists.

No public market exists for the Certificates and none will develop. Therefore, the transferability of the Certificates is limited and restricted.

Liquid assets are invested in readily marketable securities.

Our liquid assets are invested in readily marketable securities and are subject to various market risks, which may result in losses of market value if investments decline.

The COVID-19 Pandemic may adversely impact our financial condition.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. Churches and CROs throughout the United States have been forced to temporarily cancel or severely limit in-person gatherings to stop the spread of the virus. Additionally, the pandemic resulted in a downturn in the economy, including market volatility, increased unemployment, shuttered businesses, and low interest rates. As a result, churches and CROs could experience a decline in charitable contributions, which could impair their ability to repay their loans. For the year ended December 31, 2020, we did not have a material negative financial impact as a result of the pandemic and saw an increase in investments and no loan delinquencies. We extended payment relief to twelve (12) borrowers for the months of April, May and June 2020. After two (2) months, only one loan remained on interest only payments for an additional three

(3) months. As of December 31, 2020, all loans have returned to regular principal and interest payments. We cannot reasonably estimate the length or severity of this pandemic and also cannot estimate with any certainty the effect COVID-19 will have on our financial position, results of operations, and cash flows in 2021.

Numerous demands for redemption of Certificates in a short period of time would adversely affect our ability to redeem them and our financial condition.

You may request that your Certificate and any accumulated interest be repaid to you at any time. However, we reserve the right to refuse requests for early withdrawal of amounts invested in Time Certificates. If Investors holding substantial balances of Certificates were to make such requests within a relatively short period of time, we may be unable to repay all such Certificates and interest when requested, or possibly at all, depending on the aggregate amount being requested. In that event, our financial condition would be materially adversely affected, as would be our ability to attract new Investors and to continue to pay interest on Certificates that were not the subject of the demands.

Any rapid and substantial increase in prevailing market interest rates could reduce our liquidity and our ability to honor redemptions on a timely basis and otherwise adversely affect our financial condition.

Prevailing market interest rates in the United States have, since 2008, hovered near historic lows. Any rapid and substantial increase in prevailing market interest rates could reduce our ability to honor redemption requests on a timely basis if holders of unexpectedly high amounts of Investors in Certificates seek to move their financial portfolios in pursuit of higher rates elsewhere. Such interest rate movements could also hamper the ability of our borrowers to meet the increased interest rates that may result on their loans with us and result in loan delinquencies or defaults. Further, in such a rising interest rate environment, we may not be able to adjust the interest rates that we earn on our loans as rapidly as we might like to adjust the rates that we offer on our Certificates in order to meet the needs of our Certificate holders. This might result in loss of Certificates to more competitive sources of accounts, and in reduced earnings due to the decreased margin between the amounts of interest we earn and the amounts of interest we must pay.

Substantial portions of our assets are subject to restrictions and therefore cannot be applied to repayment of Certificates.

We offer charitable gift annuities and unitrusts to individuals who wish to receive an income stream for life with the remaining portion being a gift designated for our general purposes and other charitable purposes at the death of the donor. We also manage and serve as a trustee for several charitable remainder trusts and donor advised funds on behalf of individuals, entities, and estates. As the trustee, or agent, appointed by these trust agreements or other instruments, we have a fiduciary obligation to administer the trusts and funds in accord with the instructions of the trust and fund instruments. Accordingly, assets of the Foundation that are restricted by such instruments may not be applied to repayment of the Certificates; only unrestricted assets of the Foundation at any point in time may be used to satisfy the Foundation's obligations to repay Certificates upon request of the account holders.

We have experienced a decrease in net assets and a loss from operations.

We experienced an increase in net assets without donor restrictions of $24,681 and a loss from operations of ($119,152) in 2020. There can be no assurance that we will have income from operations or an increase in net assets each year, and repayment of principal and interest on the Certificates solely depends on our financial condition. See "SELECTED FINANCIAL DATA" and "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION."

In the case of some loans, we are reliant on a third party that sells us a loan participation agreement.

A substantial amount of the funds we loan are made available by The Baptist Foundation of Oklahoma, doing business under the tradename of WatersEdge Ministry Services ("WEMS"). In the case of those loans, WEMS makes loans directly to the borrowers we have identified. WEMS, in turn, sells us a participating interest in those loans. We look to WEMS for payment on our share of the loans, not to the borrowers. If WEMS were to become insolvent, we would have no recourse to another source for payment of our loan participation. See "LENDING ACTIVITIES – Participation with WEMS."

There is no guarantee by the State Convention of Baptists of Indiana Incorporated.

Neither SCBI, nor any of its agencies, subsidiaries, districts, affiliates, or member churches have guaranteed the repayment of the Certificates. You must rely solely on us for repayment.

The Certificates are not insured by the FDIC or SIPC.

We are not a bank, and therefore the Certificates are not issued by, and are not obligations of, a bank. They are not FDIC or SIPC insured. The Certificates therefore do not have the insurance protection afforded to demand deposit accounts at a bank. They are subject to investment risks, including the potential to lose the entire principal amount that you invest and any accrued or compounded interest.

There are no income tax benefits with respect to the Certificates.

Interest paid or payable on the Certificates is taxed as ordinary income regardless of whether interest received is received or retained by you or retained or compounded by us.

Other securities may offer higher rates and greater security.

Other institutions and organizations may offer other debt securities with higher rates of return and that provide greater security and less risk than the Certificates.

The Certificates are non-transferable.

The Certificates are not negotiable and cannot be transferred (except for certain family or estate planning transfers with our consent).

We can redeem the Certificates.

We can redeem any Certificate at any time, upon five (5) business days' written notice. We occasionally redeem Certificates when their value falls below $100 per Investor.

We may need to rely on proceeds from the sale of new Certificates to pay principal and interest on our outstanding Certificates.

From a monthly cash flow standpoint, we may need to occasionally use the proceeds received from new Certificates to make payments of principal on outstanding Certificates.

We are subject to a strict regulatory environment that could curtail our ability to make Certificates available.

Changes in state or federal law may make it more difficult, costly, or impossible for us to make Certificates available in some states in the future. To the extent that we are dependent upon the proceeds of future Certificates to provide liquidity to make timely interest and principal payments on our outstanding indebtedness, including the Certificates, a cessation or substantial decrease in the Certificates offered, whether as the result of such regulatory or legal factors or market factors, would adversely affect our ability to redeem the Certificates.

We may become subject to potential claims under securities laws.

While we intend to comply with all applicable federal and state securities laws relating to the Certificates, there may remain some potential securities law liability exposure to us. Any securities law claims against us, if successful, or many claims even if unsuccessful, could have an adverse effect on our ability to offer or redeem the Certificates.

The repayments of loans we make are dependent upon contributions to local churches.

Almost all of our loans and participation loans have been made to churches and CROs. The ability of the churches and CROs to repay their loans generally will depend upon the contributions they receive from their members and others who attend worship services. To the extent that a church or CRO experiences a reduction in contributions, for whatever reason(s), that will affect its ability to repay a loan. Loans to churches are generally secured by a mortgage lien on the real estate that is believed to be the highest priority against other secured or unsecured creditors of the borrower. The security may be inadequate to repay a loan in the event of a default because real estate might not be salable at foreclosure at a sufficiently high sales price, or the priority of the mortgage might be contested for other reasons. The inability of a borrower to make timely payments to us on its loan could adversely affect our ability to make interest and principal payments on the Certificates.

We are not a commercial lender.

We cannot be compared to a commercial lender. We may make loans to borrowers that are often unable to obtain financing from commercial sources. We sometimes make loans to new or start-up churches which, because of their small size and recent formation, may not meet commercial lending standards. In addition, because of our relationship with our borrowers, we may also be willing to accommodate partial, deferred, or late payments and we have, in the past, made these accommodations in some circumstances.

There are many risks related to our loans, including risks relating to our faith-based, relaxed loan origination practices.

Most of the loans and participations we make are used for the purchase of land, existing buildings, construction of new facilities, or renovation of existing facilities. In some cases, there may not be a fixed-price construction contract for this work and the contractor may not be required to post a completion bond. In addition, possible delays in completion may occur due to, among other things, shortages of materials, possible strikes, acts of God or nature, war or civil unrest, delays in obtaining necessary building permits and architectural certifications, environmental regulations, or fuel or energy shortages. We typically do not obtain architectural certification prior to disbursing partial construction payments and we normally rely instead upon the representations of the borrower. Substantial increases in construction costs or delays in, or failure to, complete construction could adversely affect the borrower's ability to repay the loan. Only on rare occasions do we require an appraisal of the property that constitutes the collateral for the loan. While we typically conduct a site inspection for loans exceeding $100,000 in principal amount, there can be no assurance that we will in all cases. In addition, we do not typically require an environmental audit before approving a loan.

There may be environmental risks associated with our loans.

We may or may not require an environmental inspection or audit for our loans. If environmental pollution or other contamination is found on or near the property securing a loan, our security for the loan could be impaired. In addition, changes in environmental regulations could require the borrower to incur substantial unexpected expenses to comply with such regulations, and this could impair both the value of the collateral and the borrower's ability to pay us.

We are highly dependent on our President.

We are highly dependent on our President, Mrs. Jennifer Hall. Mrs. Hall has been our President since January 2016. The loss of services of Mrs. Hall could have a material adverse effect on our business. We have no key executive insurance upon Mrs. Hall and, therefore, are exposed to uninsured loss potential should Mrs. Hall become disabled or die while in office as President.

We are involved in other activities as a Foundation, primarily estate planning and trust management.

Other activities of the Foundation, such as estate planning and trust management, could result in claims against our net assets, including unrestricted net assets available to repayment of the Certificates, and reduce our net worth and liquidity.

We could be subject to claims of liability for debts of SCBI.

We are a separate legal entity from SCBI, and maintain strict adherence to that legal separation, and, therefore, we generally are not liable for claims against SCBI or its affiliates. However, in the event of claims against SCBI or its affiliates, the claimants might contend that we are also liable. If such a claim were made, we would vigorously defend against it. If such a claim were made and upheld, our financial condition could be negatively affected.

We make unrelated investments.

We may, from time to time, invest proceeds of the Certificates, or other assets that are not used to make loans or cover other expenses, in various securities, other financial instruments, property, or other capital assets. These investments are subject to the same market and investment risks experienced by other Investors generally, and declines in the market values of those Certificates would result in realized or unrealized losses to us. In addition, our deposits and Certificates might not be made in investments covered by FDIC or SIPC, or other investments may exceed FDIC and SIPC account limits and may not, therefore, be protected by those insurance programs. There may also be periods of time when we are unable to obtain an average return on our investments and loans that is greater than our average interest payment obligations.

