

OFFERING CIRCULAR

July 29, 2020

Assemblies of God Loan Fund
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Assemblies of God Loan Fund, DBA AGFinancial, a church extension fund (referred to as “AGLF”), is offering up to \$600,000,000 of unsecured general obligation debt securities (the “Offering”) in the form of investment certificates (collectively “Investment Certificates” or “Securities”) as set forth below. The Offering commences on the date of this Offering Circular and continues until the expiration of the periods of time authorized in the various states in which AGLF offers the Securities, which is typically 12 months.

AGLF offers the following Investment Certificate options. The interest rates on the Investment Certificates are established periodically based upon a variety of factors, and AGLF may make limited special interest rates available to certain investors depending on various factors as AGLF may determine. The accompanying rate sheet indicates AGLF’s interest rates as of the effective date printed on the sheet. Interest rates on Demand Certificates and Term Certificates may vary after purchase. Interest rates on all other Investment Certificates are fixed for the term of the Investment Certificate but may vary upon renewal at maturity. See “Description of Investment Certificates” at page 26 for more information and visit www.agfinancial.org/rates to determine availability and to obtain the current rate sheet and other information concerning the Investment Certificates.

Demand Certificates

Demand Certificates are offered in the minimum amount of \$250 or a minimum amount of \$50 if the investor authorizes a total of at least four additional monthly electronic investments of at least \$50 via Electronic Funds Transfer (“EFT”). Demand Certificates accrue interest at a variable interest rate, which AGLF may periodically adjust in accordance with current market conditions, with the interest being payable or compounded monthly. Demand Certificates are payable within 30 days after demand by the investor.

Term Certificates

Term Certificates are offered in the minimum amount of \$500. Term Certificates accrue interest at a fixed or variable interest rate. Term Certificates will mature three months to ten years after the date of issuance.

Returning Investor Certificates

Returning Investor Certificates are Demand or Term Certificates available to investors (except retirement account investors) who previously purchased Investment Certificates, but who no longer have an open investment account with AGLF. Returning Investor Certificates accrue interest and mature on the same terms as standard Demand or Term Certificates, as applicable, but typically offer an interest rate premium of 0.125% over the rates paid on Demand or Term Certificates.

New Investor Certificates

New Investor Certificates are Term Certificates available to investors who prior to receipt of this Offering Circular were not an existing investor and had never previously opened an investment with AGLF and who are located in jurisdictions where such investments are not prohibited. New Investor Certificates, if applicable, accrue interest and mature on the same terms as standard Term Certificates, as applicable, but typically offer an interest rate premium of 0.125% above the rates paid on Term Certificates. Actual interest rate premiums on New Investor Certificates could be as low as 0%, or as high as 0.25%, over the rates paid on Term Certificates. New Investor Certificates may not be available during certain periods; visit www.agfinancial.org/rates to determine availability and to obtain the current rate sheet and the current interest rate premium and other information concerning the New Investor Certificates.

Loan Partner Certificates

Loan Partner Certificates are Term Certificates available to certain institutional investors, such as local assemblies (*i.e.*, churches), district councils, and other ministry institutions, which currently have an outstanding loan balance with AGLF. Loan Partner Certificates accrue interest and mature on the same terms as standard Term Certificates, but typically offer an interest rate premium of 0.125% over the rates paid on Term Certificates.

NOTE: Terms and features of Investment Certificates described herein, including but not limited to applicable interest rates, are subject to availability and to additional notices, information, and disclosures contained on the rate sheet or in rate information available at www.agfinancial.org/rates.

The Offering is subject to certain risks described in “Risk Factors” beginning on page 12.

AGLF does not use underwriters or outside selling agents to sell Investment Certificates and AGLF does not pay any direct or indirect commissions for the sale of Investment Certificates. After paying the Offering expenses, which are expected to be approximately \$75,000, AGLF will receive 100% of the remaining expected net proceeds of up to approximately \$599,925,000 from the sale of Investment Certificates. Investment Certificates are expected to be available across the United States and its territories except in states where AGLF has specifically determined not to make Investment Certificates available. However, Investment Certificates are subject to special terms in certain states summarized in the “State Specific Information” beginning on page 4. In addition, the Offering is limited to investors that meet certain eligibility criteria in some states.

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

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

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

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF AGLF AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURE, MERITS, AND RISKS INVOLVED.

THE SECURITIES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, ANY STATE BANK INSURANCE FUND, OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IN THE SECURITIES IS DEPENDENT UPON AGLF’S FINANCIAL CONDITION. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW AGLF’S MOST RECENT AUDITED FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY REASONABLE TIME DURING BUSINESS HOURS UPON REQUEST.

THE SECURITIES ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY, THE GENERAL COUNCIL OF THE ASSEMBLIES OF GOD, ASSEMBLIES OF GOD FINANCIAL SERVICES GROUP, OR BY ANY CHURCH, DISTRICT, INSTITUTION, OR AGENCY ASSOCIATED WITH THE ASSEMBLIES OF GOD OR AGLF.

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, OR IN ANY SUPPLEMENT THERETO, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED ON AS HAVING BEEN MADE BY AGLF.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, AND THE

APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

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

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STATE SPECIFIC INFORMATION

Limited Class of Investors

A PERSON RESIDING IN THE STATES OF ALABAMA, ARIZONA, ARKANSAS, CALIFORNIA, GEORGIA, IDAHO, INDIANA, IOWA, KANSAS, KENTUCKY, MISSOURI, OKLAHOMA, PENNSYLVANIA, SOUTH DAKOTA, TENNESSEE, OR WASHINGTON MAY NOT PURCHASE AN INVESTMENT CERTIFICATE UNLESS PRIOR TO THE RECEIPT OF THE OFFERING CIRCULAR SUCH PERSON WAS AN EXISTING INVESTOR OR MEMBER, ADHERENT, OR CONTRIBUTOR TO THE GENERAL COUNCIL OR CHURCHES AND MINISTRIES AFFILIATED WITH THE ASSEMBLIES OF GOD OR AGLF, OR IN ANY PROGRAM ACTIVITY, OR ORGANIZATION WHICH CONSTITUTES A PART OR HAS A PROGRAMMATIC RELATIONSHIP WITH ASSEMBLIES OF GOD FINANCIAL SERVICES GROUP (AGFSG) AND ITS AFFILIATES, OR ANY INVESTOR WITH SUBSTANTIALLY SIMILAR BELIEFS AS THE ASSEMBLIES OF GOD. OTHER STATES MAY IMPOSE SIMILAR QUALIFICATIONS ON ELIGIBLE INVESTORS AS A CONDITION TO THIS OFFERING BEING REGISTERED OR QUALIFYING FOR AN EXEMPTION FROM REGISTRATION IN SUCH STATES.

A PERSON RESIDING IN THE STATE OF WASHINGTON MAY NOT PURCHASE AN INVESTMENT CERTIFICATE UNLESS PRIOR TO THE RECEIPT OF THIS OFFERING CIRCULAR OR ANY SOLICITATION FOR THE PURCHASE OF SUCH INVESTMENT CERTIFICATE SUCH PERSON, OR A RELATIVE OF SUCH PERSON, WAS A MEMBER OF, CONTRIBUTOR TO, OR LISTED AS A PARTICIPANT IN, AGLF, WHICH, UNDER THE INTERPRETATION OF THE STATE OF WASHINGTON WOULD REQUIRE SUCH PERSON TO BE AN EXISTING HOLDER OF SECURITIES OF AGLF.

Alabama

THE SALE OF AN INVESTMENT CERTIFICATE WILL BE EXEMPT FROM REGISTRAITON UNDER SECTION 8-6-10(8) OF THE CODE OF ALABAMA, 1975, PROVIDED THAT (i) THE FUND IS NOT OPERATED FOR PRIVATE PROFIT BUT EXCLUSIVELY FOR RELIGIOUS AND CHARITABLE PURPOSES; AND (ii) THE FUND FIRST FILES A WRITTEN NOTICE WITH THE ALABAMA SECURITIES COMMISSION AND THE COMMISSION DOES NOT BY ORDER DISALLOW THE EXEMPTION WITHIN 15 DAYS THEREOF.

Arizona

IN ARIZONA, THE EFFECTIVE TERM FOR THE OFFER, SALE, AND RENEWAL OF AN INVESTMENT CERTIFICATE IS ONE YEAR, WITH THE OPTION TO RENEW FOR CONSECUTIVE ONE-YEAR PERIODS AS PROVIDED UNDER SECTION 44-1899 OF THE ARIZONA REVISED STATUTES. THE RENEWAL OR AUTOMATIC REINVESTMENT OF ANY CERTIFICATE, AS DESCRIBED ON PAGE 28 OF THE OFFERING CIRCULAR WILL BE CONTINGENT UPON THE CERTIFICATES HAVING A VALID REGISTRATION AT THE TIME OF MATURITY AND RENEWAL.

Arkansas

AT MATURITY OF AN INVESTMENT CERTIFICATE, IF AGLF DETERMINES THAT THE INVESTOR'S LAST KNOWN ADDRESS ON FILE WITH AGLF IS NOT THEN GOOD, AND NOT FORWARDABLE BY THE U.S.

POSTAL SERVICE, AGLF WILL HAVE NO FURTHER OBLIGATION TO LOCATE THE INVESTOR, AND WILL RELY ON THE INVESTOR TO CONTACT AGLF WITH A REQUEST FOR REDEMPTION. IF THE INVESTOR DOES NOT CONTACT AGLF WITHIN SEVEN (7) YEARS OF MATURITY OF THE INVESTMENT CERTIFICATE, THE PROCEEDS OF THE INVESTMENT CERTIFICATE WILL BE ESCHEATED TO THE STATE OF ARKANSAS (SEE "DESCRIPTION OF INVESTMENT CERTIFICATES - REDEMPTION AND RENEWAL OF INVESTMENT CERTIFICATES AT MATURITY" AT PAGE 28).

California

AUTOMATIC RENEWAL AT MATURITY AS DESCRIBED IN THIS OFFERING CIRCULAR IS NOT AVAILABLE IN CALIFORNIA. AGLF WILL NOTIFY EACH CALIFORNIA INVESTOR APPROXIMATELY THIRTY (30) DAYS BEFORE THEIR INVESTMENT CERTIFICATE MATURES, AT WHICH TIME THE INVESTOR WILL HAVE THE OPPORTUNITY TO REQUEST REPAYMENT OR NOTIFY AGLF OF AN INTENTION TO RENEW THE INVESTMENT OR USE THE PROCEEDS TO INVEST IN ANOTHER INVESTMENT CERTIFICATE. RENEWAL IS NOT AUTOMATIC, BUT MAY OCCUR ONLY UPON AFFIRMATIVE ACTION OF THE INVESTOR. IF THE INVESTOR DOES NOT INDICATE AN INTENTION TO RENEW OR REDEEM HIS OR HER INVESTMENT CERTIFICATES, THE PROCEEDS OF THE INVESTMENT CERTIFICATES WILL BE TREATED AND WILL EARN INTEREST AS IF THEY ARE INVESTED UPON MATURITY IN A DEMAND CERTIFICATE. ANY RENEWAL OR REINVESTMENT CAN ONLY BE MADE IF THERE IS AN EFFECTIVE QUALIFICATION IN CALIFORNIA AT THE TIME OF RENEWAL OR REINVESTMENT.

Florida

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE STATE OF FLORIDA. THESE SECURITIES ARE BEING SOLD PURSUANT TO THE EXEMPTION IN SECTION 517.051(9), F.S. AGLF IS REGISTERED AS AN ISSUER-DEALER IN THE STATE OF FLORIDA, AND ONLY THOSE PERSONS WHO ARE REGISTERED WITH THE DIVISION OF SECURITIES AND FINANCE MAY DISCUSS, OFFER, OR SELL THESE SECURITIES.

Idaho

AT MATURITY OF AN INVESTMENT CERTIFICATE, IF AGLF DETERMINES THAT THE INVESTOR'S LAST KNOWN ADDRESS ON FILE WITH AGLF IS NOT THEN GOOD, AND NOT FORWARDABLE BY THE U.S. POSTAL SERVICE, AGLF WILL HAVE NO FURTHER OBLIGATION TO LOCATE THE INVESTOR, AND WILL RELY ON THE INVESTOR TO CONTACT AGLF WITH A REQUEST FOR REDEMPTION. IF THE INVESTOR DOES NOT CONTACT AGLF WITHIN SEVEN (7) YEARS OF MATURITY OF THE INVESTMENT CERTIFICATE, THE PROCEEDS OF THE INVESTMENT CERTIFICATE WILL BE ESCHEATED TO THE STATE OF IDAHO (SEE "DESCRIPTION OF INVESTMENT CERTIFICATES - REDEMPTION AND RENEWAL OF INVESTMENT CERTIFICATES AT MATURITY" AT PAGE 28).

Indiana

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

Kentucky

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER KRS 292.400(9) OF THE KENTUCKY SECURITIES ACT. AUTOMATIC RENEWAL AT MATURITY AS DESCRIBED IN THIS OFFERING CIRCULAR IS NOT AVAILABLE FOR KENTUCKY. AGLF WILL NOTIFY EACH KENTUCKY INVESTOR APPROXIMATELY THIRTY (30) DAYS BEFORE THEIR INVESTMENT CERTIFICATE MATURES, BY MEANS THAT EVIDENCES DELIVERY, AT WHICH TIME THE INVESTOR SHALL HAVE THE OPPORTUNITY TO REQUEST REPAYMENT OR NOTIFY AGLF OF AN INTENTION TO RENEW THE INVESTMENT OR USE THE PROCEEDS TO INVEST IN ANOTHER INVESTMENT CERTIFICATE. RENEWAL IS NOT AUTOMATIC, BUT MAY OCCUR ONLY UPON AFFIRMATIVE ACTION OF THE INVESTOR. IF THE INVESTOR DOES NOT INDICATE AN INTENTION TO RENEW OR REDEEM HIS OR HER INVESTMENT CERTIFICATES, THE PROCEEDS OF THE INVESTMENT CERTIFICATES WILL BE TREATED AND WILL EARN INTEREST AS IF THEY ARE INVESTED UPON MATURITY IN A DEMAND CERTIFICATE. ANY RENEWAL OR REINVESTMENT CAN ONLY BE MADE IF THERE IS AN EFFECTIVE EXEMPTION IN KENTUCKY AT THE TIME OF RENEWAL OR REINVESTMENT.

Louisiana

THESE SECURITIES HAVE BEEN REGISTERED WITH THE SECURITIES COMMISSIONER OF THE STATE OF LOUISIANA. THE SECURITIES COMMISSIONER, BY ACCEPTING REGISTRATION, DOES NOT IN ANY WAY ENDORSE OR RECOMMEND THE PURCHASE OF ANY OF THESE SECURITIES.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSIONER OF SECURITIES OF THE STATE OF LOUISIANA NOR HAS THE COMMISSIONER OF SECURITIES OF THE STATE OF LOUISIANA PASSED UPON ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NO DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS OFFERING CIRCULAR, IN CONNECTION WITH THE OFFER CONTAINED IN THIS OFFERING CIRCULAR, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE UNDERWRITER. THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE SECURITIES BY ANYONE, IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE, OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS OFFERING CIRCULAR NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.

THIS OFFERING CIRCULAR DOES NOT CONTAIN ALL OF THE INFORMATION SET FORTH IN THE REGISTRATION STATEMENT FILED WITH THE COMMISSIONER OF SECURITIES OF THE STATE OF LOUISIANA, NEW ORLEANS, LA 70112 (OR SECURITIES AND EXCHANGE COMMISSION, WASHINGTON, D.C. 20549, WHERE APPLICABLE). FOR FURTHER INFORMATION WITH RESPECT TO THE COMPANY AND THE SECURITIES OFFERED BY THIS OFFERING CIRCULAR, REFERENCE IS MADE TO THE REGISTRATION STATEMENT, INCLUDING THE FINANCIAL STATEMENTS, SCHEDULES AND EXHIBITS FILED AS A PART THEREOF.

North Dakota

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Ohio

THESE SECURITIES HAVE NOT BE REGISTERED IN OHIO NOR HAS AGLF AVAILED ITSELF OF AN EXEMPTION FROM REGISTRATION AVAILABLE IN THAT STATE. THUS, THESE SECURITIES ARE NOT AVAILABLE FOR PURCHASE BY OHIO RESIDENTS. UNLESS OTHERWISE DETERMINED IN THE SOLE DISCRETION OF AGLF, EXISTING INVESTMENT CERTIFICATES, PURCHASED PRIOR TO AGLF'S UNILATERAL DECISION TO WITHDRAW ITS REGISTRATION OR EXEMPTION IN OHIO AND FROM THE SALE OF NEW SECURITIES TO OHIO RESIDENTS IN 2018, WILL CONTINUE TO BE SERVICED UNTIL THEIR MATURITY OR DEMAND, AND UPON SUCH MATURITY OR DEMAND WILL BE RETIRED AND REDEEMED. NO NEW INVESTMENTS TO EXISTING CERTIFICATES OR PURCHASES OF NEW CERTIFICATES WILL BE ACCEPTED FROM OHIO RESIDENTS, EVEN IF THEY HOLD PRE-REDEMPTION PURCHASED CERTIFICATES.

Oregon

AUTOMATIC RENEWAL UPON MATURITY OF AN INVESTMENT CERTIFICATE, AS PROVIDED IN THIS OFFERING CIRCULAR (SEE "DESCRIPTION OF INVESTMENT CERTIFICATES - REDEMPTION AND RENEWAL OF INVESTMENT CERTIFICATES AT MATURITY" ON PAGE 28), IS AVAILABLE TO OREGON RESIDENTS ONLY UNDER LIMITED CIRCUMSTANCES. IF AVAILABLE, INVESTMENT CERTIFICATES MAY BE AUTOMATICALLY RENEWED FOR THE SAME TERM AS THE ORIGINAL INVESTMENT CERTIFICATE OR FOR A TERM OF SIX (6) MONTHS, WHICHEVER IS SHORTER. IF THE INVESTOR OWNS AN INVESTMENT CERTIFICATE WITH A TERM LONGER THAN SIX (6) MONTHS AND DOES NOT INDICATE AN

INTENTION TO RENEW OR REDEEM THE INVESTMENT CERTIFICATE, THE PROCEEDS OF THE INVESTMENT CERTIFICATES WILL BE TREATED AND WILL EARN INTEREST AS IF THEY ARE INVESTED UPON MATURITY IN A DEMAND CERTIFICATE. THE INTEREST RATE ON ANY INVESTMENT CERTIFICATE RENEWED IN THIS MANNER WILL BE THE RATE IN EFFECT AT THE TIME OF RENEWAL, WHICH MAY BE HIGHER OR LOWER THAN THE PREVIOUS INVESTMENT CERTIFICATE'S RATE. IT IS AGLF'S POLICY TO DELIVER TO ALL INVESTORS A MATURITY NOTICE AND CURRENT OFFERING CIRCULAR, TENDERED IN CONNECTION WITH AN OFFERING REGISTERED WITH THE OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES, A FULL THIRTY (30) DAYS IN ADVANCE OF THE MATURITY DATE OF THE ORIGINAL INVESTMENT CERTIFICATE. IF YOU DECIDE NOT TO RENEW, YOU MUST SEND AGLF A NOTICE IN WRITING PRIOR TO THE MATURITY DATE OF YOUR INVESTMENT CERTIFICATE TO REDEEM YOUR FUNDS.

Pennsylvania

THE OFFERING IN PENNSYLVANIA IS EFFECTIVE FROM AUGUST 12, 2020 THROUGH AUGUST 12, 2021. ANY INVESTOR WHO ACCEPTS AN OFFER TO PURCHASE INVESTMENT CERTIFICATES SHALL HAVE THE RIGHT FOR A PERIOD OF TWO (2) BUSINESS DAYS AFTER SUCH INVESTOR RECEIVES A COPY OF THIS OFFERING CIRCULAR TO WITHDRAW FROM HIS/HER PURCHASE AGREEMENT PURSUANT TO SECTION 207(M) OF THE PENNSYLVANIA SECURITIES ACT OF 1972 AND RECEIVE A FULL REFUND OF ALL MONIES PAID, WITHOUT INTEREST. SUCH WITHDRAWAL SHALL BE WITHOUT THE INVESTOR INCURRING ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL AN INVESTOR NEED ONLY SEND A TELEGRAM OR LETTER, WHICH MUST BE POSTMARKED PRIOR TO THE END OF THE SECOND BUSINESS DAY TO AGLF AT THE ADDRESS LISTED ON THE COVER OF THE OFFERING CIRCULAR, INDICATING INTENT TO WITHDRAW. IF AN INVESTOR CHOOSES TO WITHDRAW BY LETTER, IT IS PRUDENT TO SEND IT BY REGISTERED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT THE LETTER IS RECEIVED AND TO EVIDENCE THE TIME OF MAILING. AN INVESTOR MAKING AN ORAL REQUEST FOR WITHDRAWAL SHOULD ASK FOR WRITTEN CONFIRMATION THAT THE REQUEST HAS BEEN RECEIVED.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES NOR HAS THE DEPARTMENT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE BYLAWS OF AGLF PROVIDE FOR CERTAIN INDEMNIFICATION OF ITS OFFICERS AND DIRECTORS. IT IS THE POSITION OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES THAT INDEMNIFICATION IN CONNECTION WITH VIOLATIONS OF SECURITIES LAWS IS AGAINST PUBLIC POLICY AND INAPPLICABLE.

A REGISTRATION STATEMENT IN CONNECTION WITH THIS OFFERING HAS BEEN FILED IN THE OFFICES OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES, 17 NORTH 2ND STREET, SUITE 1300, HARRISBURG, PENNSYLVANIA. THE REGISTRATION STATEMENT CONTAINS INFORMATION AND DOCUMENTS NOT INCLUDED IN THIS OFFERING CIRCULAR. THE DOCUMENTS AND ADDITIONAL INFORMATION ARE AVAILABLE FOR YOUR INSPECTION AT THE HARRISBURG, PENNSYLVANIA OFFICES OF THE DEPARTMENT DURING NORMAL BUSINESS HOURS WHICH ARE MONDAY THROUGH FRIDAY, 8:30 A.M. TO 5:00 P.M. TELEPHONE NUMBER: (717) 787-8061.

AT MATURITY OF AN INVESTMENT CERTIFICATE, IF AGLF DETERMINES THAT THE INVESTOR'S LAST KNOWN ADDRESS ON FILE WITH US IS NOT THEN GOOD, AND NOT FORWARDABLE BY THE U.S. POSTAL SERVICE, AGLF WILL HAVE NO FURTHER OBLIGATION TO LOCATE THE INVESTOR, AND WILL RELY ON THE INVESTOR TO CONTACT AGLF WITH A REQUEST FOR REDEMPTION. IF THE INVESTOR DOES NOT CONTACT AGLF WITHIN FIVE (5) YEARS OF MATURITY OF THE INVESTMENT CERTIFICATE, THE PROCEEDS OF THE INVESTMENT CERTIFICATE WILL BE ESCHEATED TO THE COMMONWEALTH OF PENNSYLVANIA (SEE "DESCRIPTION OF INVESTMENT CERTIFICATES - REDEMPTION AND RENEWAL OF INVESTMENT CERTIFICATES AT MATURITY" AT PAGE 28).

A PERSON RESIDING IN PENNSYLVANIA MAY NOT PURCHASE AN INVESTMENT CERTIFICATE UNLESS PRIOR TO THE RECEIPT OF THE OFFERING CIRCULAR SUCH PERSON WAS AN EXISTING INVESTOR OR MEMBER, ADHERENT, OR CONTRIBUTOR TO AGLF, THE GENERAL COUNCIL OR CHURCHES AND MINISTRIES AFFILIATED WITH THE ASSEMBLIES OF GOD, OR IN ANY PROGRAM ACTIVITY, OR ORGANIZATION WHICH CONSTITUTES A PART OR HAS A PROGRAMMATIC RELATIONSHIP WITH AGLF.

AND ITS AFFILIATES, OR ANY INVESTOR WITH SUBSTANTIALLY SIMILAR BELIEFS AS THE ASSEMBLIES OF GOD.

South Carolina

THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SOUTH CAROLINA UNIFORM SECURITIES ACT OF 2005 IN RELIANCE ON THE EXEMPTION PROVIDED IN SECTION 35-1-201(7) THEREOF AND RULE 13-202 PROMULGATED THEREUNDER, UNDER THE SECURITIES ACT OF 1933 IN RELIANCE ON THE EXEMPTION PROVIDED IN SECTION 3(A)(4), OR UNDER THE MISSOURI SECURITIES ACT OF 2003 IN RELIANCE ON THE EXEMPTION PROVIDED IN SECTION 409.2-201(7) THEREOF AND RULE 30-54.070 PROMULGATED THEREUNDER.

DEMAND CERTIFICATES ARE NOT AVAILABLE TO RESIDENTS OF THE STATE OF SOUTH CAROLINA.

IF YOU WERE A RESIDENT OF THE STATE OF SOUTH CAROLINA WHEN YOU PURCHASED AN INVESTMENT CERTIFICATE, YOU MAY DECLARE AN "EVENT OF DEFAULT" ON YOUR SECURITY ONLY IF ONE OF THE FOLLOWING OCCURS:

- AGLF DOES NOT PAY OVERDUE PRINCIPAL AND INTEREST ON THE SECURITY WITHIN THIRTY (30) DAYS AFTER AGLF RECEIVES WRITTEN NOTICE FROM YOU THAT AGLF FAILED TO PAY THE PRINCIPAL OR INTEREST WHEN DUE; OR
- A SOUTH CAROLINA RESIDENT WHO OWNS A SECURITY OF THE "SAME ISSUE" AS YOUR SECURITY (I.E., THE SAME TYPE, TERM, AND OFFERING) HAS RIGHTFULLY DECLARED AN EVENT OF DEFAULT AS TO HIS OR HER SECURITY.