You may need to have additional resources to pay taxes due.

If you reinvest interest from the Certificates, you will nonetheless be taxed on that interest in the year it accrues. You will need to be able to have funds from other sources to pay those taxes. Consult your tax advisor.

Mandatory Binding Arbitration of Disputes with Certificate Holders

By signing a Certificate Agreement, you acknowledge and agree to certain provisions that require that you (and the Foundation) submit to confidential, mandatory, binding arbitration in Indianapolis, Indiana, for any dispute that may in the future arise between you and the Foundation in relation to the offer and sale to you of the Certificate(s), the Foundation's administration of the Certificates, and any other matters, including, and without limitation, all claims that you might seek to assert that we have violated Federal or State securities laws. For detailed description of these arbitration provisions, please carefully review your Certificate Agreement before signing and delivering to us.

Geographic Concentration of Loans

There may be risks related to our geographic concentration of loans, as loans are given solely to churches and CROS that are members of SCBI and Indiana-based churches and CROs. A downturn in the Indiana economy could affect those churches and CROs' ability to repay loans.

HISTORY AND OPERATIONS

SCBI was incorporated on December 16, 1958 as an Indiana nonprofit corporation. SCBI consists of Southern Baptist churches cooperating together to exalt Jesus, encourage pastors and equip churches. SCBI maintains a cooperative relationship with the Southern Baptist Convention in all its work and agencies. Membership of SCBI is comprised of autonomous, cooperating Southern Baptist churches located in the State of Indiana and adjoining states.

We are an Indiana nonprofit corporation and were incorporated on August 24, 1972. Our principal office is located at 3021 East 71st Street, Indianapolis, IN 46220. Our telephone number is (317) 481-2400. Our sole member is SCBI, and our affairs are administered by our Board in accordance with our Articles of Incorporation, our By-Laws, and operating policies adopted by the Board. The Board is elected by SCBI and meets regularly two (2) times per year. The Board transacts business at other times during the year through communication by mail, telephone, and email. Purchasing a Certificate does not entitle you to any equity interest in the Foundation and does not give you the right to vote on or participate in any corporate meetings or matters.

We are organized and operated exclusively for charitable and religious purposes, and we are a tax exempt entity under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. No part of our net earnings inures to the benefit of any person or individual. Our primary purpose and operations are providing loan assistance to churches and CROs for various capital projects and building programs. We are a separate legal entity from SCBI.

The Foundation was started in 1968 as a spinoff of SCBI. As a response to churches that were experiencing difficulty in obtaining financing for church building projects from local banks, we started making participating church loans in 2004. The primary purpose of the Foundation today is to provide participation financing for churches and CROs and their capital projects and general purchasing needs so that these churches and CROs can fulfill their vision for reaching their communities for Christ.

At this time, we offer our Certificates solely to Investors in the State of Indiana.

We may purchase land and buildings for investment purposes. We may also purchase land for purposes of holding the land for sale for future church development. The aggregate amount of investments in land will not exceed ten percent (10%) of our total assets.

As of February 1, 2016, we occupy office space at Northside Baptist Church, which has agreed that this space will be provided to the Foundation in perpetuity, for a cost-recovery charge of $1,170 per year.

In addition to our lending activities, we provide assistance and counseling to churches in their planning for expansion, relocation, building, and other capital projects. These services are offered without charge to the churches and are designed to assist the churches. We also offer charitable gift annuities and unitrusts, and manage and/or serve as a trustee of charitable remainder trusts and donor advised funds on behalf of individuals, entities, or estates. We may not receive compensation for these services and may or may not be entitled to receive a portion of the remainder interest in said trusts or funds upon the maturity of the instruments, all in accordance with the directions contained in the instruments.

USE OF PROCEEDS

We expect to use the cash proceeds from the Certificates to make loans (and to purchase participations in loans made by WEMS) to churches, CROs, and entities related to churches and CROs. Such loans will be made to permit the borrowers to acquire, construct, and remodel churches, parsonages, multi-purpose educational buildings, and other similar structures, to purchase land, and provide funds for other capital projects and expenses relating to the ministry of the churches. In addition, if SCBI were to request an advance, Certificate funds could be used for this advance. Although we do not expect to use any of the proceeds generated by this offering of Certificates to pay operating expenses, we may do so in the future on a cash flow basis.

We will pay for all of the expenses in connection with the sale of the Certificates, including printing, mailing, attorney fees, accountant fees, securities registration, and notice fees, which are estimated to be approximately $5,000.

No underwriters or selling agents are participating in the offering of the Certificates, and we will not pay any underwriting discounts or commissions in connection with the sale of the Certificates.

The Certificates are sold by our officers and employees, who do not receive any commissions, fees, or other special remuneration.

The proceeds from this offering will not be used for any particular capital improvement projects.

FINANCING AND OPERATIONAL ACTIVITIES

General

We anticipate generating the funds necessary for our loan operations primarily through the sale of the Certificates, loan repayments, interest earned on loans, income from other investments, contributions, and donations.

Outstanding Certificates

As of December 31, 2020, there were 70 Investors in our Certificates, with an aggregate principal balance of $5,807,647. Such accounts ranged in principal amount from $1,016 to $724,241, and bore interest rates ranging from 1.00% - 3.00%. See Note 6 to the Financial Statements. The following describes our outstanding Certificates as of December 31, 2020.

Description	Number of Investments	Weighted Average Interest Rate	Aggregate Principal Balance
Demand Certificates	51	1.21%	$2,502,534
Time Certificates	97	2.56%	$3,431,844
LESS Certificates Invested by Charitable Remainder Trusts	(5)		($126,624)
TOTAL	148	1.99%	$5,807,754

During 2020, we received $2,640,218 in proceeds from the sale of investments. We also paid $119,325 in interest to Investors in 2020. We paid $227,634 on maturing Time Certificates in 2020, and $806,977 of matured Time Certificates were automatically extended pursuant to their original terms.

Maturity Information

The following shows the amount of our outstanding Demand Certificates and Time Certificates that mature in the following years as of December 31, 2020:

	Aggregate Principal Balance
Demand Certificates	$2,502,534
Time Certificates maturing in:	
2021	$1,384,480
2022	$803,402
2023	$505,704
2024	$222,965
2025	$515,293

Short-Term and Other Investments

Funds that we do not use immediately for loans or operating expenses, are invested in interest-bearing obligations and other investments. Our current policy is to maintain liquid assets (in cash, or in interest-bearing readily marketable or redeemable debt instruments) that are not restricted for other purposes of not less than 10% of our outstanding Certificates for the purpose of providing short-term liquidity for our Certificates. The following table sets forth certain information regarding our liquid assets that were then available for our Certificates as of December 31, 2020:

Description	Market Value
Cash & Cash Equivalents	$106,146
Investments	$3,484,680
Total Liquid Assets	$3,590,826

LENDING ACTIVITIES

General

Our primary purpose is to provide loans to churches and CROs either directly or through participation with WEMS. Loans we approve are used to purchase land, to buy buildings, to construct new worship facilities, to renovate, remodel, expand, and replace existing facilities, to relocate existing congregations, to purchase building sites, to refinance existing loans, or to meet other capital and expense needs of the churches and CROs.

We provide two (2) types of loans to churches and CROs. Mortgage loans are secured by a first mortgage on the church property, either land or building, new or existing, and generally have a term between five (5) and twenty (20) years. Note loans are unsecured loans for smaller projects (typically in the $5,000-$100,000 range) and typically have a term between one (1) and five (5) years. Note loans are only available to member churches of SCBI.

As of December 31, 2020, 99.67% of the total principal amount of loans outstanding were mortgage loans. Currently, we do not have a policy that restricts the percentage of unsecured note loans to a certain percentage of assets.

Loan Policies

All loans to churches and CROs are made pursuant to our loan guidelines and formal loan review process. A church or organization requests a loan from us by filing a written or online application. At the time a loan application is submitted, the applicant is required to provide a number of items related to the proposed project, including its financial condition and the proposed collateral. Some of these items include the resolution of the church's approval of the loan, the church's financial statements for the past two years and current year to date, and the church's current budget. Other requirements may be made at our discretion.

We approve or disapprove each loan application based on several factors:

- the current financial position of the church.
- the size and scope of the project.
- our perception of the ability of the church to repay the loan.
- the amount of funds the church has on hand or has plans to fundraise for the project.
- the size of the congregation.
- the tenure of the pastor and the pastoral staff.
- the vision of church leadership for use of the project for ministry.
- the expressed commitment of church.

We may or may not require surveys, appraisals, or environmental audits relating to the property. The maximum loan to a single borrower is generally limited to an amount which would not require annual debt payments, taking into account all outstanding indebtedness of the borrower, to be greater than thirty percent (30%) of the total anticipated annual revenues available to that borrower. Exceptions to these general requirements may be made for new churches, church planting projects, and re-started churches, at the discretion of the President.

Loans may be made for terms ranging up to twenty (20) years at our then current interest rate. Interest rates are set by the President. They are generally based on comparable rates available to commercial borrowers on the open market in the geographic area of the loan location at the time of the loan. Interest rates may be adjusted on a regular basis, subject to the terms of each loan. As of the date of this offering circular, we quoted rates on adjustable rate loans on our standard "rate sheet" with the following features and terms:

- 1 Year Adjustable Interest Rate - interest rate will remain the same for one year, but will adjust on each anniversary of the loan to the then-current 1-year adjustable interest rate, but not by more than 1.50% (150 basis points) up or down at any annual adjustment or by more than 5.00% (500 basis points) over the life of the loan.

- 3 Year Adjustable Interest Rate - interest rate will remain the same for three years, but will adjust on each third anniversary of the loan to the then-current 3-year adjustable interest rate but not by more than 3.00% (300 basis points) up or down at any 3-year adjustment date or by more than 5.00% (500 basis points) over the life of the loan.

- 5 Year Adjustable Interest Rate - interest rate will remain the same for five years, but will adjust on each fifth anniversary of the loan to the then-current 5-year adjustable interest rate, but may not adjust more than 5.00% (500 basis points) up or down over the life of the loan.

Each loan may be made on a 20-year amortizing term. Rates cannot fall below a floor rate of 4.00%.