TO DECLARE AN EVENT OF DEFAULT, YOU MUST SUBMIT A WRITTEN DECLARATION TO AGLF. THE RIGHTFUL DECLARATION OF AN EVENT OF DEFAULT AS TO ANY ONE SECURITY OF AN ISSUE CONSTITUTES AN EVENT OF DEFAULT ON THE ENTIRE ISSUE IN SOUTH CAROLINA. UPON A RIGHTFUL DECLARATION OF AN EVENT OF DEFAULT ON A SECURITY:

- THE PRINCIPAL AND INTEREST ON YOUR SECURITY BECOMES IMMEDIATELY DUE AND PAYABLE;
- IF YOU REQUEST IN WRITING, AGLF WILL SEND YOU A LIST OF NAMES AND ADDRESSES OF ALL INVESTORS IN THE STATE OF SOUTH CAROLINA WHO OWN A SECURITY OF THE SAME ISSUE AS YOUR SECURITY; AND
- THE OWNERS OF 25% OR MORE OF THE TOTAL PRINCIPAL AMOUNT OF SECURITIES OF THE SAME ISSUE OUTSTANDING IN THE STATE OF SOUTH CAROLINA CAN DECLARE THE ENTIRE ISSUE IN THE STATE OF SOUTH CAROLINA DUE AND PAYABLE.

South Dakota

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

Tennessee

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

Washington

ANY PROSPECTIVE PURCHASER IS ENTITLED TO REVIEW FINANCIAL STATEMENTS OF THE ISSUER WHICH SHALL BE FURNISHED UPON REQUEST; THE RETURN OF FUNDS OF THE PURCHASER IS DEPENDENT UPON THE FINANCIAL CONDITION OF THE ORGANIZATION; AND RECEIPT OF NOTICE OF EXEMPTION BY THE SECURITIES DIVISION DOES NOT SIGNIFY THAT THE ADMINISTRATOR HAS APPROVED OR RECOMMENDED THESE SECURITIES, NOR HAS THE ADMINISTRATOR PASSED UPON THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

[Remainder of this page has been intentionally left blank. Summary of Offering continues on the next page.]

SUMMARY OF THE OFFERING

AGLF has provided this summary for your convenience. Before investing, you should read this entire Offering Circular and the financial statements included with this Offering Circular. See “Risk Factors” on page 11 and “Financial Statements” on page 33.

AGLF’s Purpose

AGLF was formed by The General Council of the Assemblies of God (“The General Council”) for the primary purpose of providing a source of funds to finance or refinance the acquisition, construction, or remodeling of facilities used by local assemblies (churches), district councils, institutions, and other ministries affiliated with The General Council. AGLF is a church extension fund managed by Assemblies of God Financial Services Group DBA AGFinancial (“AGFSG”), a Missouri nonprofit corporation operated under the control of The General Council. See “History and Operations” on page 17.

Investment Certificates Offering

AGLF is offering \$600,000,000 of its Investment Certificates, which are AGLF’s unsecured general debt obligations. AGLF is offering five types of Investment Certificates: Demand Certificates, Term Certificates, Returning Investor Certificates, New Investor Certificates, and Loan Partner Certificates. Demand Certificates are payable within 30 days after demand. Term Certificates have maturities ranging from three months to ten years. Returning Investor Certificates may take the form of either Demand or Term Certificates, with the maturity set accordingly. Loan Partner Certificates and New Investor Certificates are Term Certificates and have maturities ranging from three months to ten years. The interest rates on Investment Certificates are determined at the time of investment or renewal, based upon a variety of factors. Returning Investor Certificates generally offer a preferential interest rate, typically an additional 0.125%, to qualifying investors who reside in jurisdictions where such certificates may be offered. New Investor Certificates and their interest rate premium are at times not available, and thus the actual interest rate premium on New Investor Certificates could be as low 0%, or as high as 0.25%, over the rates paid on Term Certificates. Loan Partner Certificates generally offer a preferential interest rate, typically an additional 0.125%, to certain qualifying institutional investors. Available interest rates as of the date AGLF sent you this Offering Circular are indicated on the accompanying rate sheet, which is subject to change from time to time. Interest rates are subject to change, and prior to investing or renewing, you should contact AGLF at 866.453.7142 or visit www.agfinancial.org/rates to determine availability and to obtain the current rate sheet, which is and remains subject to change from time to time. The Investment Certificates are summarized on the cover page of this Offering Circular and described in more detail in “Description of Investment Certificates” on page 26, and their terms and features are subject to additional notices, information, and disclosures contained on the rate sheet or rate information available at www.agfinancial.org/rates.

Loan Program

AGLF primarily uses the proceeds from the sale of Investment Certificates to support a charitable mission of funding loans to local assemblies (churches), district councils, institutions, and other ministries affiliated with The General Council. These loans typically are made to finance capital improvement projects such as the construction of new church facilities, including the acquisition of land and buildings for church purposes; the remodeling, repair, and maintenance of existing church facilities; the acquisition and installation of new furnishings and equipment thereon; or for the refinancing of existing related debt. See “Lending Activities” on page 21. See “Use of Proceeds” on page 18 for additional uses of the Offering proceeds.

[Remainder of this page has been intentionally left blank. Selected Financial Data continues on the next page.]

Selected Financial Data

The following table summarizes certain financial information as of and for the fiscal year ended March 31, 2020, and should be read in conjunction with AGLF's complete financial statements. See "Financial Statements."

Assets	March 31, 2020
Cash	\$ 1,685,222
Investments	\$ 142,467,792
Interest, dividends, and investment income receivable	\$ 3,394,527
Loans receivable, net of allowance for loan losses	\$ 958,842,838
Other real estate owned, net	\$ 27,788,722
Other	\$ 19,616
Total Assets	<u>\$1,134,198,717</u>
Liabilities	
Due To Affiliate	\$ 14,575
Accrued interest payable	\$ 900,352
Notes payable	\$ 863,870,909
Other	\$ 160,655
Total Liabilities	<u>\$ 864,946,491</u>
Net Assets	
Unrestricted	\$ 269,252,226
Total Liabilities and Net Assets	<u>\$1,134,198,717</u>
Revenues, Gains, and Other Support	
Interest on loans receivable	\$ 51,000,789
Investment return, net	\$ (432,911)
Other revenue	\$ 1,175,749
Total Revenue	<u>\$ 51,743,627</u>
Expenses	
Interest	\$ 18,434,589
Other	\$ 10,903,818
Total Expenses	<u>\$ 29,338,407</u>
Change in Net Assets without Donor Restrictions	<u>\$ 22,405,220</u>
Net Assets, Beginning of Year	\$ 246,847,006
Net Assets, End of Year	\$ 269,252,226
Proceeds from issuance of notes payable	\$ 184,842,841
Repayment of principal on notes payable	\$ 194,733,789
Unsecured loans receivable	\$ 5,575
Percentage of unsecured loans receivable	0.001%
Percentage of loan delinquencies	0.29%
Capital adequacy	23.74%
Liquidity status	14.89%
Coverage ratio	1.29:1

• Not FDIC or SIPC Insured • Not a Bank Deposit • No AG Financial Guarantee
[Remainder of this page has been intentionally left blank. Risk Factors continues on the next page.]

RISK FACTORS

Investing in Investment Certificates involves risks. Please carefully consider the following risk factors before deciding to purchase any Investment Certificates.

Due to AGLF's close relationship with AGFSG and The General Council, AGLF may be subject to conflicts of interest that potentially could be adverse to investors. AGFSG manages AGLF's operations under a management agreement with it. AGLF's directors are employees, officers, or directors of AGFSG and/or The General Council. From time to time, AGLF expects to enter into transactions and agreements with one or more of its affiliated entities. While AGLF has conflicts of interest procedures in place to safeguard the interests of AGLF and its investors, it is possible that such a related party transaction could prove to be adverse to an investor's interest. See "History and Operations – Related Party Transactions" on page 18.

Global market deterioration and the potential negative impact on AGLF's operations and financial condition. During 2019 and continuing into 2020, a novel strain of coronavirus (COVID-19) reached every state in the United States. Local, state, and the federal government reacted to COVID-19 by issuing warnings, guidance, and mandates that implemented varying levels of restrictions and prohibitions on an individual's ability to travel, work, congregate, and conduct daily activities. The impact of COVID-19 and the corresponding warnings, guidance, and mandates issued by governmental authorities has resulted in significant financial market volatility, severe economic disruption to both the United States and foreign markets, all of which could adversely affect the Fund in both known and unknown ways. In addition to COVID-19 being a current widespread health emergency, COVID-19 could continue to persist and remain a widespread health emergency causing additional disruption and impact to investors, AGLF, the United States, and the global economy, all with which could harm AGLF's financial condition, income, and ability to fulfill obligations under the Investment Certificates.

AGLF's collateral may be impaired due to a downturn in the real estate markets. Collateral for mortgage loans that AGLF offers consists primarily of the property mortgaged, which is generally characterized as commercial property in the form of church buildings and facilities. Economic downturns may adversely affect the sale proceeds from these properties that AGLF might obtain in a foreclosure sale.

AGLF's investment portfolio may lose value. Some investments in AGLF's portfolio are subject to investment risks and could experience material losses or declines in value. See "Investing Activities" on page 23.

AGLF's investment portfolio includes securities that were issued by an affiliated church lending organization for which there is no public market. At March 31, 2020, AGLF's investment portfolio included \$15,488,994 in common stock of a real estate investment trust, which is beneficially owned by AGFSG and affiliated entities and is engaged primarily in the business of lending to churches. Accordingly, these investments bear many of the same risks associated with church lending as described in this Offering Circular. There is no public market for these securities and therefore there can be no assurance that AGLF would be able to sell these investments for immediate liquidity. AGLF acquired these investments in arm's-length transactions.

No sinking fund, trust indenture, or escrow has been or will be established to ensure or secure the repayment of the Investment Certificates. There will not be a sinking fund, trust indenture, or escrow established for the repayment of the Investment Certificates or to secure an investment in the Investment Certificates. AGLF must rely on its available cash resources to timely repay the Investment Certificates, and there is no assurance that AGLF will have adequate cash resources available when required.

Investment Certificates are not insured or guaranteed. Investment Certificates are not insured or guaranteed by SIPC, FDIC, or any other federal or state authority or regulatory agency, or any other person or entity.

Neither The General Council nor any of its affiliates or member churches have guaranteed the repayment of Investment Certificates. You must rely solely on AGLF for repayment.

Investment Certificates are AGLF's unsecured general debt obligations and are subordinated to lenders, creditors, or other parties to whom AGLF has pledged certain loans receivable and other assets. Investment Certificates issued in this Offering are unsecured general obligations of AGLF, meaning AGLF's ability to repay Investment Certificates will depend solely on AGLF's financial condition. Investment Certificates will be of the same rank and priority as notes, subscription contracts, and other unsecured debt securities AGLF has previously issued (collectively, the "Investment Certificates"). However, AGLF may issue other unsecured debt securities, enter into bank loans or other secured financing, guarantee or pledge assets to secure indebtedness

of others, or incur other indebtedness or obligations with a higher priority to AGLF's assets than holders of Investment Certificates, either by operation of law or by a pledge of certain assets to these lenders, creditors, or other parties. Investors' claims on AGLF's assets will be junior to these senior secured parties. For example, as of March 31, 2020, AGLF, Assemblies of God Loan Pool, LLC ("AG Loan Pool"), and AGFSG and its affiliates together carried an \$115,000,000 joint revolving line of credit through Bank of Kansas City, of which \$95,000,000 was outstanding for the benefit of AGFSG and its affiliates, secured by a pledge of approximately \$153,996,444 in principal amount of mortgages and loans receivables of AGSFG and certain other affiliates of AGLF. Currently AGLF has no senior secured indebtedness, but because the Investment Certificates are unsecured such secured parties and any other secured parties that AGLF may pledge assets to in the future would have the right to be paid from the assets that are pledged to them before AGLF's investors are repaid. It is AGLF's current policy to limit the amount of senior secured indebtedness to no more than 10% of tangible assets.

Unsecured Loans and Subordinated Loans. From time to time, AGLF may make loans that are not secured by a first priority lien on real property, including unsecured loans. Unsecured loans generally involve a higher degree of risk of loss than do secure loans because, without collateral, repayment is wholly dependent upon the success of the borrowers' businesses. Because of this lack of collateral, AGLF may be limited in its ability to collect on defaulted unsecured loans, which would adversely affect AGLF's ability to repay Investment Certificates when required. See "Lending Activities" on page 21.

Loan Commitments. AGLF's outstanding loan commitments may be fulfilled and funded by either AGLF or AG Loan Pool. See "Lending Activities" on page 21.

Impaired and Nonaccrual Loans. Due to the nature of AGLF's relationship with borrowers, AGLF may be willing to accommodate borrowers whose payments fall behind, or are refinanced or restructured or impaired loans. See "Lending Activities" on page 21. If AGLF fails to collect on these restructured loans, AGLF's ability to repay Investment Certificates when due could be adversely affected.

Allowance for Loan Losses. The amount of loan loss allowance is based upon AGLF's periodic review of loans and consideration of a variety of factors affecting the anticipated collectability of loans receivable. This process is inherently subjective and is based on management's best estimates. Ultimate losses may vary from current estimates. See "Lending Activities" on page 21.

The book value of AGLF's financial instruments and other assets set forth in this Offering Circular and financial statements may not reflect the actual value AGLF would receive in a sale of these assets. From time to time, AGLF may sell certain assets to provide liquidity or for other purposes. Since book values of some assets are based upon significant judgments by management and other uncertainties, there is no assurance that assets would be sold for an amount equal to their book value.

The churches and ministries that borrow from AGLF typically are dependent upon charitable contributions to support their ministries and to repay loans. AGLF primarily lends to local assemblies (churches), district councils, institutions and other entities affiliated with The General Council. AGLF's loans are primarily for capital expansion projects, particularly the construction, renovation, and establishment of facilities of worship, or the refinancing of those facilities. The churches and other ministries that borrow from AGLF are dependent on contributions from their members and supporters to meet their operating expenses and for the payment of principal and interest on loans. Typically, 100% of a church's operating income comes from total member contributions; however, in qualifying for a loan through AGLF, AGLF uses 100% of the undesignated portion of contributions to determine a church's debt service ratio. Due to population shifts, reduction in contributions, which may occur during times of economic weakness, or other factors, a church or ministry may not receive sufficient funds to meet its repayment obligations on loans. If this happens to a material number of churches and ministries and AGLF is not able to sell the underlying collateral quickly, AGLF's ability to make interest and principal payments on the Investment Certificates could be adversely affected.

AGLF's loan policies are in certain respects less stringent than many commercial lenders. Due to AGLF's affiliation with the churches and ministries that borrow from it, AGLF sometimes has a more lenient lending policy than commercial lenders and may, in certain instances, accommodate partial or late payments, or forebear foreclosure upon real estate securing AGLF's loans. Accordingly, AGLF cannot be directly compared to a commercial lender.

AGLF's loans are geographically concentrated in a few states. There are risks related to geographic concentration of loans to affiliated churches or other related organizations within a limited region, such that

changes in economic conditions of that region could affect the ability of the churches or organizations, as a group, to repay the loans. As of March 31, 2020, the primary states in AGLF's loan portfolio are California (14.19%), Florida (9.99%), Texas (7.34%), Washington (5.91%), and Arizona (5.34%). No other state exceeded 5%.

No public market exists for the Investment Certificates. Because no public market exists for the Investment Certificates and none will develop, the transferability of Investment Certificates is restricted. AGLF also limits your ability to transfer your Investment Certificates. See "Description of Investment Certificates – Transferability" on page 27. Consequently, you should plan to hold your Investment Certificate until maturity.

Demand for repayment of Investment Certificates may exceed funds available for repayment. It is AGLF's policy to maintain liquid assets equal to at least 8% of the principal balance of total outstanding Investment Certificates. At March 31, 2020, AGLF had cash, cash equivalents, and marketable securities of \$128,664,020. This represented 14.9% of AGLF's total Investment Certificates outstanding at March 31, 2020. During the fiscal year ended March 31, 2020, AGLF received approximately \$154,482,000 from principal and interest payments on Loans Receivable. These amounts were used to pay approximately \$213,159,000 in principal redemptions and interest on Notes Payable throughout the year. The remainder of these payments was funded from the issuance of new Investment Certificates in the approximate amount of \$184,843,000. If the amount of future redemptions and interest payments exceeds new issuances, cash reserves and other liquid investments would be used to fund redemption requests. Over the past three years, approximately 75% of the principal balance of maturing Investment Certificates has been renewed or reinvested annually, excluding Demand Certificates and Investment Certificates held by entities affiliated with AGLF. There is no assurance that AGLF will have adequate liquidity to pay all principal and interest on Investment Certificates when due. See "Financing and Operational Activities – Notes Payable" on page 19.

Investors may not be able to continue to reinvest or renew their Investment Certificates at the rate AGLF has experienced historically. AGLF depends upon reinvestments and renewals, together with principal and interest payments on AGLF's loans, to provide sufficient liquidity to meet current liquidity requirements, including the repayment of principal on AGLF's maturing obligations. If investor requirements for repayment of Investment Certificates upon demand or at maturity were to exceed prior experience, the timely repayment of AGLF's outstanding Investment Certificates and other debt obligations could be affected. Over the past three years, approximately 75% of the principal balance of maturing Investment Certificates has been renewed or reinvested annually, excluding Demand Certificates and Investment Certificates held by entities affiliated with AGLF. See "Financing and Operational Activities – Receipts, Renewals and Redemptions of Investment Certificates" on page 19.

AGLF reserves the right to call Investment Certificates upon 30 days' prior written notice. AGLF may at its discretion redeem any or all Investment Certificates at any time, and without your consent. No assurances can be given that an investor will be able to reinvest any redemption proceeds in other securities having terms at least as favorable as the redeemed Investment Certificate, including interest rate. Interest will be paid to the date of redemption in the event AGLF determines to redeem an Investment Certificate. See "Description of Investment Certificates – Early Redemption" on page 28.

AGLF is under no obligation to redeem Investment Certificates prior to maturity. AGLF is not required to redeem an Investment Certificate before its maturity. Accordingly, you will not have the right to demand redemption of an Investment Certificate in the event interest rates fluctuate, a personal emergency occurs, or under any other circumstances. See "Description of Investment Certificates – Early Redemption" on page 28.

Except under certain circumstances, Investment Certificates will be automatically renewed at maturity. Your Investment Certificates will be automatically renewed at maturity for a term equal to the original term, or at the next shorter term if that product no longer exists, unless you promptly respond to AGLF's maturity notification with instructions to do otherwise, or if you move into a state where the Investment Certificates are not registered or exempt from registration at the time of maturity. See "Description of Investment Certificates – Redemption and Renewal of Investment Certificates at Maturity" on page 28 and "State Specific Information" on page 4.

The properties that secure AGLF's loans are generally special purpose properties with a limited market. AGLF's loans typically are made to construct or expand buildings and other facilities that are designed for church and ministry services. The market for some of these properties may be extremely limited. If a borrower defaults on a loan, AGLF may not be able to resell the property promptly or for an amount sufficient to cover the outstanding loan balance and related expenses.

AGLF does not require independent appraisals for all church and ministry properties securing its loans. Appraisals are required on certain loans, but other valuation methods such as independent commercial real estate broker's opinions and tax assessed values are sometimes used in lieu of formal appraisals. However, all valuation methods are based on estimates. Accordingly, the value of specific collateral may be less than the valuation method might support and the amount outstanding with respect to a specific loan could exceed the market value of the property securing it.

The buildings and other facilities that secure AGLF's loans may be uninsured or inadequately insured. AGLF requires and monitors insurance coverage through the life of all loans. If a borrower cancels coverage, AGLF automatically adds forced placed insurance to the loan. However, if fire or other casualty damages collateral during a lapse in coverage, AGLF may not be able to recover against it.

You may not be able to reinvest the proceeds of your Investment Certificate upon maturity. While AGLF intends to maintain all required securities registrations and exemptions, and AGLF is now registered or exempt from registration in all states where it has elected to offer securities, Investment Certificates may not continue to be registered or exempt from registration in the states where AGLF currently sells Investment Certificates. Accordingly, you may not be able to reinvest the proceeds of your Investment Certificate if you live in a state where Investment Certificates are not registered or exempt from registration at the time of reinvestment.

AGLF's remedies as lender are subject to limitations and borrower protections imposed under applicable bankruptcy and other laws. AGLF's remedies as a creditor upon default by any borrower will be subject to various laws, regulations, and legal principles that provide protections to borrowers. AGLF's legal and contractual remedies, including those specified in loan agreements and mortgages, typically require judicial actions, which are often subject to discretion and delay. Under existing law (including, without limitation, the Federal Bankruptcy Code), the remedies specified by AGLF's loan agreements and mortgages may not be readily available or may be limited. A court may refuse to order the specific performance of the covenants contained in the loan agreements and mortgages. In addition, the laws of a particular jurisdiction may change or make it impractical or impossible to enforce specific covenants in the loan agreements.

Interest you earn on an Investment Certificate is taxable as ordinary income, regardless of whether interest is paid to you or added to the principal of your Investment Certificate. AGLF may be subject to certain reporting and withholding requirements as are other interest payers. For more information regarding the tax consequences of purchasing Investment Certificates, see "Tax Matters" on page 29.

The various security interests established under the loan agreements and mortgages with borrowers will be subject to other claims and interests. Examples of these claims and interests are statutory liens; rights arising in favor of the United States, or any agency thereof; constructive trusts or equitable liens otherwise imposed or conferred by any state or federal court, or court of competent jurisdiction in any foreign country, including the exercise of its equitable jurisdiction; or, federal bankruptcy laws or bankruptcy laws of another jurisdiction affecting amounts earned by the borrower after institution of bankruptcy proceedings by or against the borrower.

AGLF's borrowers often use loans to construct new facilities or renovate existing facilities. If any risks associated with construction and renovation are realized, they, among other risks, could adversely affect a borrower's ability to repay its loan by increasing construction costs or delaying or preventing completion. Examples of these risks are: the borrower and its contractor may not sign a fixed-price construction contract; the contractor may not post a completion bond; or, completion may be delayed due to, among other things, shortages of materials, strikes, communicable diseases, acts of nature, delays in obtaining necessary building permits or architectural certificates, environmental regulations, or fuel or energy shortages.

Environmental audits or evaluations are not performed on all the real property securing the loans, and there is no insurance or protection for or against environmental damages to the property. Environmental audits or evaluations are required on certain loans, and each borrower must provide evidence regarding environmental conditions. Changes in environmental regulations could require the borrower to incur substantial unexpected expenses to comply with such regulations. In the event certain environmental waste or emissions are located on the real property, it could adversely affect the security for a loan and the priority of AGLF's mortgage, which would adversely affect AGLF's ability to realize value from the disposition of the church facilities upon foreclosure.

AGLF and AGFSG rely on the tax-exempt status of The General Council. AGLF and AGFSG are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code")

pursuant to AGLF's inclusion in The General Council's group exemption ruling issued by the Internal Revenue Service. AGLF and AGFSG are subject to federal income tax on any unrelated business taxable income. AGLF, AGFSG, and The General Council are subject to a number of requirements affecting operations in order to receive and maintain tax-exempt status. If AGLF, AGFSG, or The General Council at any time fail to qualify for tax-exemption under 501(c)(3) of the Code, such failure to maintain tax-exempt status could affect the funds available for payment to investors by limiting AGLF's ability to continue selling Investment Certificates under otherwise applicable securities law exemptions and by subjecting AGLF to federal or state income taxation.

If AGLF forecloses on property containing environmental waste, AGLF could be assessed substantial clean-up costs and penalties as an owner of such property, as would any lender in a similar situation.

Under various federal, state, and local environmental laws, ordinances, and regulations, a current or previous owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances or petroleum products released at the property, and may be held liable to a government entity or to third parties for property damage and for investigation and clean-up costs incurred by these parties in connection with the contamination. The costs of investigation, remediation, or removal of these substances may be substantial, and the presence of these substances, or the failure to properly remediate the property, may adversely affect the owner's ability to sell or rent the property or to borrow using the property as collateral. In addition, some environmental laws create a lien on the contaminated site in favor of the government for damages and costs incurred in connection with the contamination. Persons who arrange for disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of these substances at the disposal or treatment facility. Finally, the owner of a site may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from a site.

AGLF may sell additional Investment Certificates in this or other offerings or transactions. AGLF expects to sell additional Investment Certificates in this and other offerings. The total amount of \$600,000,000 to be sold in this Offering is not a limitation on the amount of Investment Certificates or other debt securities AGLF may sell in other offerings it may conduct from time to time. AGLF has sold Investment Certificates in prior years and anticipates the sale of additional Investment Certificates or other debt securities as part of this continuous offering process.

Changes in existing laws or regulations could make it more difficult or costly for AGLF to continue offering Investment Certificates or to make loans to churches and other charitable organizations.