We generally require payment of principal and interest on all loans in equal monthly installments, but provisions are made on some loans for interest only arrangements for a period of time, or for partial payments of interest and/or principal for a period of time, usually for construction loans. Loans may generally be prepaid at any time without penalty, but pre-payment penalties may apply in certain cases where we have specifically contracted for such. We may, in our sole discretion, change the interest rate for new mortgage loans at any time. We generally require title insurance and standard form fire and extended coverage insurance that names us as an additional insured on all mortgage loans.

We charge a standard loan service fee for each loan of up to 1.00% of the principal amount of the loan, with a minimum loan service fee of $250. This fee is subject to change and negotiation at the discretion of the President.

Participation Arrangement with WEMS

We began making loans to churches and CROs in 2004 in a participation arrangement with WEMS. This participation arrangement began with WEMS because we did not, and still do not, have adequate funds to finance our loan demand in Indiana. It is the intention of the Foundation to utilize the net proceeds that may result from the offering of Certificates under this Offering Circular to increase its participation in current loans outstanding that have been made by WEMS and continue this process on new loans.

We receive an application from a member church and review it for completeness to determine whether it meets the Foundation's loan qualifications. If it meets the Foundation's loan requirements, it is forwarded to WEMS for their loan processing. All loans are subject to approval by WEMS management, or the loan committee of the WEMS Board of Directors, as applicable, based on the size of the loan. If the loan is approved, the loan is made directly by WEMS to the member church. We then enter into a participation arrangement on the loan to the extent we have funds available to invest in the loan. We do not participate in any loans of non-member churches.

We currently make non-participation loans to smaller churches for amounts of less than $100,000. We anticipate that proceeds from the Certificates will increase the amount of our non-participation loans.

The Board and/or President determine our general loan policies and may revise them at any time. Therefore, we cannot assure you that the loan policies described above will not be changed from time to time.

Mortgage Loans

As of December 31, 2020, we had outstanding mortgage loans with balances receivable, before deducting for the allowance for loan losses, aggregating $4,580,911 (participation $4,373,174 and direct $207,737). The original principal amounts of these loans, which are secured by mortgages on property located in Indiana or across state lines in neighboring states, where SCBI member churches are located, ranged from $5,568 - $687,075, with interest rates ranging from 4.50% to 6.00%. The weighted average of the interest rates on both mortgage loans and note loans as of December 31, 2020, was 5.10%. The following table reflects approximate mortgage loan principal maturities due in the ordinary course of repayment during the periods indicated, before the allowance for loan losses:

Year Ending December 31st	Principal
2021	$293,657
2022	$308,967
2023	$325,168

2024	$340,358
2025	$357,459
Thereafter	$2,955,302

We anticipate a substantial portion of our loans will have substantial prepayments on a number of un-matured loans each year. Therefore, the amount shown as maturing may vary from the principal repayments that we actually receive.

Note Loans

As of December 31, 2020, we had one (1) outstanding note loan.

Loan Delinquencies

We consider a loan to be delinquent when interest or principal payments have been delinquent for over ninety (90) days. As of December 31, 2020, there were zero delinquent loans.

Due to the nature of our relationship with our borrowers, we have generally been willing to make accommodations and refinancing arrangements with borrowers whose payments are not current, including allowing interest only payments, or foregoing payments of any kind for a period of time. Although no assurance is given to borrowers that we will be able, or willing to, refinance delinquent loans, or make accommodations in response to delinquencies, we have on occasion aided borrowers in meeting their debt repayments without foreclosure. Accordingly, our delinquency experience cannot be compared to a commercial lender.

Material Loans to a Single Borrower

The Foundation considers individual loans in excess of 10% of the total assets of the Foundation to be material. As of December 31, 2020, there were no individual loans with outstanding principal loan balances equal to or greater than 10% of the total assets of the Foundation, and there was one (1) borrower with an outstanding principal loan balances aggregating 8.53% or more of the total assets of the Foundation.

Loan Losses and Loan Loss Reserve

Our allowance for loan losses as of December 31, 2020, was $33,545. The allowance for loan losses is based on management's continuing review and evaluation of the loan portfolio and its judgment as to the impact of economic conditions on the portfolio. The evaluation by management includes consideration of past loss experience, changes in composition of the portfolio, the current condition, the amount of loans outstanding, and the probability of collecting all amounts due. This evaluation is inherently subjective and required estimates are susceptible to significant revision over time. The Board has established a policy that dictates that the allowance for loan losses be maintained within a range of 0 - 3.00% of the outstanding loans as of December 31st each year. The current loan loss reserve is 0.73% of the outstanding loans. The Baptist Foundation of Indiana, Inc. has incurred one (1) loan loss during the last nine (9) fiscal years, totaling $19,066.

We use specific identification to determine areas of potential loss and funds needed for the loan loss reserves. To identify areas of loss, we monitor the loan portfolio by prescreening applicants, comprehensive underwriting, and post-origination monitoring. Funds are also added to the loan loss reserve annually to maintain a target reserve balance of approximately 1% of the loan portfolio. Post-origination monitoring includes the following: loans are structured for direct payment draft and payments are monitored monthly, annually churches must provide financial statements that are reviewed by our staff, and WEMS and the Foundation maintain a watch list of potential slow pays. If a church is identified as a slow pay or potential slow pay:

- Frequent contact is made with the church's pastor.
- Site visits are scheduled.
- A review of church administrative policies and budget is performed to offer advice on a cash flow management strategy and contingency plan.
- A referral is made to an SCBI church health specialist.
- Financial seminars are performed for church members on the areas of financial planning and tithing in an effort to increase receipts.
- An action plan is developed by us, WEMS and SCBI (if appropriate) to address the slow pay concern.

COVID-19 Pandemic and Economic Conditions

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. Churches and CROs throughout the United States have been forced to temporarily cancel or severely limit in-person gatherings to stop the spread of the virus. Additionally, the pandemic resulted in a downturn in the economy, including market volatility, increased unemployment, shuttered businesses, and low interest rates. As a result, churches and CROs could experience a decline in charitable contributions, which could impair their ability to repay their loans. For the year ended December 31, 2020, we did not have a material negative financial impact as a result of the pandemic and saw an increase in investments and no loan delinquencies. We extended payment relief to twelve (12) borrowers for the months of April, May and June 2020. After two (2) months, only one loan remained on interest only payments for an additional three (3) months. As of December 31, 2020, all loans have returned to regular principal and interest payments. We cannot reasonably estimate the length or severity of this pandemic and also cannot estimate with any certainty the effect COVID-19 will have on our financial position, results of operations, and cash flows in 2021.

Also, we received a Paycheck Protection Program (PPP) loan from the U.S. Small Business Administration (SBA) of $15,955 as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. We were included within the application for funding as a subsidiary of SCBI. We recognized this PPP loan funding as grant income for the year ended December 31, 2020, and the loan was forgiven by the SBA on 12/30/20.

INVESTING ACTIVITIES

Funds that we do not use immediately for loans and operating expenses, are invested in interest-bearing obligations and other investments. Our current policy is to maintain liquid assets (in cash or interest-bearing readily marketable or redeemable debt instruments) that are not restricted for other purposes of not less than 10% of our outstanding Certificates for the purpose of providing short term liquidity for our Certificates. The Investment Committee, a permanent committee of our Board of Directors, reviews and recommends approval of these investment policies and oversees the management of organization-wide financial assets.

Investments

At December 31, 2020, the Investments were as follows:

Description	Balance
Certificates of Deposit	$1,952,734
Money Market Funds	$1,531,946
	$3,484,680

See Note 4 to the financial statements.

The following shows the net realized and unrealized gain (loss) on our investments for the last three years:

Year	Gain (Loss) on Investments
2020	($687)
2019	$77
2018	($250)

SELECTED FINANCIAL DATA

We prepared the following table for the years 2016, 2017, 2018, 2019, and 2020 using our financial statements, which have been audited by Capin Crouse, LLP. However, the financial information related to investment redemptions, amount and percentage of unsecured loan receivables, and loan delinquencies as a percentage of loan receivables was not reported in or derived from the audited financial statements, but is analysis prepared by management.

	2020	2019	2018	2017	2016
ASSETS					
Cash and Other Receivables	$151,977	$164,374	$292,400	$154,679	$276,994
Investments	$3,484,680	3,250,349	1,971,858	2,861,097	2,602,437
Loans, net	$4,547,366	4,565,658	5,196,071	4,013,023	3,486,811
Asset held for future ministry	-0-	-0-	-0-	-0-	107,510
Total Assets	$8,184,023	$7,980,381	$7,460,329	$7,028,799	$6,473,752
LIABILITIES					
Accounts Payable	$50	$-0-	$4,992	$-0-	$2,418
Certificates	$5,807,647	5,527,262	5,055,752	4,717,936	4,026,665
Trust Liabilities	$543,181	675,908	623,022	526,604	518,616
Total Liabilities	$6,350,878	$6,203,170	$5,683,766	$5,244,540	$4,547,699

NET ASSETS					
Without donor restrictions	$302,450	$277,769	$287,855	$329,174	$469,800
Restricted by purpose or time	$639,148	$641,005	627,779	590,987	612,521
Restricted by perpetuity	$891,547	$858,437	860,929	864,098	843,732
Total Net Assets	$1,833,145	$1,777,211	$1,776,563	$1,784,259	$1,926,053
Total Liabilities and Net Assets	$8,184,023	$7,980,381	$7,460,329	$7,028,799	$6,473,752
Net Operating (Loss)	($119,152)	($149,430)	($168,634)	($214,230)	($107,366)
Total Net Interest Income and Non-Interest Operating Income	$240,042	$203,562	$166,711	$169,956	$358,835
Total Non-Interest Operating Expenses	($215,361)	($213,648)	($208,030)	($310,582)	($399,438)
Change in Net Assets Without Donor Restrictions	$24,681	($10,086)	($41,319)	($140,626)	($40,603)

Additional selected financial data provided by management	**2020**	**2019**	**2018**	**2017**	**2016**
Unsecured Loans – Amount	$14,569	-0-	-0-	-0-	$15,000
Unsecured Loans - % of Total	0.33%	-0-	-0-	-0-	0.43%
Loan Delinquencies - % of Total	0%	0%	0%	0%	0%
Investments Redeemed	$643,207	$448,961	$1,241,546	$861,658	$642,461

DESCRIPTION OF THE CERTIFICATES

General

We are making available up to $20,000,000 worth of Certificates under this Offering Circular. The Certificates are unsecured general debt obligations of ours, and are not guaranteed by any other party.

Demand Certificates – A demand investment with an interest rate that may be adjusted on a monthly basis and that permits additions of principal and partial withdrawals at any time without any penalty or service fee upon request (which may be required to be provided up to thirty (30) days in advance of any partial withdrawal). Minimum investment of $1,000.