For various reasons, it may become more difficult or costly for AGLF to offer and sell Investment Certificates, including changes in state or federal laws, rules, requirements, or procedures regarding the offer and sale of securities of charitable or other nonprofit organizations. To the extent that AGLF relies upon investors to renew their outstanding Investment Certificates at maturity consistent with historical renewal rates, limitations or restrictions on AGLF's ability to sell Investment Certificates or permit renewals in some or all states could cause AGLF to have insufficient liquidity to repay all investors at maturity or upon demand according to the terms of their Investment Certificates. In addition, changes in state or federal laws regarding religious, charitable, or other nonprofit organizations may make it more difficult and costly for the borrowing affiliated churches and nonprofits to service their loans from AGLF.

You will not have voting rights or other rights to participate in AGLF's management. Your purchase of an Investment Certificate does not entitle you to participate in AGLF's management.

AGLF reserves the right to change policies. At various points in this Offering Circular AGLF describes its policies, such as lending policies, beginning on page 21, and investment policies, beginning on page 23. These descriptions are intended to help you understand AGLF's current operations. AGLF reserves the right to change its policies and procedures in the future without providing you notice of such change.

FORWARD-LOOKING STATEMENTS

Throughout this Offering Circular, AGLF may make statements about possible future events or occurrences. These forward-looking statements are identifiable by words or phrases indicating that particular events "may" or "will" occur or that AGLF "expects," "anticipates," "projects," "plans," "believes," or "intends" or other words of similar import that a particular event may, or will occur in the future or similarly stated expectations. Although AGLF believes the expectations reflected in its forward-looking statements are reasonable, AGLF cannot assure any Investor that AGLF's expectations will prove to be correct. These forward-looking statements are subject to many factors, including, but not limited to, the above Risk Factors and the other information contained in this Offering Circular that could cause actual results to differ materially from the stated expectations. AGLF undertakes

no obligation to update or revise any forward-looking statements to reflect developments or information obtained after the date of this Offering Circular.

HISTORY AND OPERATIONS

General

AGLF was formed to provide a source of funds to finance or refinance the acquisition, construction, or remodeling of church and other ministry-related facilities. AGLF's activities and operations are managed by AGFSG under the terms of a management services agreement ("Management Agreement") between AGLF and AGFSG. AGLF's principal office is located at 3900 S. Overland Ave., Springfield, Missouri 65807. The telephone number at the principal office is 866.453.7142.

The General Council of the Assemblies of God

The General Council is the corporate and administrative headquarters and principal service organization of the Assemblies of God, a worldwide Protestant religious fellowship organized in April 1914. On November 1, 1916, The General Council was granted a Pro Forma Certificate of Incorporation as a nonprofit religious organization under the provisions of Article 10, Chapter 33, Revised Statutes of Missouri, 1909 (Chapter 352, RSMo., 1969) by the Secretary of State of Missouri pursuant to a Decree of the Circuit Court, City of St. Louis, Missouri. The Assemblies of God is one of the largest Protestant denominations with more than 10,000 churches in the United States, more than 3,00,0000 members and adherents in the United States, more than 300,000 churches and preaching points in foreign countries, and more than 50,000,000 members and adherents in foreign countries.

The organization of the Assemblies of God fellowship is based on a combination of congregational and Presbyterian principles. The Constitution and Bylaws of The General Council, to which each local church assents when it joins the fellowship, guarantees that each local church shall be sovereign with respect to self-government, selection of pastors and official boards, transaction of business, admission and discipline of members, and the holding of title to property. This congregational policy is qualified only by the principle, expressed in the Constitution and Bylaws, that each local church is subordinate to The General Council in matters of doctrine and conduct. The Bible is recognized as the all-sufficient rule of faith and practice.

Prior to AGLF's formation, The General Council or its church loan department had provided lending services since the 1940s.

Assemblies of God Loan Fund

AGLF was organized by The General Council on November 29, 1994, under the Missouri Nonprofit Corporation Act. AGLF is the incorporated continuation of the Church Loan Department of The General Council, which was transferred to AGLF by means of a transfer agreement. According to the transfer agreement, The General Council assigned to AGLF certain real property, notes receivable, investments, agreements, and other assets of The General Council in consideration for AGLF's assumption of certain debts and liabilities of The General Council. As a corporation, AGLF maintains independent books and records and has annual audited financial statements. AGLF was managed by The General Council from inception through September 1998, when it formed AGFSG under the Missouri Nonprofit Corporation Act to assume management of AGLF and other affiliated nonprofit organizations. AGLF and AGFSG are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code pursuant to AGLF's inclusion in The General Council's group exemption ruling issued by the Internal Revenue Service.

AGLF expects to offer Investment Certificates in most states, either pursuant to exemption or by registration or qualification. The amount of Investment Certificates AGLF offers in each state depends upon a number of factors, including prior sales experience in a state, state filing and registration fees, and necessity for periodic approval of the offerings or amounts in such state.

Assemblies of God Financial Services Group

AGFSG provides integrated financial services to Assemblies of God churches, affiliated ministries, ministers, and laity distinguished by a commitment to biblical stewardship. AGFSG manages AGLF's operations and the operations of Assemblies of God Ministers Benefit Association ("Ministers Benefit Association"), Assemblies of God Foundation ("AG Foundation"), and affiliated entities, provides consolidated investment services for these affiliated Assemblies of God organizations as well as The General Council, and provides consolidated lending services.

AGLF has contracted with AGFSG to provide management and operational services. Under the terms of the Management Agreement, AGFSG oversees all of AGLF's day-to-day management, consistent with AGLF's business goals, mission, and policies. More specifically, AGFSG has complete responsibility and authority to conduct all operations related to the sale and management of the Investment Certificates, AGLF's investment activities, as well as the origination and underwriting of AGLF's loans. As compensation for these management services, AGFSG annually receives a fee of up to 1% of AGLF's average total liabilities, plus 0.25% of AGLF's average invested assets, excluding amounts receivable from AGFSG. The total service fee AGLF paid to AGFSG during the fiscal year ended March 31, 2020, was \$6,991,650. See "Management – Management Compensation" on page 33.

Related Party Transactions

While AGLF is a separate legal entity, its mission and purpose are intertwined with those of The General Council, AGFSG, and their affiliates. As a result, there are numerous relationships between AGLF and these other parties, including:

- AGLF's Management Agreement with AGFSG described above.
- AGLF's \$45,777,746 in Promissory Notes payable to affiliated organizations as of March 31, 2020. See "Financing and Operational Activities – Notes Payable" on page 19, and Note 7 of the Financial Statements.
- The \$115,000,000 revolving credit agreement through Bank of Kansas City AGLF has entered into jointly with AGFSG and its affiliates, which was secured by a pledge of approximately \$153,996,444 of AGFSG and its affiliates mortgages and loans receivable at March 31, 2020. See "Financing and Operational Activities – Secured Line of Credit" on page 20.
- The amount due to affiliates of \$14,575 as of March 31, 2020. See "Financing and Operational Activities – Amounts Due To/From Affiliates" on page 20.
- AGLF's commitment to fund \$9,727,000 of additional mortgage loans at March 31, 2020, which may be fulfilled by AGLF or AG Loan Pool. See "Lending Activities – Loan Commitments" on page 22.
- AGLF's \$23,627,522 in Loans receivable from affiliated organizations as of March 31, 2020. See "Financing and Operational Activities – Notes Payable" on page 19, and Note 7 of the Financial Statements.
- AGLF's \$15,488,994 investment in stock of Foundation Capital Resources, Inc. ("FCR") as of March 31, 2020. See "Investing Activities" on page 23.
- The common officers and directors AGLF shares with these various Assemblies of God organizations. See "Management" on page 30.

A majority of AGLF's independent directors must approve all material affiliated transactions and loans, and any forgiveness of loans. AGLF will provide its independent directors with access, at AGLF's expense, to legal counsel for AGLF or independent legal counsel in connection with any loans or other material affiliated transactions involving its promoters. All previous affiliated transactions have been made or entered into on terms that are no less favorable to AGLF than those that AGLF could obtain from an independent, unaffiliated third party.

USE OF PROCEEDS

AGLF intends that cash proceeds received from the sale of Investment Certificates, after paying the Offering expenses which are expected to be approximately \$75,000, will be used for general operating purposes, which consist primarily of providing loans to local assemblies (churches), district councils, educational institutions, and other ministries affiliated with The General Council. These loans typically are made to finance capital improvement projects, such as the construction of new church facilities, including the acquisition of land and buildings for church purposes; the remodeling, repair, and maintenance of existing church facilities; the acquisition and installation of new furnishings and equipment thereon; or for the refinancing of existing debt. AGLF may occasionally acquire land and buildings and lease the property to local assemblies (churches), district councils, educational institutions, and other ministries affiliated with The General Council. Proceeds also may be used to make required payments on principal and interest obligations to commercial lending institutions, to cover AGLF's expenses, and to redeem maturing Investment Certificates. Proceeds may be invested pending utilization for these purposes.

AGLF pays the ongoing fees and expenses incurred in connection with the Offering, including outside legal, accounting, consulting, due diligence, and printing fees and expenses. The amount incurred in connection with this offering was \$45,000, and it is estimated that printing fees and expenses will be approximately \$30,000. No underwriters are participating in the distribution of the Investment Certificates and no underwriting discounts or commissions will be paid in connection with this Offering. Sales of Investment Certificates will be effected solely by AGLF's designated representatives. See "Plan of Distribution" on page 28.

FINANCING AND OPERATIONAL ACTIVITIES

Receipts, Renewals, and Redemptions of Investment Certificates

The following table sets forth information with respect to AGLF's cash receipts on sales of Investment Certificates, the principal amount of Investment Certificates renewed or reinvested at maturity (excluding Demand Certificates and Term Certificates held by entities affiliated with AGLF), and the principal amount of Investment Certificates redeemed or withdrawn during AGLF's three most recent fiscal years ending March 31, 2020.

		2020	2019	2018
Cash Receipts	\$	184,842,841	\$ 168,240,117	\$ 190,144,591
Renewals and Reinvestments	\$	172,440,853	\$ 168,158,671	\$ 226,014,643
Redemptions	\$	194,733,789	\$ 219,630,229	\$ 243,319,267

Historically, only a portion of the principal balance of maturing Investment Certificates has been redeemed by investors. Over the past three years, approximately 75% of the principal balance of maturing Investment Certificates has been renewed or reinvested annually, excluding Investment Certificates held by entities affiliated with AGLF. No assurance can be given that this renewal and reinvestment rate will continue.

Notes Payable

On March 31, 2020, AGLF had \$863,870,909 in total Notes Payable with a weighted average interest rate of 2.13%. This compares to total Notes Payable of \$873,761,857 with a weighted average interest rate of 2.10% as of March 31, 2019, and total Notes Payable of \$925,151,969 with a weighted average interest rate of 1.69% as of March 31, 2018. The following table sets forth the range of interest rates and the principal amount of Notes Payable as of March 31, 2020:

Term	Interest Rate	Principal Amount
Subscription Contracts – net (to be converted to Series A)	3.00% to 7.00% after issue	\$ 1,144,987
Series A – 12-year	3.00% to 7.00%	1,562,171
3-month to 10-year ¹	0.00% to 3.75%	418,900,031
Custodial – 1 to 10-year	1.375% to 3.50%	160,893,120
Demand Certificates	1.625% to 3.25%	<u>281,370,600</u>
Total		\$ <u>863,870,909</u>

¹ Two 1-year Investment Certificates have been modified to reflect a 0.00% interest rate due to the abandonment of the Investment Certificates by the investors.

The aggregate annual maturities of Notes Payable as of March 31, 2020, were as follows:

Year of Maturity	Principal Amount
2021	\$ 539,467,432
2022	125,536,489
2023	87,368,471
2024	47,334,642
2025	36,120,558
Thereafter	<u>28,043,317</u>
Total	<u>\$ 863,870,909</u>

Secured Line of Credit

As of March 31, 2020, AGLF, AGFSG and its affiliates together carried a \$115,000,000 joint revolving line of credit through Bank of Kansas City that is secured by a pledge of mortgages and loans receivable of certain of AGLF's affiliates. The interest rate on this line of credit is variable and equal to the one month LIBOR Rate plus 1.00%. The maximum borrowed on the current line of credit was \$95,000,000 by AGFSG and its affiliates. At March 31, 2020, AGLF and AG Loan Pool had no outstanding balance on the line of credit. At March 31, 2020, all amounts borrowed related to AGFSG and its affiliates. AGLF, along with AG Loan Pool and AGFSG and its affiliates are obligated jointly and severally to repay all amounts borrowed on the line of credit.

Grants to Affiliate

During fiscal year 2020, AGLF made a \$4,500,000 grant to AGFSG which in turn made a grant to The General Council. The purpose of these grants is to support The General Council in carrying out its mission and purpose of serving local assemblies, district councils, educational institutions, and other ministries affiliated with The General Council, which collectively represent the same institutions for which we were formed to serve.