Time Certificates – A term investment with an interest rate that remains fixed throughout its term, with available terms of any period from one (1) year to five (5) years, as may be offered by the Foundation from time to time. Minimum investment of $5,000.

Payment for the Certificates can be made by check, money order, cash, wire transfer, or by any other method of legal money transfer available in the United States.

Certificates are not transferable, except with our consent for transfers between accounts owned by the same individual, to certain family members, or upon death. No trading market for the Certificates exists or will develop.

You must be, prior to the receipt of this Offering Circular, a member of, contributor to (including a previous investor), or participant in the Foundation, SCBI, or in any program, activity, or organization which constitutes a part of the SCBI or the Foundation, or in other religious organizations that have a programmatic relationship with the SCBI or the Foundation.

Interest

The Certificates accrue interest daily from the date of receipt of the principal. We calculate interest accruals monthly on the balance of principal that is on account with us as of the last calendar day of each month. We provide quarterly statements to you showing the principal and accrued interest of each Certificate.

- Demand Certificates - You may elect to have the interest that accrues on the principal amount of any Demand Certificate be either paid to you by check or reinvested as principal on a monthly basis.

- Time Certificates - The interest rate on each of our Time Certificates is fixed for the duration of the stated maturity period at the rate in effect for that type of Time Certificate when purchased. We pay accrued interest on Time Certificates quarterly. You can choose from three (3) options for the payment of interest on a Time Certificate. On the payment date, the accrued interest could be:

    - Paid directly to you;

    - Added to the outstanding principal of the Time Certificate; or

    - Added to the outstanding principal of a Demand Certificate you specify.

You may change your interest payout option at any time. Such changes will take effect at the time of the next scheduled interest payment, provided your request is received at least seven (7) business days before the date of that payment. All requests must be received in writing.

Automatic Renewal of Time Certificates at Maturity

Unless redeemed, the Time Certificates automatically renew at maturity for another term. We send maturity notices with current interest rate information to Investors at least thirty (30) days prior to maturity. The current Offering Circular will be provided to all Investors.

To redeem your Time Certificate at maturity, we must receive a written request for payment no later than the maturity date. Upon receipt of that request, we will promptly pay you the outstanding principal and accrued interest on your Time Certificate, as of the maturity date.

If you do not request payment at maturity, your Time Certificate will renew for another term. Upon renewal, your Time Certificate will earn interest at the then current interest rate for your particular maturity

Time Certificate, which may be lower than the original interest rate. The renewed Time Certificate will have the same maturity period as the matured Account. There is no limit on the number of times a Time Certificate will automatically renew at maturity.

Redemption and Early Redemption

You may redeem all of the outstanding principal and accrued interest on a Demand Certificate at any time. In addition, we permit partial redemptions or distributions on Demand Certificates. To make redemption of a Demand Certificate, you must send written notice identifying your Demand Certificate and specifying the amount you wish to redeem. We will pay you promptly after receipt of such notice.

If you redeem the entire outstanding principal of your Demand Certificate, we will terminate the Demand Certificate. Thereafter, if you want to invest in another Demand Certificate, you will need to buy a new one.

Generally, you may not redeem a Time Certificate before it matures without a penalty. For a Time Certificate with a one-year term, the current penalty is an amount up to six (6) months of interest on the Time Certificate. A penalty of up to twelve (12) months of interest is charged on all other Time Certificates for early redemption. If you wish to redeem a Time Certificate before it matures, you must send a written request. **We have sole discretion to refuse a request for early redemption of a Time Certificate.** You may request to redeem all, or part, of the accumulated interest on a Time Certificate at any time prior to the Time Certificate maturity date, after a Time Certificate has been open for twelve (12) months (but only that portion of the accumulated interest accrued on such account after twelve (12) months) without a penalty. All such requests must be made in writing.

Variable Interest

The interest rate on our Demand Certificates varies periodically. The interest rate is set at the time of purchase at the then current rate, like the Time Certificates. The interest rate for Demand Certificates is subject to change monthly. We do not send notices with regard to interest rate changes on Demand Certificates, though they will be noted on provided quarterly statements.

Payment of Interest

Typically, we do not pay accrued interest on Certificates directly to you until the Certificate is redeemed. Interest that is accrued is added to the principal of the Certificate. This occurs every month for Demand Certificates and quarterly, or every three (3) months, for Time Certificates.

Additions to Principal

You may add to the principal of a Demand Certificate at any time, and in any amount. All proposed additions are subject to approval, which may be withheld for any reason. Adding to the principal may be done by check, money order, cashier's check, or electronic fund transfer (EFT) at the request of the Investor to a Foundation representative.

Service Fee

We reserve the right, without notice, to charge a service fee of $10 each month that the outstanding principal balance on your Demand Certificate falls below $1,000. The fee will be deducted directly from the Demand Certificate. This fee will not be charged in cases where the balance falls below the minimum due to redemption of the principal and accrued interest on the Demand Certificate.

Tiered Interest Rates

Our Demand Certificates have different tiers of interest rates dependent on the principal balance of the account. Currently, a Demand Certificate with a principal balance equal to or greater than $50,000, will earn interest at a higher rate on its full balance than one with a principal balance below $50,000. Periodically, additional interest rate tiers may be added to Demand Certificates.

Our Time Certificates also have different tiers of interest rates dependent on the outstanding principal balance of the account, and such tiers apply to the incremental value of the investment above the prior tier.

For a description of interest rates offered for Demand Certificates and Time Certificates, and their related tier structure, as of the date of this Offering Circular, see the outside back cover page of this publication.

Relationship to Other Debt and Trust Organizations

The Certificates are unsecured general debt obligations of the Foundation. We have no other current debt, but there are no restrictions on our ability to incur indebtedness, and any such indebtedness could be secured and/or senior to the Certificates. We may also periodically offer additional Certificates or other debt securities that might have different terms than the Certificates, in Indiana, or in other states, without notifying or obtaining the consent of the holders of the Certificates. We do not intend to create any senior or secured indebtedness in the future, if, at such time, the amount of secured indebtedness will exceed 10% of our total assets.

Book Entry System

We intend to use a book entry system to register your Certificates with the Foundation. Under this system, you will not receive a paper certificate evidencing your Certificate. Rather, upon depositing your money, your Investment will be registered in your name on our books only and you will receive a receipt and confirmation of your Certificate. Thereafter, any additions or redemptions with respect to the same account would also be entered on our books only and you will receive further confirmation and a receipt of the transactions. In addition, you will receive statements quarterly regarding the status of your account.

PLAN OF DISTRIBUTION

We have not, and will not, make general advertisement of the Certificates to the public. We do purchase space in certain church-related organization publications to inform churches of our existence, and we also provide informational brochures and bulletin inserts directly to churches. We also have a website: www.inbaptistfoundation.org. We do not retain or involve any outside parties, or any individuals or organizations whose sole purpose is to offer or facilitate the placement of Certificates, in the offering of the Certificates. Therefore, no underwriting or facilitation agreements exist. The Certificates are made available through officers and employees of the Foundation who have substantial job responsibilities other than the facilitation of the Certificates, and no one receives any commission, fees, or other special remuneration for or in connection with the facilitation of the Certificates.

We will mail an offering circular and related documentation to a potential Investor prior to accepting an investment. If you wish to purchase a Certificate, you must complete the investment agreement that accompanies the offering circular and send it to us with a check or other appropriate means of payment for the principal amount of investment being made. Instead of issuing a paper certificate evidencing your Certificate, we will register your Certificate on our books and send a confirmation receipt of payment for the Certificate in the applicable amount.

TAX ASPECTS

This section summarizes some Federal income tax consequences from making an investment based upon the Internal Revenue Code, the regulations promulgated thereunder, and existing administrative interpretations and court decisions. Future legislation, regulations, administrative interpretations, or court decisions could change these authorities either prospectively or retroactively. This summary does not address all aspects of Federal income taxation that may be important to you in light of your particular circumstances or if you are subject to special rules, such as rules applicable to financial institutions or tax-exempt organizations or if you are not a citizen or resident of the United States.

Unless you hold your Certificate in an Individual Retirement Account (IRA) that qualifies for tax deferral under United States tax law, the interest we pay or accrue on your Certificate(s) will generally be taxable as ordinary income to you in the year it is paid or accrued. Even if you reinvest interest over the life of an investment and it is not paid until the time of redemption, you must still report the interest as income on your federal income tax returns, and state income tax returns, if applicable, as it is earned over the life of the Certificate. We will notify you of interest earned each year on your investment by providing you with a 1099-INT Form no later than January 31st of each year. We may withhold federal income tax from each payment of interest if you fail to provide us with your social security number (SSN) or employer identification number (EIN) when you purchase a Certificate, or if we are notified that you have not reported, or have underreported, your income to the Internal Revenue Service.

You will not be entitled to a charitable deduction for purchasing a Certificate and you will not receive a receipt for a charitable contribution.

You should consult with your tax advisor to determine your particular federal, state, local or foreign income or other tax consequences from an investment in the Certificate.

LITIGATION AND OTHER MATERIAL TRANSACTIONS

As of the date of this offering circular, there is no present, pending or threatened material legal proceeding, including those that are known to be contemplated by governmental authorities, administrative bodies or other persons to which we or our property is, or may become, a party.

MANAGEMENT

Board of Directors

Our affairs are governed by the Board. Pursuant to our By-Laws, the Board consists of up to twelve (12) directors, all of whom must be covenant members of churches in good standing with SCBI. Currently, we have a twelve (12) member Board and one Honorary (non-voting) member. The Executive Director of SCBI serves as an ex-officio member on our Board of Directors. The remaining members of the Board are elected by the SCBI from nominations presented by the President, current Directors, or nominations from the Nominations Committee of SCBI. Directors may be removed by a majority vote of SCBI, or a unanimous vote of the current Board. Board members typically are elected for three (3) year terms. Board members cannot serve more than two (2) consecutive terms. The Board elects a Chair, Vice Chair, and Secretary from among the members of the Board to serve for a term of one (1) year.

The Board meets regularly at least two (2) times each year and at other times as called by the Chair or President. Business that requires a vote by the Foundation's Board may be handled by telephone, in writing, or by e-mail.

An Executive Committee of the Board is vested with the authority to exercise the powers of the Board of Directors in the management of the business of the Foundation between meetings of the Board of the Directors. The Executive Committee consists of our Chair, Vice Chair, Secretary, and President (ex-officio), and any other members of the Board of Directors as the Board may determine. The Executive Committee annually reviews the salary and other compensation of the President and makes recommendations as to any changes.

An Audit Committee appointed by the Executive Board of SCBI represents and assists the Board in fulfilling its oversight responsibility relating to the integrity of the financial statements and the financial reporting process, the systems of internal accounting and financial controls, the annual independent audit of the financial statements, and the independent auditors' qualifications and independence. Current members of the Audit Committee are Mr. Tom Savage (Chairperson of SCBI Executive Board), Mr. Max Garwood (Chair of the Board) and Mr. Dave Blankenship.

As of the date of this offering circular, our Board of Directors consists of the following individuals:

Mr. Max Garwood (Chair)
Max is a member of Huntington Baptist Church in Huntington. Max earned his B.S. and M.S. in Electrical Engineering from Purdue University and a J.D. from Indiana University. He is a licensed attorney, patent attorney and professional engineer. He currently serves on the Executive Committee. His first term expires at the end of 2021.

Mr. Jonathan Harrier (Vice Chair)
Jonathan is a member of Fall Creek Baptist Church in Indianapolis, where he serves as a Deacon and Trustee. He earned an MBA in finance from Indiana University. Jonathan is a Certified Financial Planner and Accredited Investment Fiduciary. He is employed with CFG Wealth Management Services. He currently serves on the Executive and Investment Committees. His first term expires at the end of 2021.

Mrs. Tammy Long (Secretary)
Tammy attends Fall Creek Baptist Church in Indianapolis. Tammy graduated Ball State University with a Business Administration degree. She has 37 years of commercial real estate experience. She is also on the Capital Committee, which approves all agency building improvement loans, for the United Way of Central Indiana. Tammy currently serves on the Executive and Loan Committees. Her second term expires at the end of 2022.

Mr. Curtis Crum
Curtis is a member of Barrington Ridge Baptist Church in Hobart, where he serves as Treasurer. Curtis earned an Electrical Engineering degree from Purdue University Calumet. He is Principal Technical Auditor for ReliabilityFirst, as well as an Engineering Consultant. He currently serves on the Charitable Funds Committee. His first term expires at the end of 2021.

Mr. Kevin Dennis
Kevin is a member of Living Word Baptist Church in Indianapolis. He earned a BS in Business Operation and works in the Purchasing Department of Mays Chemical. He currently serves on the Investment Committee. His first term expires the end of 2023.

Ms. Marsha Hearn-Lindsey
Marsha is a member of Living Word Baptist Church in Indianapolis. She utilized her degree in Child Development & Family Relationship and an MS in Business Management as Chief Operating Officer and Vice President with a Day Nursery and Early Learning Center. Marsha has retired, but still actively serves in multiple non-profit organizations, including the National Association for the Education of Young Children. She currently serves on the Charitable Funds Committee. Her first term expires the end of 2023.

Mr. Nick Kessler
Nick is an elder at Oakhill Baptist Church in Evansville. He earned a BS in Business Administration from the University of Southern Indiana. Nick is currently the Energy, Efficiency Planning & Reporting Manager

for CenterPoint Energy. As well as participating in community development projects, Nick is enthusiastic about serving in his church's food pantry, where physical needs are met while sharing the Gospel. He currently serves on the Loan Committee. His first term expires the end of 2023.

Mr. David Lewis
David is a member of Oak Park Baptist Church in Jeffersonville, where he teaches Sunday School. He is a graduate of Cumberland College. He currently serves on the Executive and Investment Committees. His interim term expires at the end of 2021.

Mr. Carlton Reed
Carlton is a member of Christian Community Missionary Baptist Church in Indianapolis. He serves the church as their Treasurer, Trustee, Deacon and male chorus leader. He is a graduate of Tennessee State University and is retired from the Department of Defense. He currently serves on the Loan Committee. His interim term expires in 2021.

Rev. Bruce Reynolds
Bruce is pastor of Old Town Hill Baptist Church in Muncie. He has an associate's degree from Oklahoma Baptist University. He serves on the State Convention of Baptists in Indiana Executive Board. He has led in World Changers and Upward Basketball ministries. He currently serves on the Charitable Funds Committee. His first term expires the end of 2023.

Mr. Clayton Powers
Clayton is a member of Vann Avenue Baptist Church in Evansville. He earned his B.S. in Business Administration from the University of Evansville. He retired from Springleaf Financial (now One Main Financial) as Director of Facilities Management. He currently serves on the Loan Committee. His first term expires at the end of 2021.

Mr. Jeff Wyber
Jeff is a member of Grace Baptist Church in Evansville, where he serves as a Deacon and on the Finance Team. He graduated with a BS in accounting from Indiana State University and is a CPA. Jeff is an Office Manager and Accountant with Southwestern Communications. He is Treasurer and on the Board of Directors for Tri-State Men's Center (faith-based Men's Ministry). He currently serves on the Charitable Funds Committee. His first term expires at the end of 2021.

Unless otherwise noted, the principal occupation of each director and officer has been the same for the last ten (10) years.

Officers

Our officers are elected by the Board. Three of our officers, Mr. Max Garwood, Mr. Jonathan Harrier, and Mrs. Tammy Long, also serve as members of our Board of Directors.

The only other officer of the Foundation, as of the date of this Offering Circular, is Jennifer Hall. Mrs. Hall is the President and Treasurer of the Foundation, and, as such, is an ex-officio member of the Board of Directors. Mrs. Hall has been employed by the Foundation since June 1, 2015, first as President-Elect and later as President. Mrs. Hall is a member of Northside Baptist Church. She has over 20 years of professional experience, including employment as a registered investment advisor, a senior group underwriter, fundraising consultant, and controller of a large ministry.

On April 1, 2021, Mrs. Hall announced her intention to leave the Foundation, effective August 31, 2021. The Board of Directors is in the process of succession planning.

We have two part-time employees, the President and Treasurer, and a Director of Operations. SCBI provides accounting services to the Foundation through its Business Team Leader, who also serves as a part-time Business Team Leader of the Foundation. Management anticipates that one or two more employees may be added as the Certificates increase.

Compensation

The members of the Board receive reimbursement for expenses incurred in attending Board meetings and for any other direct expenses they incur while providing service to the Foundation. Expenses are reimbursed at actual cost and at the IRS approved reimbursement rate for mileage. Members of our Board receive no other compensation from the Foundation, and are paid no salary, fee, or stipend for their services.

Three of the four officers receive no remuneration of any kind for their services to the Foundation, other than the reimbursement for expenses incurred in providing service to the Foundation, as detailed in the paragraph above. Our President and Treasurer is employed by the Board of Directors to oversee the day-to-day operation and management of the Foundation and employ, oversee, and manage staff. We expect to pay salary and other benefits to our President for the current fiscal year ending December 31, 2020. Although our President receives a salary and benefits for her services as an employee, she does not receive any commissions, discounts, or other forms of remuneration in connection with the facilitation and placement of the Certificates. All of our employees serve on an "at will" basis at the discretion of the Board.

Title	**2020 Remuneration**
President & Treasurer	$58,447

Certain Related Party Transactions

SCBI has a Certificate with a balance of $724,241, as of December 31, 2020. See Note 12 to the Financial Statements.

Our directors and officers have Certificates totaling less than 10% of total Certificates. All purchases of Certificates by our officers and members of the Board are made on the same terms as those available to all Investors at the particular time. Maximum investment amounts may be set for individual officers and directors by our President on the same basis as is available to all other Investors. Our President may refuse deposits from any Investor over a limit set in her discretion as sound business decisions would dictate.

In the past, and currently, we have made, or have outstanding, numerous loans and participations to member churches and related organizations of SCBI. Some of these loans have been made to congregations whose officers and clergy are included as our officers or directors. Such loans, in all instances, have been made in the ordinary course of business and at the prevailing terms and interest rates available to similarly situated borrowers at the time of the origination of the loans, and the affected officers or directors took no part in the final decisions relating to such loans.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As of December 31, 2020, the outstanding principal balance of our Certificates (noted as Investor Deposits in the financial statements) was $5,807,647.

Our loan portfolio (net of the loan loss reserve) was $4,547,366 as of December 31, 2020. The Foundation has a participation arrangement with WEMS. Under this arrangement, $4,373,174 of the loan portfolio was our participation amount on loans totaling $5,181,460 or a participation percentage of 84.4%. It is the intention of the Foundation to increase its participation percentage on these and new loans as Certificate balances increase.

Capital Adequacy

At December 31, 2020, we had net assets of $1,833,145, which is 22.4% of our total assets.

Liquidity

Our cash, cash equivalents, readily marketable securities, and immediately available funds totaled $3,590,826, which equaled 61.83% of our outstanding Certificates as of December 31, 2020.

We have a policy to use our best efforts to maintain total liquid reserves that are not restricted for other purposes of at least 10% of our outstanding Certificates for the purpose of providing short-term liquidity for our Certificates.

Cash Flow

Comparing (1) the sum of cash provided by our normal operating activities, (2) liquid assets at the beginning of the fiscal year, (3) loan principal repayments, less loan disbursements, (4) cash generated from the sale of Certificates, and (5) funds from other sources to the cash redemption of Certificates, the coverage ratio is 9.29:1.

Loan Delinquencies

We consider a loan to be delinquent when interest or principal payments have been delinquent for over ninety (90) days. There were zero delinquent loans as of December 31, 2020. See Note 5 to the financial statements.

Management credits our low delinquency rate to churches that take their loan payment responsibility seriously, and to our quick and consistent follow-up with churches that experience difficulty with loan payments. We have a loan loss reserve of $33,545.

Operating Trends

We had an increase in net assets without donor restrictions for 2020 in the amount of $24,681, although we experienced a decrease in net assets without donor restrictions for 2019, 2018, 2017, and 2016, respectively, as follows: ($10,086), ($41,319), ($140,626), and ($40,603). We experienced a net operating loss of ($119,152), ($149,430), ($168,634) ($214,230), and ($107,366), in 2020, 2019, 2018, 2017, and 2016, respectively. Moreover, our total changes in net assets with donor restrictions for 2020 was $31,253, leading to a total change in net assets of $55,934. We anticipate that we will, from time to time, pay interest rates on our uninsured Certificates that are above rates offered by banks for comparable amounts and durations on Certificates on their insured deposit products. As a result, we expect that our liquidity, and ability to fund demand for new loans, will increase as a result of increased balances of Certificates placed with us.

In general, management expects to maintain a clear focus on helping churches by marketing loans at favorable interest rates to churches and CROs and to provide a reasonable investment opportunity to individuals and entities for the foreseeable future. We believe this clear focus will be successful; however, there is no guarantee that it will be successful.