Amounts Due To/From Affiliates

As of March 31, 2020, AGLF was indebted to AGLF affiliates in the amount of \$14,575. This compares to AGLF being indebted to affiliates in the amount of \$12,933 as of March 31, 2019 and AGLF being indebted to AGLF affiliates in the amount of \$800 as of March 31, 2018 (See Note 7). During fiscal year 2020, AGLF's cash flows decreased \$1,642 in amounts due to affiliate's various activities, as compared to a decrease of \$12,133 in 2019 and an increase of \$686,919 in 2018.

Loans Receivable

AGLF's loans are primarily secured through mortgage agreements on the borrowers' real property. As of March 31, 2020, AGLF had \$974,453,997 of mortgage loans receivable and an allowance for loan losses of \$15,611,159. These loans receivable had the following maturities. Actual repayments can vary because Borrowers have the ability to prepay loans prior to the maturity date, and the amounts below do not include expected regular principal payments.

Year of Principal Maturity	Receivable Balance
2021	4,345,520
2022	3,937,690
2023	11,064,153
2024	7,085,608
2025	3,788,757
Thereafter	<u>944,232,269</u>
Total	<u>\$ 974,453,997</u>

As of March 31, 2020, AGLF's mortgage loans receivable had the following principal balances:

Principal Loan Balance	# of Borrowers	Principal Outstanding	% of Loans Receivable
< \$500,000	535	\$ 92,850,929	9.5
\$500,001-\$1,000,000	98	69,042,112	7.1
\$1,000,001-\$2,500,000	124	199,553,992	20.5
\$2,500,001-\$5,000,000	60	212,427,416	21.8
> \$5,000,000	<u>45</u>	<u>400,579,548</u>	<u>41.1</u>
Total	<u>862</u>	<u>\$ 974,453,997</u>	<u>100.0%</u>

During the fiscal year ending March 31, 2020, AGLF received \$103,721,808 in principal repayments on loans receivable, compared to principal repayments of \$79,454,291 and \$100,882,093 in the fiscal years ending March 31, 2019 and 2018, respectively. As of March 31, 2020, 2019, and 2018, the weighted average interest rate on loans receivable was 5.35%, 5.28%, and 5.22%, respectively.

LENDING ACTIVITIES

Lending Policies and Practices

AGLF's lending activities are managed by AGFSG through the Management Agreement. The policies and practices of AGFSG described in this section apply to AGLF's policies and practices and those that are discharged by AGFSG on AGLF's behalf. As a part of its obligations under the Management Agreement, AGFSG provides loan originators throughout the United States to consult with borrowers regarding their capital needs. The loan applications are then submitted by the loan consultant to AGFSG at its headquarters in Springfield, Missouri. The loan application is reviewed for compliance with loan guidelines and standards established by AGLF's Board of Directors and AGFSG's Board to determine whether the applicant has met the minimum requirements for approval of a loan. Upon approval by the Loan Committee of AGFSG (or its designated Credit Committee or Loan Services Committee), AGFSG will issue a letter of commitment to the borrower.

The review process includes an analysis of the resources and financial capability of the borrower and the borrower's ministry needs. AGFSG relies upon financial statements, annual budgets, donation records, attendance records, and contracts with builders and architects, if any, and may require independent appraisals of the properties to be mortgaged, as submitted by the borrower.

Borrowers will typically be required to meet certain financial ratios, including a loan-to-value ratio of 65%, which are analyzed through the loan application process. The loan evaluation process typically includes the analysis, when applicable, of the borrower's annual debt service to income, annual debt service plus annual personnel expenses to income, and total aggregate debt to total property values. AGLF and AGFSG reserve the right to consider other factors and risks in making loan decisions.

AGLF may charge each borrower a fee at the inception of the loan or at the time of renewal of the loan to offset loan origination, legal, and customary out-of-pocket expenses. These loan origination fees, which are remitted to AGFSG, are paid in cash or may be added to the principal of the loan at AGLF's discretion or that of AGFSG.

Loan Repayment and Documentation

Loan payments ordinarily are made monthly. AGLF and AGFSG have a policy requiring payment of a late fee on all delinquent loan payments. Current policy permits most borrowers to prepay their loans prior to maturity without premium or penalty. AGLF generally requires some of the normal protections afforded commercial lenders. Permanent loan documentation for loans secured by real estate will usually include: hazard insurance, a recorded deed of trust or mortgage, a promissory note, and financial and credit information, including UCC filings. In addition, appraisals, title insurance, environmental reports, and surveys may be required in the sole discretion of AGFSG in accordance with existing policies. Loans not secured by real estate are documented with a standard loan agreement and promissory note.

Types of Loans

AGLF's lending activities currently involve the following types of loans:

Permanent Real Estate Loans. Permanent real estate loans secured by a first mortgage on real estate, with amortization periods typically ranging from 20 to 30 years, at variable rates of interest, with interest rate reviews or adjustments from quarterly to ten years. The interest rate charged on a particular loan will typically be higher than the interest rate paid by AGLF on the Investment Certificates.

Construction or Bridge Loans. Construction or bridge loans typically are of a short-term nature, secured by a first mortgage on real property, with repayment expected from external sources, such as permanent financing or the payment of pledges from certain qualified capital campaigns.

Personal Loans. As a convenience to its investors, AGLF allows any investor to borrow against his or her Investment Certificates prior to the maturity date, where the loan amount does not exceed 90% of the Investment Certificate's balance. The interest rate is currently 2.00% above the interest rate earned on the Investment Certificate. Monthly automatic payments are required. At March 31, 2020, there were 5 such personal loans outstanding with an aggregate outstanding principal balance of \$78,380.

AGLF may include other types of loans in its lending activities in the future. AGLF has not securitized any of its loans.

Loan Participations

AGLF may provide funding to borrowers through loan participations in which AGLF originates the loan and other lenders participate, or in which other lenders originate the loan and AGLF participates. AGLF may engage in such loan participations with commercial banks or other similar financial institutions, as well as with The General Council, AG Loan Pool, AGFSG, and other Assemblies of God organizations.

Unsecured Loans and Subordinated Loans

From time to time, AGLF may make loans that are not secured by a first priority lien on real property, including unsecured loans and second mortgage loans. It is AGLF's policy to limit unsecured loans to an amount not to exceed 10% of total loans receivable. At March 31, 2020, \$974,453,997 in loans receivable included approximately \$5,575 or 0.001% of unsecured loans to one borrower.

Loan Commitments

At March 31, 2020, AGLF had outstanding loan commitments of \$9,727,000 which may be fulfilled and funded by either AGLF or AG Loan Pool. AGLF had no material loan commitments to a single borrower. AGLF had unused lines of credit in the amount of \$5,315,117 and construction loan commitments of \$25,884,085.

Impaired and Nonaccrual Loans

AGLF considers a loan to be impaired if it is probable that AGLF will be unable to collect principal and interest when due in accordance with the terms of the loan agreement. AGLF generally does not classify a loan as impaired if it experiences insignificant payment delays (generally not exceeding 90 days) or shortfalls.

At March 31, 2020, AGLF held impaired loans of approximately \$4,014,700, which amounted to 0.4% of total net loans receivable. This compares to impaired loans of approximately \$8,039,000 (0.8 %) and \$6,484,500 (0.7 %) at March 31, 2019 and 2018, respectively.

AGLF's average investment in impaired loans was \$6,026,812 for the fiscal year ended March 31, 2020, compared to the average investment in impaired loans of \$7,261,723 in 2019 and \$9,607,341 in 2018.

At March 31, 2020, AGLF held approximately \$2,853,900 in loans that were delinquent 90 days or more. This compares to loans receivable delinquent 90 days or more of approximately \$6,140,900 and \$4,860,300 at March 31, 2019 and 2018, respectively. Of the delinquent loans, on March 31, 2020, \$0 were continuing to accrue interest.

Loan Foreclosures and Other Real Estate Owned

During the fiscal year ended March 31, 2020, AGLF foreclosed on three loans in the principal amount of approximately \$10,030,000. This compared to loan foreclosures on one loan in fiscal year 2019 and four loans in fiscal year 2018 in the aggregate principal amounts of \$421,200 and \$2,403,000, respectively. As a result of these

foreclosures, AGLF sold other real estate owned for \$657,242, \$25,000, and \$75,939 in fiscal years 2020, 2019, and 2018, respectively, recognizing gains/(losses) on these sales of \$(106,462), \$0, and \$603 for fiscal years 2020, 2019, and 2018, respectively. AGLF recorded \$538,741 of income on other real estate owned in 2020, compared to \$345,849 and \$282,956 in fiscal year 2019 and fiscal year 2018, respectively.

As of March 31, 2020, AGLF held \$27,788,722 in other real estate owned, which compares to \$19,142,685 and \$19,243,360 as of March 31, 2019 and 2018, respectively.

Allowance for Loan Losses

During the fiscal year ended March 31, 2020, AGLF made no provision for loan losses. As of March 31, 2020, AGLF had an allowance for loan losses of \$15,611,159, representing 1.60% of loans receivable, which AGLF believes is adequate for potential losses on loans receivable. This compares to a loan loss allowance on loans held by AGLF of 1.64% and 1.61% as of March 31, 2019 and 2018, respectively. The amount of loan loss allowance is based upon periodic review of AGLF's loans and consideration of a variety of factors affecting the anticipated collectability of loans receivable. This process is inherently subjective and is based on management's best estimates. Ultimate losses may vary from current estimates.

INVESTING ACTIVITIES

Investment Portfolio

As of March 31, 2020, AGLF held investments of \$142,467,792, compared to investments of \$161,711,580 and \$199,700,725 as of March 31, 2019 and 2018, respectively. AGLF's investment portfolio consisted of the following as of March 31, 2020:

Money market mutual fund	\$ 74,526,515	52.3%
Real estate investment trust common stock	\$ 15,488,994	10.9%
Fixed income funds	\$ 52,452,283	36.8%

AGLF's investments at March 31, 2020, included \$15,488,994 in common stock of FCR. FCR is a real estate investment trust engaged primarily in the business of making mortgage loans to churches, schools, colleges, and other nonprofit organizations. The common stock AGLF owns in FCR has not been registered with the U.S. Securities and Exchange Commission, is not marketable, and is subject to limitations on resale. AGLF, along with AGFSG, AG Foundation, Ministers Benefit Association, and AG Loan Pool together directly or indirectly own approximately 98% of the total outstanding shares of capital stock of FCR. FCR is managed by Foundation Capital Services Group, LLC, a Missouri limited liability company owned by an affiliate of AGFSG. See "Investment Policies" below for further information regarding AGLF's investment policies and objectives.

Investment Returns

During the fiscal year ended March 31, 2020, AGLF experienced total investment losses of \$(432,911), which was comprised of interest and dividend income of \$1,021,352 and equity in earnings of FCR of \$1,396,441, less investment expenses to AGFSG of \$2,743,221 and external investment expenses of \$107,483. This compares to total investment gains of \$764,010 in fiscal year 2019 and total investment gains of \$283,038 in fiscal year 2018.

Investment Policies

AGLF's Board of Directors ("Board") is responsible for setting an investment policy and may amend it from time to time. Information about the members of AGLF's Board is set forth in the section of this Offering Circular entitled "Management" beginning on page 30. The Board has appointed AGFSG, through its management agreement, to provide oversight for the implementation of AGLF's investment policy. In carrying out its responsibilities, AGFSG makes asset allocation decisions, determines asset class strategies, and retains investment managers to implement these decisions under implementation guidelines established by AGLF's Board.

AGLF has been established to receive investments and to make loans, and it is AGLF's intent to remain in operation in perpetuity for these purposes. AGLF's policy is to invest assets in a prudent manner for the purpose of meeting these objectives. It is AGLF's policy to maintain liquid assets equal to at least 8% of the principal balance of total outstanding Investment Certificates. Other objectives include seeking to: preserve cash, cash equivalents, and readily marketable securities, provide a total return that, over the long term, provides sufficient assets to meet spending needs; maximize the return on assets over the long term while reducing risk through diversification by investing in multiple asset classes in order to take advantage of differing rates of return, volatility,

and correlation; and diversify investments within asset classes to reduce the impact of losses on single investments. Asset allocation is the principal method for achieving the investment objectives stated above. The types of investments Issuer is permitted to make in accordance with its investment policy include, but are not limited to, cash, money market funds, equities, certain equity options, precious metals, bonds, real estate, private placements, and limited partnerships. AGLF's asset allocation is reviewed regularly and assets are actively managed since AGLF believes that active investment management has the potential to result in above market returns.

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SELECTED FINANCIAL DATA

The following tables set forth certain of AGLF's selected financial data as of and for the fiscal years ended March 31, 2020, 2019, 2018, 2017, and 2016. This financial data was derived from AGLF's audited financial statements, which you should review in connection with the following information. See "Financial Statements."