CAPITALIZATION

We are an Indiana nonprofit corporation, with SCBI as our sole member, and do not have capital stock. We have no debt attributable to operations. We have net assets without donor restrictions of $302,450 as of December 31, 2020.

OTHER ACTIVITIES

In addition to our lending activities, we provide assistance and counseling to churches in their planning for expansion, relocation, building, and other capital projects. These services are offered without charge to the churches and are designed to assist the churches.

We also offer charitable gift annuities and unitrusts to individuals who wish to receive an income stream for life with the remaining portion of a gift being designated for our general purposes and other charitable purposes at the death of the donor. The annuity or unitrust amounts are set by using a percentage of the principal amount. The Foundation uses rates published by the Conference on Charitable Gift Annuities (as may be changed from time to time) as guidelines to set the payout percentage, and on occasion will set a different rate for a particular annuity or unitrust at the discretion of our President.

The Foundation also manages and/or serves as a trustee of a charitable remainder trust and donor advised funds on behalf of individuals, entities, or estates. The Foundation may not receive compensation for these services, and may or may not be entitled to receive a portion of the remainder interest in said trusts or funds upon the maturity of the instruments, all in accordance with the directions contained in the instruments.

As the trustee or agent of trust or agent of trust and fund grant instruments, the Foundation has a fiduciary obligation to administer the trusts and funds in accord with the instructions of the grantor or donor specified by the trust and fund instruments. Accordingly, assets of the Foundation that are restricted by such instruments may not be applied by the Foundation to repayment of the Certificates; only the "net assets without donor restrictions" of the Foundation at any point in time may be used to satisfy the Foundation's obligations to repay Certificates upon request of the account holders.

AUDITORS

Our audited financial statements for the fiscal years ending December 31, 2020, 2019, and 2018, are included hereafter in this offering circular. Financial statements are audited by Capin Crouse, LLP of Indianapolis, Indiana, independent accountants. A copy of the audited financial statements is available upon request and will be available within one-hundred twenty (120) days of the last fiscal year end.

INDEPENDENT AUDITORS' REPORT

Board of Directors
Baptist Foundation of Indiana, Inc.
Indianapolis, Indiana

We have audited the accompanying financial statements of Baptist Foundation of Indiana, Inc., which comprise the statements of financial position as of December 31, 2020, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, 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.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. 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 audits 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.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baptist Foundation of Indiana, Inc. as of December 31, 2020, 2019 and 2018, and the changes in their net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Indianapolis, Indiana
March 11, 2021

345 Massachusetts Avenue, Suite 300
Indianapolis, IN 46204
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capincrouse.com

BAPTIST FOUNDATION OF INDIANA, INC.

Statements of Financial Position

	December 31,		
	2020	2019	2018
ASSETS:			
Cash and cash equivalents	**$ 106,146**	$ 103,450	$ 223,974
Interest and other receivable	**45,831**	60,924	68,426
Church loans receivable, net	**4,547,366**	4,565,658	5,196,071
Investments	**3,484,680**	3,250,349	1,971,858
Total Assets	**$ 8,184,023**	$ 7,980,381	$ 7,460,329
LIABILITIES AND NET ASSETS:			
Liabilities:			
Accounts payable	**$ 50**	$ -	$ 4,992
Investor deposits	**5,807,647**	5,527,262	5,055,752
Liability under trust agreements	**543,181**	675,908	623,022
Total liabilities	**6,350,878**	6,203,170	5,683,766
Net assets:			
Net assets without donor restrictions	**302,450**	277,769	287,855
Net assets with donor restrictions:			
Restricted by purpose or time	**639,148**	641,005	627,779
Restricted in perpetuity	**891,547**	858,437	860,929
Total net assets	**1,833,145**	1,777,211	1,776,563
Total Liabilities and Net Assets	**$ 8,184,023**	$ 7,980,381	$ 7,460,329

See notes to financial statements

BAPTIST FOUNDATION OF INDIANA, INC.

Statements of Activities

	Year Ended December 31,		
	2020	2019	2018
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:			
Interest Income:			
Interest on investments and church loans	**$ 263,158**	$ 255,647	$ 233,630
Interest Expense:			
Interest expense on deposit accounts	**119,325**	116,303	106,315
Net Interest Income	**143,833**	139,344	127,315
Non-Interest Operating Income:			
Management fees	**19,405**	18,546	18,582
Grant income	**15,955**	-	-
Other	**13,000**	6,650	318
Net assets released by satisfaction of purpose restrictions	**47,849**	39,022	20,496
Total Non-Interest Operating Income	**96,209**	64,218	39,396
Non-Interest Operating Expenses:			
Grant expense to other ministries	**47,849**	39,022	20,496
Operating expenses	**167,512**	174,626	187,534
Total Non-Interest Operating Expenses	**215,361**	213,648	208,030
Net Non-Interest Operating Loss	**(119,152)**	(149,430)	(168,634)
Total Changes in Net Assets Without Donor Restrictions	**24,681**	(10,086)	(41,319)

(continued)

See notes to financial statements

BAPTIST FOUNDATION OF INDIANA, INC.

Statements of Activities
(continued)

	Year Ended December 31,		
	2020	2019	2018
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:			
Contributions	**1,032**	140	2,380
Contributions to endowment	**5,046**	1,782	862
Investment income	**44,960**	52,108	54,908
Actuarial change	**28,064**	(4,274)	(4,031)
	79,102	49,756	54,119
Net assets released by satisfaction of purpose restrictions	**(47,849)**	(39,022)	(20,496)
Total Changes in Net Assets With Donor Restrictions	**31,253**	10,734	33,623
Changes in Net Assets	**55,934**	648	(7,696)
Net Assets, Beginning of Year	**1,777,211**	1,776,563	1,784,259
Net Assets, End of Year	**$ 1,833,145**	$ 1,777,211	$ 1,776,563

See notes to financial statements

BAPTIST FOUNDATION OF INDIANA, INC.

Statements of Cash Flows

	Year Ended December 31,		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:			
Change in net assets	**$ 55,934**	$ 648	$ (7,696)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
Provision for doubtful church loans receivable	**2,500**	2,500	7,500
Contribution for long term purposes	**(5,046)**	(1,782)	(862)
Unrealized loss (gain) on investments	**687**	(77)	250
Loss on asset held for future ministry	**-**	-	-
Recognition of Paycheck Protection Program loan forgiveness	**(15,955)**	-	-
Change in value–liability under trust agreements	**(84,926)**	17,723	17,434
Change in:			
Interest and other receivable	**15,093**	7,502	(27,160)
Accounts payable	**50**	(4,992)	4,992
Net Cash Provided (Used) by Operating Activities	**(31,663)**	21,522	(5,542)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	**(2,875,236)**	(2,213,257)	(2,098,532)
Proceeds from sale of investments	**2,640,218**	934,843	2,946,255
Principal repayments–church loan receivables	**589,492**	700,913	447,036
Loans made to churches	**(573,700)**	(73,000)	(1,637,584)
Net Cash Used by Investing Activities	**(219,226)**	(650,501)	(342,825)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in investor deposits	**2,278,866**	1,757,861	2,527,529
Decrease in investor deposits	**(1,998,481)**	(1,286,351)	(2,189,713)
Proceeds from trust agreements	**31,003**	100,502	99,940
Payments on liability under trust agreements	**(78,804)**	(65,339)	(20,956)
Proceeds from Paycheck Protection Program loan	**15,955**	-	-
Contributions for long term purposes	**5,046**	1,782	862
Net Cash Provided by Financing Activities	**253,585**	508,455	417,662
Net Change in Cash and Cash Equivalents	**2,696**	(120,524)	69,295
Cash and Cash Equivalents, Beginning of Year	**103,450**	223,974	154,679
Cash and Cash Equivalents, End of Year	**$ 106,146**	$ 103,450	$ 223,974
SUPPLEMENTAL DISCLOSURES:			
Interest paid to investors	**$ 119,325**	$ 116,303	$ 106,315
Noncash financing activity:			
Paycheck Protection Program loan forgiveness	**$ 15,955**	$ -	$ -

See notes to financial statements

BAPTIST FOUNDATION OF INDIANA, INC.

Notes to Financial Statements

December 31, 2020, 2019 and 2018

1. NATURE OF ORGANIZATION:
   Baptist Foundation of Indiana, Inc. (Foundation) is a trust agency created by the State Convention of Baptists in Indiana, Inc. (Convention) in 1968. As trust agency, the Foundation manages funds for the Convention, Indiana associations, Indiana member churches, individual trusts, and individual deposit accounts. The Convention appoints the Foundation's Board. As a result, the financial information of the Foundation is consolidated into the Convention's financial activities.

2. SIGNIFICANT ACCOUNTING POLICIES:
   The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

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

   PRINCIPLES OF TAXATION
   The Foundation is exempt from federal income taxes under Internal Revenue Service Code (Code) Section 501(c)(3) and is also exempt from state income taxes. Contributions to the Foundation are deductible for federal income tax purposes. However, the Foundation is subject to federal income tax on any unrelated business taxable income. The Foundation is considered publicly supported for purposes of the IRS private foundation regulations under Internal Revenue Code section 509(a).

   CASH AND CASH EQUIVALENTS AND CREDIT RISK
   Cash and cash equivalents include cash on hand and in the bank. At December 31, 2020, 2019 and 2018, the Foundation had approximately $87,000, $81,000, and $98,000, respectively, in cash held within an uninsured account. While at times the Foundation's cash and cash equivalents may exceed federally insured limits, the Foundation has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on these accounts.

   INTEREST AND OTHER RECEIVABLE
   Interest and other receivable consist of accrued interest income on investments and other miscellaneous receivables.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CHURCH LOANS RECEIVABLE

Church building loans are presented net of an allowance for loan losses. The adequacy of the allowance is determined by the Foundation based on a number of factors, including the collection of loans and evaluation of underlying collateral values, loss experience, specific identification and review of problem loans, quality of the loan portfolio and business and economic conditions. However, ultimate losses may differ from these estimates.

During the year ended December 31, 2020, the Foundation offered payment relief to all their borrowers due to the COVID-19 pandemic. The borrowers were offered three months of interest only payments for the months of April, May, and June 2020. There were 12 borrowers who accepted the payment relief option.

INVESTMENTS

Investments are held in investment portfolios with Fidelity Investments, Christian Financial Resources (CFR) and Wesleyan Investment Foundation (WIF). Investments held at CFR and WIF consist of unsecured deposit accounts or certificates of deposit with original maturities greater than three months, and are reported at cost plus accrued interest. Interest is paid at maturity. Investments held at Fidelity consist of money market funds (valued at cost).

CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Foundation to credit risk include unsecured deposits with WIF totaling $1,616,907, $2,552,174, and $1,265,689 at December 31, 2020, 2019 and 2018, respectively, and unsecured deposits with CFR totaling $1,954,906, $778,952, and $804,464, respectively.

LIABILITES UNDER TRUST AGREEMENTS

As trustee, the Foundation administers irrevocable trusts, including charitable remainder unitrusts. These trusts provide the payment of lifetime distributions to the grantor or other designated beneficiaries. The present value of the income interests are reported as trust liabilities using federal discount and mortality tables. At the death of the lifetime beneficiaries, the trusts provide for the distribution of assets to designated remaindermen. The present value of the remainder interest of the Foundation is reported as contributions with donor restriction in the period received, net assets with donor restriction, and as a reclassification to the net assets without donor restriction or with donor restriction per the trust agreement when the trust matures.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

NET ASSETS

Net assets without donor restrictions are those currently available at the discretion of the board for use in the Foundation's operations and those designated by the board for specific use.

Net assets with donor restrictions are those stipulated by donors for specific purposes or those not currently available for use until commitments regarding their use have been fulfilled. These also include those which represent permanent endowments where it is stipulated by donors that the principal remain in perpetuity, and only the income is available to spend in accordance with the endowment agreement terms.

DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES

The *Fair Value Measurements and Disclosure* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 consists of unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. There were no assets held at fair value at December 31, 2020, 2019 and 2018.

SUPPORT, REVENUE, RECLASSIFICATIONS, AND EXPENSES

Support is recognized when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Foundation. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Revenue is recognized when earned. Conditional grant income is recognized as earned as the eligible expenses are incurred. The Foundation has elected the simultaneous release option and reports conditional grants in which the restriction is met in the same fiscal year as grant income without donor restrictions.

Expenses are reported when incurred. The Foundation reports certain categories of expenses that are attributable to both program and supporting functions. Expenses that are not specifically identifiable to a particular function and require allocation include salaries and benefits, which are allocated on estimates of time and effort. See Note 9 for functional allocation of expenses and expenses by both functional and natural classification.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Foundation's financial assets as of December 31, 2020, 2019 and 2018, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date.

	December 31,		
	2020	2019	2018
Financial Assets:			
Cash and cash equivalents	$ 106,146	$ 103,450	$ 223,974
Interest and other receivable	45,831	60,924	68,426
Church loan receivables, net	4,547,366	4,565,658	5,196,071
Investments	3,484,680	3,250,349	1,971,858
Financial Assets, at year end	8,184,023	7,980,381	7,460,329
Less those not available for general expenditure within one year:			
Church loan receivables	(4,253,709)	(4,282,482)	(4,907,219)
Perpetual endowment	(604,925)	(599,879)	(598,097)
Charitable remainder trusts	(829,803)	(934,466)	(885,854)
Restrictions by donor–time or purpose restrictions	(584,151)	(583,322)	(575,504)
Accumulated earnings from endowment	(54,997)	(57,683)	(52,275)
Board designated reserves	(202,179)	(195,316)	(191,965)
	(6,529,764)	(6,653,148)	(7,210,914)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,654,259	$ 1,327,233	$ 249,415

The Foundation through its treasury management function, invests in cash or church loans based on the projected cash needs. The historic redemption rates for investor deposits, which are redeemable with 30 days advance written notice, allows the Foundation to manage its liquidity while investing in accordance with its policies.

4. INVESTMENTS:

Investments consist of:

	December 31,		
	2020	2019	2018
Certificates of deposit	$ 1,952,734	$ 768,397	$ 500,466
Money market funds	1,531,946	2,481,952	1,471,392
	$ 3,484,680	$ 3,250,349	$ 1,971,858

Investment income and church loan interest income is reported as revenue in the statements of activities and consists of:

	Year Ended December 31,		
	2020	2019	2018
Interest and dividends–without donor restrictions	$ 263,158	$ 255,647	$ 233,630
Interest and dividends–with donor restrictions	44,960	52,108	54,908
	$ 308,118	$ 307,755	$ 288,538

5. CHURCH LOANS RECEIVABLE:

Church loans receivable consist of church loans ranging in term from 2 to 30 years with 4.50 percent to 6.00 percent annually compounded interest rates. These receivables are collateralized by a security interest on the underlying church properties, which are located in Indiana or across state lines in neighboring states. An allowance of $33,545, $31,045, and $28,545 was reported as of December 31, 2020, 2019 and 2018, respectively.

Church loans receivable will mature as follows:

Year Ending December 31,	Principal Reduction
2021	$ 293,657
2022	308,967
2023	325,168
2024	340,358
2025	357,459
Thereafter	2,955,302
	4,580,911
Less: allowance for loan losses	(33,545)
	$ 4,547,366

5. CHURCH LOANS RECEIVABLE, continued:

CREDIT QUALITY OF FINANCING RECEIVABLES AND ALLOWANCE FOR CREDIT LOSSES
Allowance for credit losses and recorded investment in financing receivables consists of:

	December 31, 2020	December 31, 2019	December 31, 2018
Allowance for credit losses:			
Beginning balance	$ 31,045	$ 28,545	$ 42,373
Charge-offs	-	-	(43,646)
Recoveries	-	-	22,318
Provision	2,500	2,500	7,500
	$ 33,545	$ 31,045	$ 28,545
Collectively evaluated for impairment	$ 4,580,911	$ 4,596,703	$ 5,224,616
Financing receivables	$ 4,580,911	$ 4,596,703	$ 5,224,616

Credit Quality Indicators consist of:

Corporate Credit Exposure Credit Risk Profile Based on Payment Activity	December 31, 2020	2019	2018
Performing	$ 4,580,911	$ 4,596,703	$ 5,224,616
Non-performing	-	-	-
	$ 4,580,911	$ 4,596,703	$ 5,224,616

Age analysis of past due financing receivables consists of:

	December 31, 2020	December 31, 2019	December 31, 2018
30-60 days past due	$ -	$ -	$ -
61-90 days past due	-	-	-
Greater than 90 days	-	-	-
	-	-	-
Current	4,580,911	4,596,703	5,224,616
	$ 4,580,911	$ 4,596,703	$ 5,224,616

6. INVESTOR DEPOSITS:

Investor deposits in the form of demand and time accounts are available to individuals, churches and other organizations affiliated with the Convention. Deposits are redeemable upon 30 days advance written notice. Interest is variable and compounded monthly or quarterly depending on the investment. At December 31, 2020, 2019 and 2018, the annual percentage rates ranged from 1.00 to 3.00.

As of December 31, 2020, 2019 and 2018, the Foundation had investors with aggregate balances of $100,000 or more, respectively. The balances are distributed as follows:

	December 31, 2020		
Investment Account Balances	Number of Investors	Aggregate Balance	Percentage of Investor Deposits
$0 – $100,000	49	$ 1,368,233	24%
$100,001 – $200,000	14	1,822,900	31%
$200,001– $300,000	4	1,002,878	17%
$300,001– $400,000	0	-	0%
$400,001– $500,000	2	889,395	15%
$500,001– $600,000	0	-	0%
$600,001– $700,000	0	-	0%
$700,001– $800,000	1	724,241	12%
	70	$ 5,807,647	100%

6. INVESTOR DEPOSITS, continued:

	December 31, 2019		
Investment Account Balances	Number of Investors	Aggregate Balance	Percentage of Investor Deposits
$0 – $100,000	52	$ 1,473,802	27%
$100,001 – $200,000	14	1,706,595	31%
$200,001– $300,000	3	693,993	13%
$300,001– $400,000	0	-	0%
$400,001– $500,000	2	931,640	16%
$500,001– $600,000	0	-	0%
$600,001– $700,000	0	-	0%
$700,001– $800,000	1	721,232	13%
	72	$ 5,527,262	100%

	December 31, 2018		
Investment Account Balances	Number of Investors	Aggregate Balance	Percentage of Investor Deposits
$0 – $100,000	48	$ 1,549,315	31%
$100,001 – $200,000	12	1,425,724	28%
$200,001– $300,000	2	479,479	9%
$300,001– $400,000	0	-	0%
$400,001– $500,000	1	438,435	8%
$500,001– $600,000	1	500,817	10%
$600,001– $700,000	1	661,982	13%
$700,001– $800,000	0	-	0%
	65	$ 5,055,752	100%

BAPTIST FOUNDATION OF INDIANA, INC.

Notes to Financial Statements

December 31, 2020, 2019 and 2018

7. NET ASSETS:

Net assets are classified according to their nature and purpose and consist of:

	December 31, 2020	December 31, 2019	December 31, 2018
Without donor restrictions:			
Undesignated	$ 100,271	$ 82,453	$ 95,890
Board designated	202,179	195,316	191,965
Total without donor restrictions	302,450	277,769	287,855
With donor restrictions:			
Subject to expenditure for specified purpose:			
New works	263,552	262,839	261,365
Small churches	174,998	178,760	171,717
Foundation reserve	138,486	132,730	126,441
Highland Lakes Baptist Camp	-	-	6,958
Scholarships	4,741	5,529	5,697
Missions	2,374	2,303	2,216
Other	-	1,161	1,110
	584,151	583,322	575,504
Subject to the Foundation's spending policy and appropriation:			
Accumulated gains (losses) from endowment	54,997	57,683	52,275
Subject to restriction in perpetuity:			
Baptist Foundation–corpus is unexpendable, earnings may be used for donor purpose	604,925	599,879	598,097
Charitable remainder trusts	286,622	258,558	262,832
	891,547	858,437	860,929
Total with donor restrictions	1,530,695	1,499,442	1,488,708
Total net assets	$ 1,833,145	$ 1,777,211	$ 1,776,563

7. NET ASSETS, continued:

The Foundation's governing board through specific action has created self-imposed limits on net assets without donor restrictions. For the years ended December 31, 2020, 2019 and 2018, the board has earmarked amounts for the purpose of maintaining a reserve for operations totaling $168,313, $161,104, and $152,778, respectively, and for the purpose of awarding scholarships totaling $33,866, $34,212, and $39,187, respectively.

ENDOWMENT NET ASSETS

The *Endowments* topic of the Financial Accounting Standards Board Accounting Standards Codification provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization and enhanced disclosure information to enable users of financial statements to understand the net asset classification, net asset composition, changes in net asset composition, spending policy, and related investment policy of its endowment funds.