Statement of Financial Position (in thousands)

	2020	2019	2018	2017	2016
Assets					
Cash	\$1,685	\$921	\$1,038	\$24,528	\$526
Due From Affiliates	-	-	-	686	-
Investments	142,468	161,712	199,701	184,876	236,228
Interest, dividends and investment income receivable	3,395	3,222	3,229	3,073	3,542
Other	19	26	129	175	277
Loan receivables, net of allowance for loan losses	958,843	937,532	926,115	946,950	964,503
Other real estate owned	27,789	19,143	19,243	17,544	15,511
Total Assets	1,134,199	1,122,556	1,149,455	\$1,177,832	\$1,220,587
Liabilities and Net Assets					
Liabilities					
Due To Affiliates	15	13	1	\$ --	\$1,867
Accrued interest payable	900	891	773	811	974
Notes payable	863,871	873,762	925,152	978,327	1,042,315
Other	161	1,043	599	270	993
Total liabilities	864,947	875,709	926,525	979,408	1,046,149
Net Assets					
Without Donor Restrictions	269,252	246,847	222,930	198,424	174,438
Total Liabilities and Net Assets	\$1,134,199	\$1,122,556	\$1,149,455	\$1,177,832	\$1,220,587

Statement of Activities (in thousands)

	2020	2019	2018	2017	2016
Revenues, Gains, and Other Support					
Interest on Loans Receivable	\$ 51,001	\$ 50,583	\$ 49,497	\$ 53,015	\$ 53,951
Investment Return, Net of Investment Expenses	(433)	764	283	(18)	(1,697)
Other	1,176	502	545	597	492
Total Revenues	51,744	51,849	50,325	53,594	52,746
Expenses					
Interest	18,435	17,138	16,072	18,179	21,210
Other	10,904	10,794	9,747	11,429	11,341
Total Expenses	29,339	27,932	25,819	29,608	32,551
Change in Net Assets without Donor Restrictions					
Net Assets, Beginning of Year	246,847	222,930	198,424	174,438	154,243
Net Assets, End of Year	\$269,252	\$246,847	\$222,930	\$198,424	\$174,438

The following table sets forth certain of AGLF's loan data as of and for the fiscal years ended March 31, 2020, 2019, 2018, 2017, and 2016 (in thousands):

	2020		2019		2018		2017		2016	
	Amount	% of Total Loans	Amount	% of Total Loans	Amount	% of Total Loans	Amount	% of Total Loans	Amount	% of Total Loans
Unsecured Loans	\$6	0.0%	\$8	0.0%	\$9	0.0%	\$18	0.0%	\$52	0.0%
Impaired Loans	\$4,015	0.4%	\$8,039	0.9%	\$6,484	0.7%	\$12,730	1.3%	\$10,902	1.1%
Delinquent Loans	\$2,854	0.3%	\$6,141	0.6%	\$4,860	0.5%	\$12,730	1.3%	\$10,588	1.1%

The following table sets forth the amount of Investment Certificates redeemed during the fiscal years ended March 31, 2020, 2019, 2018, 2017, and 2016 (in thousands):

	2020	2019	2018	2017	2016
Certificates Redeemed	\$194,734	\$219,630	\$243,319	\$281,569	\$231,817

DESCRIPTION OF INVESTMENT CERTIFICATES

General

AGLF offers two types of Investment Certificates: Term Certificates and Demand Certificates. Individuals who wish to hold their Investment Certificates in an individual retirement arrangement ("IRA"), including SEP, SIMPLE, and HSA, or a Coverdell Education Savings Account ("ESA"), may do so through arrangements that AGLF has with a custodian established to hold those Investment Certificates. AGLF reserves the right to limit the availability of its various investment options, and not all terms may be available for every investment type.

Demand Certificates

Demand Certificates are offered in the minimum amount of \$250 or a minimum amount of \$50 if the investor authorizes a total of at least four additional monthly electronic investments of at least \$50 via EFT. If EFT investments cease and fail to meet the minimum \$250 investment, or if subsequent redemptions reduce the total investment to less than \$250, non-qualified Demand Certificates will be redeemed and the funds returned to the investor. Demand Certificates held in an IRA or ESA that fail to meet the minimum \$250 investment will be assessed a \$50 annual fee. Demand Certificates accrue interest at a variable interest rate, which AGLF may periodically adjust in accordance with current market conditions, with the interest being payable or compounded monthly. Demand Certificates are payable within 30 days after demand by the investor.

Term Certificates

Term Certificates are offered in the minimum amount of \$500. Minimum investment amounts are waived for Term Certificates held in SEPs and SIMPLE IRAs. Term Certificates accrue interest at a fixed or variable interest rate. An adjustable Term Certificate held in an IRA or ESA may be established with a minimum of \$50 if the investor authorizes a total of at least nine additional monthly electronic investments of at least \$50 via EFT. Adjustable Term Certificates accrue interest at a variable interest rate, which may adjust monthly. Term Certificates will mature three months to ten years after the date of issuance. Additional funds may be added to Term Certificates during the term of the investment, subject to approval by AGLF.

Returning Investor Certificates

Returning Investor Certificates are Demand or Term Certificates available to investors (except retirement account investors) who previously purchased Investment Certificates, but who no longer have an open investment account with AGLF. Returning Investor Certificates accrue interest and mature on the same terms as standard Demand or Term Certificates, as applicable, but typically offer an interest rate premium of 0.125% over the rates paid on Demand or Term Certificates.

New Investor Certificates

New Investor Certificates are Term Certificates available to investors who prior to the receipt of this Offering Circular were not an existing investor and had never previously opened an investment with AGLF, and who are located in jurisdictions where such investments are not prohibited. New Investor Certificates accrue interest and mature on the same terms as standard Term Certificates, as applicable, but typically offer an interest rate premium of 0.00-0.25% above the rates paid on Term Certificates.

Loan Partner Certificates

Loan Partner Certificates are Term Certificates available to certain institutional investors, such as local assemblies (*i.e.*, churches), district councils, and other ministry institutions, which currently have an outstanding loan balance with AGLF. Loan Partner Certificates accrue interest and mature on the same terms as standard Term Certificates, but typically offer an interest rate premium of 0.125% over the rates paid on Term Certificates.

Transferability

Investment Certificates may be transferred only upon written notice to and approval from AGLF, so that AGLF may determine whether the proposed transferee qualifies as meeting any state-specific requirements relating to the transfer. See "State Specific Information" beginning on page 4.

Ranking

Investment Certificates are AGLF's unsecured general debt obligations and have maturity dates of three months to ten years, excluding Demand Certificates, which have an indefinite maturity. No commission, brokerage, or finders' fees will be paid to any individual selling Investment Certificates.

It is generally AGLF's policy not to create, incur, or voluntarily permit any material lien upon any of AGLF's assets or otherwise incur material indebtedness having a prior claim to AGLF's assets or otherwise senior to Investment Certificates except for (i) liens or charges for current taxes, assessments, or other governmental charges which are not delinquent or which remain payable without penalty or the validity of which are contested in good faith; (ii) liens made to secure statutory obligations, surety, or appeal bonds, or bonds for the release of attachments or for stay of execution; (iii) purchase money security interests for property acquired; and (iv) judgment liens. However, from time to time management has and may determine it appropriate to grant liens or issue higher ranked securities in furtherance of AGLF's mission. For purposes of this policy, the term "material" means an amount which equals or exceeds 10% of AGLF's tangible assets.

Interest Rates and Payments

Interest rates on Investment Certificates are determined at the time of investment or renewal and will depend upon a variety of factors, including the prevailing interest rates at such times. The accompanying rate sheet indicates AGLF's interest rates as of the effective date printed on the sheet, which are subject to change from time to time. Contact AGLF at 866.453.7142 or visit www.agfinancial.org/rates to obtain current rate sheet and current rate information. Investment Certificate terms and features are subject to additional notices, information, and disclosures contained on the rate sheet or rate information available at www.agfinancial.org/rates.

Interest rates on Demand Certificates and adjustable Term Certificates are variable and therefore may vary after purchase. Interest rates on all other Investment Certificates are fixed for the term of the Investment Certificate and are reestablished upon renewal or reinvestment at maturity.

The investor has the option of selecting to have interest payments paid out or interest that compounds monthly. Interest calculations are based upon a 365-day year.

Accrued interest is payable monthly on Demand Certificates (including any Returning Investor Certificates that are Demand Certificates). For Term Certificates (including any Returning Investor Certificates and New Investor Certificates that are Term Certificates, and Loan Partner Certificates), interest is payable annually, semiannually, quarterly, or, if the investment is at least \$10,000, monthly, at the option of the investor. Interest that is compounded monthly may be redeemed at any time during the term of the investment certificate without penalty, subject to approval by AGLF.

From time to time, AGLF may make limited special rates available for investors meeting stated minimum investment requirements and other factors as AGLF may determine.

Investment Limits

From time to time AGLF may limit the size of a single investment or the amount of aggregate investments from any one investor. If AGLF notifies you of any such limits, you must receive AGLF's written approval before making any additional investments that would exceed those limits.

Redemption and Renewal of Investment Certificates at Maturity

It is AGLF's policy to send maturity notices, a current rate sheet or rate information, and a current Offering Circular to investors at least 30 days prior to the Investment Certificate's maturity date. An investor may redeem an Investment Certificate at maturity by sending a written request for payment to AGLF no later than the Investment Certificate's maturity date. Upon timely receipt of this request, AGLF will promptly pay the investor the outstanding principal and accrued interest on the Investment Certificate as of the maturity date.

Unless prohibited by applicable state law, if the investor does not request payment at maturity in this manner, the Investment Certificate will renew for an additional term equal to the original term of the Investment Certificate, or, if the original term is no longer available, for the term closest to but not exceeding the original term. (See "State Specific Information" including but not limited to investors in California at page 5, Kentucky at page 5, and Oregon at page 6.) Upon renewal, the interest rate for the Investment Certificate will be adjusted to the new stated rate at date of maturity and in accordance with the rate sheet and rates applicable at the date of maturity. There is no limit on the number of times an Investment Certificate will renew automatically at maturity. If the investor has moved into a state where Investment Certificates are not registered or exempt from registration at the time of attempted reinvestment, the Investment Certificate will not be renewed, and AGLF will pay the investor the outstanding principal and accrued interest as of the maturity date promptly after maturity. At maturity of an Investment Certificate, if AGLF determines that the investor's last known address on file with AGLF is not then good, and not forwardable by the U.S. Postal Service, AGLF will have no further obligation to locate the investor, and will rely on the investor to contact AGLF with a request for redemption. If the investor does not contact AGLF within seven (7) years of maturity of the Investment Certificate, it will automatically be cancelled and the proceeds will become a part of the contributed capital of AGLF (see "State Specific Information" regarding Arkansas investors at page 4, Idaho at page 5, and Pennsylvania investors at page 7). In no event will the value of the Investment Certificate increase beyond its value at maturity.

Early Redemption

AGLF reserves the right to call Investment Certificates at any time on 30 days' prior written notice to the investor. Upon redemption, AGLF will pay the outstanding principal and accrued interest on the Investment Certificate through the date of the call.

Investors do not have the right to redeem their Investment Certificates prior to their maturity dates. However, as a matter of accommodation, AGLF may permit early redemptions, though AGLF reserves the right to and may impose penalties, fees, advance notice requirements, and other conditions or requirements to early redemption at its discretion. AGLF's current policy is to impose an early redemption penalty of 2% of the principal amount of the Investment Certificate redeemed prior to maturity. AGLF may change this policy at any time without notice or consent from any investor.

Purchase of Investment Certificates

AGLF will accept payment for the purchase of Investment Certificates in the form of personal check, cashier's check, money order, or EFT payable to AGLF. Returned items are subject to a \$25 processing fee.

Rate Sheet and Rate Information

Terms and features of the Investment Certificates described herein, including but not limited to availability and applicable interest rates, are subject to additional notices, information, and disclosures contained on the rate sheet or in the rate information, which is subject to change from time to time, available at www.agfinancial.org/rates.

PLAN OF DISTRIBUTION

The primary means of soliciting potential investors is through the use and distribution of this Offering Circular, which is typically delivered by employees of AGFSG in response to invitations or inquiries from churches or other institutions affiliated with The General Council. AGLF may also publish promotional material for print in publications, such as, but not limited to, national and regional publications of The General Council, and for distribution at Assemblies of God conventions and seminars.

No underwriting or selling agreements exist, and no direct or indirect commissions or other remuneration will be paid to any person in connection with the offer and sale of Investment Certificates. Sales of Investment Certificates will be effected solely by AGLF's designated representatives, who are either registered or exempt from registration in the states where Investment Certificates are offered.

Investors must complete an Investment Form when purchasing Investment Certificates. Online investing is also available at <https://secure.agfinancial.org/invest> for investors wanting to utilize a paperless investment option.

TAX MATTERS

The following is a summary of the principal tax considerations relating to the purchase and ownership of Investment Certificates in this Offering, but it is not a complete analysis of all the potential tax considerations relating thereto. To the extent the discussion relates to federal income tax matters, it is based upon the provisions of the Code, existing regulations promulgated under the Code, proposed regulations under the Code, judicial decisions, administrative interpretations, and administrative rulings and practice now in effect and existing as of the date of this Offering Circular. Future legislative, regulatory, judicial, or administrative action may alter the principles and tax consequences discussed in this summary. Any such changes may or may not be retroactive with respect to transactions entered into or completed prior to the effective date of the changes.