The Foundation's endowment consists of individual funds established to provide financial support to the Foundation in perpetuity. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

INTERPRETATION OF RELEVANT LAW

The Board of Directors has interpreted the Indiana State Prudent Management of Institutional Funds Act (ISPMIFA) so that the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment that are made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added or deducted from the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions held in perpetuity is classified as net assets with donor restrictions subject to expenditure for specified purpose until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by ISPMIFA. In accordance with ISPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

7. NET ASSETS, continued:

FUNDS WITH DEFICIENCIES

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or ISPMIFA requires the Foundation to retain as a fund of perpetual duration. As of December 31, 2020, 2019 and 2018, there were no deficiencies.

RETURN OBJECTIVES AND RISK PARAMETERS

The Foundation has adopted investment and spending policies for endowment assets designed to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended, over the long-term, to earn an annualized total-rate-of-return of five percent, net of expenses and fees. Actual returns in any given year will, of course, vary.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVE

To satisfy its long-term rate-of-return objectives, the Foundation seeks investment returns through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on fixed investments to achieve its long-term return objectives within prudent risk constraints.

HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

The Foundation uses a method based upon the total return on assets to determine the amounts distributable from endowments held as trustee and amounts appropriated for expenditure for endowments under which the Foundation is the income beneficiary in conformity with ISPMIFA. In each quarter of the year, the net earnings from investments is allocated to the trusts based on the balance of corpus and undistributed earnings. The net earnings come from any traditional income (interest and dividends) earned in that quarter and is supplemented from the trust's net appreciation over the fair value of the original gift. If the market value for a given trust is less than the fair value of the original gift in any given quarter, the portion of net earnings that is not traditional income is reinvested and will not be held in the trust for distribution. The Foundation's policy is to not spend from underwater endowments unless directed otherwise by the donor.

7. NET ASSETS, continued:

Changes in endowment net assets for the fiscal year ended December 31, 2020, are as follows:

		With Donor Restrictions		
	Without Donor Restrictions	Accumulated Gains (Losses) and Other	Original Gift Amount in Perpetuity	Total
Endowment net assets, beginning of year	$ -	$ 57,683	$ 858,437	$ 916,120
Investment return:				
Net appreciation (realized and unrealized)	-	31,277	-	31,277
Total investment return	-	31,277	-	31,277
Change in value (charitable remainder trusts)	-	-	28,064	28,064
Contributions	-	-	4,834	4,834
Appropriation for expenditure	-	(33,751)	-	(33,751)
Transfers	-	(212)	212	-
	-	(33,963)	33,110	(853)
Endowment net assets, end of year	$ -	$ 54,997	$ 891,547	$ 946,544

7. NET ASSETS, continued:

Changes in endowment net assets for the fiscal year ended December 31, 2019, are as follows:

		With Donor Restrictions		
	Without Donor Restrictions	Accumulated Gains (Losses) and Other	Original Gift Amount in Perpetuity	Total
Endowment net assets, beginning of year	$ -	$ 52,275	$ 860,929	$ 913,204
Investment return:				
Net appreciation (realized and unrealized)	-	34,848	-	34,848
Total investment return	-	34,848	-	34,848
Change in value (charitable remainder trusts)	-	-	(4,274)	(4,274)
Contributions	-	-	1,533	1,533
Appropriation for expenditure	-	(29,191)	-	(29,191)
Transfers	-	(249)	249	-
	-	(29,440)	(2,492)	(31,932)
Endowment net assets, end of year	$ -	$ 57,683	$ 858,437	$ 916,120

7. NET ASSETS, continued:

Changes in endowment net assets for the fiscal year ended December 31, 2018, are as follows:

	Without Donor Restrictions	With Donor Restrictions: Accumulated Gains (Losses) and Other	With Donor Restrictions: Original Gift Amount in Perpetuity	Total
Endowment net assets, beginning of year	$ -	$ 32,661	$ 864,098	$ 896,759
Investment return:				
Net appreciation (realized and unrealized)	-	38,328	-	38,328
Total investment return	-	38,328	-	38,328
Change in value (charitable remainder trusts)	-	-	(4,031)	(4,031)
Contributions	-	-	150	150
Appropriation for expenditure	-	(18,002)	-	(18,002)
Transfers	-	(712)	712	-
	-	(18,714)	(3,169)	(21,883)
Endowment net assets, end of year	$ -	$ 52,275	$ 860,929	$ 913,204

8. EMPLOYEE BENEFIT PLANS:

The Foundation only offers fringe benefits to its President. These fringe benefits include the following: contribution of 10 percent to the 403(b) retirement plan, life and disability insurance, and health insurance. Employer payments to the 403(b) retirement plan were $5,000, $5,000, and $5,000 for the years ended December 31, 2020, 2019 and 2018, respectively. Employer payments for other fringe benefits were $4,680, $4,680, and $4,671 for the years ended December 31, 2020, 2019 and 2018, respectively.

9. EXPENSES BY BOTH FUNCTION AND NATURE:

Functional expenses by natural classification for the year ended December 31, 2020:

	Program Activities	Supporting Activities			
	Church Loan and Investment Program	General and Administrative	Fundraising	Total Supporting Activities	Total Expense
Salaries and benefits	$ 51,141	$ 41,587	$ 7,068	$ 48,655	$ 99,796
Interest	119,325	-	-	-	119,325
Services and supplies	-	65,019	197	65,216	65,216
Church assistance and scholarships	47,849	-	-	-	47,849
Bad debt expense	-	2,500	-	2,500	2,500
Total expenses	$ 218,315	$ 109,106	$ 7,265	$ 116,371	$ 334,686

Functional expenses by natural classification for the year ended December 31, 2019:

	Program Activities	Supporting Activities			
	Church Loan and Investment Program	General and Administrative	Fundraising	Total Supporting Activities	Total Expense
Salaries and benefits	$ 55,815	$ 46,965	$ 7,570	$ 54,535	$ 110,350
Interest	116,303	-	-	-	116,303
Services and supplies	-	61,721	55	61,776	61,776
Church assistance and scholarships	39,022	-	-	-	39,022
Bad debt expense	-	2,500	-	2,500	2,500
Total expenses	$ 211,140	$ 111,186	$ 7,625	$ 118,811	$ 329,951

9. EXPENSES BY BOTH FUNCTION AND NATURE, continued:

Functional expenses by natural classification for the year ended December 31, 2018:

	Program Activities	Supporting Activities			
	Church Loan and Investment Program	General and Administrative	Fundraising	Total Supporting Activities	Total Expense
Salaries and benefits	$ 56,399	$ 48,164	$ 7,585	$ 55,749	$ 112,148
Interest	106,315	-	-	-	106,315
Services and supplies	-	67,199	687	67,886	67,886
Church assistance and scholarships	20,496	-	-	-	20,496
Bad debt expense	-	7,500	-	7,500	7,500
Total expenses	$ 183,210	$ 122,863	$ 8,272	$ 131,135	$ 314,345

10. 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 Foundation'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 Foundation uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

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. As of December 31, 2020, the Foundation had one slow pay loan commitment.

The credit worthiness of each loan applicant is assessed on a case-by-case basis. The Foundation makes loans only to Convention related organizations that would qualify under Section 501(c)(3) of the Code as tax-exempt organizations. The purpose of the loans is to enable churches, schools, and other organizations associated with the Convention to acquire and develop land, build facilities, or remodel and expand existing facilities with reasonable financing costs. Other credit considerations are represented by the terms of the loan, loan to value ratios, and other credit factors. Currently, the interest rate charged is 4.40 percent to 6.00 percent. The Foundation maintains a policy to review all loans monthly to determine past due or delinquent status based on contractual terms and how recently payments have been received. The Foundation maintains an allowance on the receivables, which was $33,545, $31,045, and $28,545 as of December 31, 2020, 2019 and 2018, respectively. At December 31, 2020, 2019 and 2018, there were no delinquent loans. The Foundation estimates its allowance for loan losses is sufficient to cover losses in its loan portfolio.

In most instances, the ability of these organizations to repay loans will depend primarily upon the contributions they receive from their constituents and fees or other related charges assessed for services rendered. The number of constituents of these organizations, and the amount of contributions they receive may fluctuate. Further, the Foundation is motivated by factors other than commercial and/or profit motives only. This may affect how it deals with its borrowers.

11. SIGNIFICANT GROUP CONCENTRATIONS OF CREDIT RISK:

As disclosed under the caption "Financial Instruments With Off-Balance Sheet Credit Risk," the Foundation makes loans only to not-for-profit organizations that would qualify under Section 501(c)(3) of the Code as tax-exempt organizations. These consist of churches, schools, and other organizations associated with the Convention. As of December 31, 2020, 2019 and 2018, the Foundation's loan receivables from those organizations are disclosed in Note 5.

12. RELATED PARTY TRANSACTIONS:

Related party transactions consist of:

	December 31, 2020	December 31, 2019	December 31, 2018
Assets and liabilities:			
Deposits held for the Convention	$ 724,241	$ 721,232	$ 661,981
Deposits held for members of Foundation and Convention board and management	$ 335,856	$ 448,320	$ 147,478

13. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. Churches and church related organizations (CROs) throughout the United States were forced to temporarily cancel or severely limit in-person gatherings to stop the spread of the virus. For the year ended December 31, 2020, the Foundation did not have a material negative financial impact as a result of the pandemic and saw an increase in investments and no loan delinquencies. As mentioned in Note 2, the Foundation offered payment relief to all their borrowers due to the COVID-19 pandemic, which included three months of interest only payments for the months of April, May, and June 2020. There were 12 borrowers who accepted the payment relief option. After two months, only one loan remained on interest only payments for an additional three months. As of December 31, 2020, all loans have returned to regular principal and interest payments.

Additionally during 2020, the Convention received a Paycheck Protection Program (PPP) loan from the U.S. Small Business Administration of $185,000 as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Foundation was included within the application for funding as a subsidiary of the Convention and as a result, received an allocation of $15,955 from the Convention's PPP loan. The Foundation recognized this funding as grant income during the year ended December 31, 2020.

The Foundation cannot reasonably estimate the length or severity of this pandemic and also cannot estimate with any certainty the effect COVID-19 will have on its financial position, results of operations, and cash flows in 2021.

14. SUBSEQUENT EVENTS:

Subsequent events were originally evaluated through March 11, 2021, which represents the date the financial statements were available to be issued. Subsequent events were reevaluated through DATE.

EST. 1967
BAPTIST FOUNDATION
OF INDIANA

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