Furthermore, this summary does not address every aspect of tax law that may be significant to each investor's particular circumstances. This summary applies only to United States holders that are beneficial owners of the Investment Certificates as "capital assets," within the meaning of Code Section 1221. This discussion does not address tax considerations applicable to an investor's particular circumstances or to investors that may be subject to special tax rules such as (i) banks, thrifts, regulated investment companies, or other financial institutions or financial service companies, (ii) S corporations, (iii) holders subject to the alternative minimum tax, (iv) tax-exempt organizations, (v) insurance companies, (vi) foreign persons or entities, (vii) brokers or dealers in securities or currencies, (viii) holders whose "functional currency" is not the U.S. dollar, or (ix) persons that will hold the Investment Certificates as a position in a hedging transaction, "straddle," "conversion transaction" (as defined for tax purposes) or persons deemed to sell the Investment Certificates under the constructive sale provisions of the Code. Also, this summary does not address any aspect of state or local tax law that may be applicable to an investor.

This discussion of federal income tax consequences was written to support the promotion or marketing of the Investment Certificates and is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties.

EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT THE INVESTOR'S OWN TAX COUNSEL AND ADVISOR FOR MORE DETAILED INFORMATION WITH RESPECT TO THE FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSIDERATIONS WHICH MAY AFFECT THE INVESTOR'S PURCHASE OF INVESTMENT CERTIFICATES.

Although AGLF is exempt from federal income taxes as an organization described under Section 501(c)(3) of the Code, an investment in Investment Certificates does not entitle the investor to a charitable contribution deduction with respect to the investor's federal income taxes. Further, all interest earned on Investment Certificates will be taxed as ordinary income in the year it accrues on Investment Certificates or is paid in cash, depending upon the investor's particular method of tax accounting. An investor will not be taxed on the return of principal.

If an investor has invested or loaned more than \$250,000 in the aggregate with or to organizations affiliated with The General Council, the investor may be deemed to receive additional taxable interest under Treas. Reg. §1.7872-5T(b)(9) if the interest paid or accrued is below the applicable federal rate. In the case of a married individual, the investments and loans of the husband and wife are combined for purposes of the \$250,000 threshold. Where Treas. Reg. §1.7872-5T(b)(9) applies, additional taxable interest income may be imputed to the investor, thus, if an investor believes this applies to them, then they should consult their tax advisor.

Upon the redemption of an Investment Certificate held by an investor, such investor generally will recognize capital gain or loss equal to the difference between (i) the amount of cash proceeds and the fair market value of any property received in the redemption (except to the extent such amount is attributable to accrued interest income not previously included in income, which will be taxable as ordinary income, or is attributable to accrued interest that was previously included in income and not added to the Investment Certificate's basis, which amount may be

received without generating further income) and (ii) such investor's adjusted tax basis in the Investment Certificate. An investor's adjusted tax basis in an Investment Certificate generally will be equal to the investor's cost of the Investment Certificate less any principal payments received by the investor. Such capital gain or loss will be long-term capital gain or loss if the Investor's holding period in the Investment Certificate is more than one year at the time of redemption. Long-term capital gains recognized by some non-corporate holders, including individuals, will generally be subject to taxation at reduced rates. The deductibility of capital losses is subject to limitations.

The Internal Revenue Service ("IRS") may challenge the characterization of the instruments as debt instruments by asserting that such instruments are, instead, equity instruments. The characterization of an instrument as debt or equity depends on the terms of the instrument and all surrounding facts and circumstances. While AGLF intends to treat Investment Certificates as debt instruments and fully believes that such treatment is proper, AGLF will neither obtain a legal opinion to such effect nor will AGLF attempt to obtain a ruling from the IRS to such effect. No assurance can be given that the IRS will concur with such treatment of Investment Certificates as debt instruments.

Under the Code, AGLF must report each investor's interest earned on Investment Certificates to the IRS. In general, no portion of interest should be subject to federal income tax withholding for investors who timely and properly provide AGLF with a taxpayer identification number on Forms W-8 or W-9. If an investor does not provide AGLF with a taxpayer identification number on Forms W-8 or W-9, AGLF will be required to withhold federal income tax on any interest paid.

By January 31 of each year, AGLF will furnish each investor a Federal Income Tax Form 1099-INT or the comparable form with necessary information regarding the previous tax year's reportable interest for inclusion in the investor's federal, state, and local income tax returns which may be required to be filed as a result of participating in this Offering. However, it will be each investor's responsibility to prepare and file all appropriate income tax returns.

MATERIAL LITIGATION

AGLF is not aware of any present, pending, or threatened material proceeding before, by, or contemplated by any governmental authority, administrative body or other administrative person, against The General Council or any of its affiliates, or against AGLF or to which AGLF or its property is or may become a party. Further, AGLF is not aware of any transactions that may materially affect the Offering, or any investor's investment decision, that is not mentioned elsewhere in the Offering Circular, if at all.

MANAGEMENT

The administration and government of AGLF is vested in a Board of Directors of not less than seven or more than 13 individuals. Currently, there are eight members on AGLF's Board of Directors. The directors are appointed from time to time by the Executive Presbytery of The General Council. Generally, appointed directors serve for a term of four years from the date appointed. The Board of Directors appoints AGLF's officers, and has appointed AGFSG to oversee all of AGLF's day-to-day operations. As of March 31, 2020, the following persons were serving on AGLF's Board of Directors and/or as officers of AGLF and/or AGFSG as designated:

Gerald B. Hindy - Chairman of the AGLF Board of Directors, President; President/CEO of AGFSG

Mr. Hindy, a graduate of Evangel University, became the Chief Executive Officer and President of AGFSG in January 2006. His professional career began with a regional accounting firm in Pittsburgh, Pennsylvania, where he became a certified public accountant. Subsequent to that, he pursued building a portfolio of business interests, which included a wide array of companies in several different industries. During his career, he also played a strategic role in leading several publicly traded financial institutions through unique business combinations resulting in increased efficiency and shareholder value. Mr. Hindy also serves on the Board of Directors of AGFSG. He has served other churches, colleges and ministries over the past 25 years. Mr. Hindy's term on the Board of Directors expires in 2021.

L. Alton Garrison – Vice Chairman of the AGLF Board of Directors

Reverend Garrison, was born in Beaumont, Texas, and grew up in Beaumont and Sour Lake, Texas. A graduate of Southwestern Assemblies of God College in Waxahachie, Texas, he was ordained May 6, 1971. He received an honorary Doctor of Divinity degree from Southwestern in 1997. He served the pastorate at First Assembly in North Little Rock, Arkansas for 16 years. He served as Assistant Superintendent of the Arkansas District of the

Assemblies of God from 1997 to 2001. He was elected to District Superintendent in 2001, and as Gulf Region Executive Presbyter with The General Council. He currently serves as the Assistant General Superintendent of The General Council. He serves on numerous boards. Reverend Garrison's term on the Board of Directors expires in 2021.

Thomas E. Trask – Secretary of the AGLF Board of Directors

Reverend Trask was born in Brainerd, Minnesota. A graduate of North Central Bible College in Minneapolis, Minnesota, Reverend Trask has spent over 50 years in ministry, 25 of which were devoted to the pastorate, being ordained in 1958. His ministry has included a strong emphasis on home and foreign missions. In 1988 he was elected to serve the Assemblies of God as its General Treasurer, and in 1993 was elected Chief Executive Officer/General Superintendent, a position he held until 2007. In addition, he served as Assistant Superintendent of the Michigan District and was Superintendent of the district for three years. He also was the District Youth and Sunday School Director for four years. Reverend Trask currently serves on several boards and committees and is Chairman of the World Assemblies of God Fellowship. He is a past Chairman of the Pentecostal World Fellowship. He has co-authored a number of books and is also one of the editors for The Pentecostal Pastor. Reverend Trask's term on the Board of Directors expires in 2020, but it is expected that he will be reappointed to the Board for an additional four years. AGLF has determined that Reverend Trask is an independent director.

Donald H. Argue, Ed.D - Director

Dr. Argue previously served as a Commissioner of the United States Commission on International Religious Freedom. He served as President of Northwest University from July 1998 to August 2007 when he transitioned to the position of Chancellor of the University, a position he still holds. Before accepting the invitation to Northwest University, Dr. Argue served as President of the National Association of Evangelicals. Dr. Argue previously served as President of North Central University, Minneapolis, Minnesota for 16 years. A graduate of Central Bible College, Dr. Argue earned a master's degree at Santa Clara University, San Jose, California, and a doctorate in education at the University of the Pacific, Stockton, California. He served as Dean of Students and Campus Pastor at Evangel University in Springfield, Missouri. He also was a pastor at churches in San Jose and Morgan Hill, California. Dr. Argue's term on the Board of Directors expires in 2023. AGLF has determined that Dr. Argue is an independent director.

Joshua L. Bartlotti – Director/Vice President of AGLF; Chief Loan Officer/Executive Vice President of the Loan and Capital Services Group of AGFSG

Mr. Bartlotti graduated from Evangel University in Springfield, Missouri, with a Bachelor of Business Administration. From 1999 through 2004 prior to joining AGFSG, he was the senior vice president of a Midwest mortgage banking institution. Mr. Bartlotti was raised in Pakistan and is the son of former Assemblies of God missionaries. Mr. Bartlotti's term on the Board of Directors expires in 2023.

James R. Batten - Director

Mr. Batten currently serves as Chief Financial Officer for a food manufacturing company. Mr. Batten served as the Executive Vice President of Convoy of Hope from April 2009 to February 2014. He was the Executive Vice President and Chief Operations Officer of Communication and Strategic Services for AGFSG for 18 months prior to joining Convoy of Hope in 2009. He has served as Treasurer of O'Reilly Automotive, Inc., a publicly-traded company based in Springfield, Missouri. He served as Executive Vice President and Chief Financial Officer for O'Reilly Automotive from 1994 to June 2006. Mr. Batten serves as board member and Audit Committee Chair for Guaranty Bank, Springfield, Missouri, board member for FCR, and board member and Treasurer for Hope Church in Springfield, Missouri. Mr. Batten is a Certified Public Accountant with a Bachelor of Science degree in Accounting from Central Missouri State University in Warrensburg, Missouri. Mr. Batten's term on the Board of Directors expires in 2021, but it is expected that he will be reappointed to the Board for an additional four years. AGLF has determined that Mr. Batten is an independent director.

Douglas E. Clay - Director

Reverend Clay was elected General Superintendent of the Assemblies of God in August 2017. He previously served as General Treasurer of the Assemblies of God from January 2008 to October 2017, where he oversaw the Division of the Treasury, which is responsible for handling all finances sent to Headquarters for the world ministries of the church. He is a member of the Executive Leadership Team and the Executive Presbytery. Prior to his election as General Treasurer, Reverend Clay served as superintendent of the Ohio District from June 2004 to 2008. He pastored Calvary Assembly of God in Toledo, Ohio, from 1997 to 2004. Reverend Clay has also served as the Assemblies of God national youth director (1995-1997), Ohio District youth director (1989-1995) and as a youth pastor in Ohio and Iowa. Reverend Clay was ordained by the Iowa District in 1988 and is a 1985

graduate of Central Bible College in Springfield, Missouri. Reverend Clay's term on the Board of Directors expires in 2020, but it is expected that he will be reappointed to the Board for an additional four years.

Donald P. Johns – Director; Vice President/Treasurer of AGLF; Chief Financial Officer/Treasurer/Executive Vice President of the Corporate and Professional Services Group of AGFSG

Mr. Johns was named Chief Financial Officer for AGFSG in 2004 and Executive Vice President in 2005. Prior to that time, he served as the controller for AGFSG. From 1999 to 2001, Mr. Johns was an auditor with BKD, LLP, a large, regional public accounting firm. He is a certified public accountant (CPA), a member of the American Institute of Certified Public Accountants, and a member of the Missouri Society of Certified Public Accountants. He received a Bachelor of Business Administration in Accounting from Evangel University in 1998, and received a Master of Business Administration (MBA) in Finance from Missouri State University in 2008. Mr. Johns' term on the Board of Directors expires in 2022.

Kyle A. Dana – Vice President of AGLF; Senior Vice President of Retirement and Investment Solutions of AGFSG

Mr. Dana graduated from Evangel University in Springfield, Missouri in 2000, with a Bachelor of Business Administration degree in Marketing and Management, joining AGFSG soon thereafter. Mr. Dana is currently serving as a board member for Steward Mutual Fund. Mr. Dana oversees the retirement planning division at AGFSG. He conducts educational retirement seminars for Assemblies of God institutions and helps their employees develop personalized retirement plans. Mr. Dana provides comprehensive education on current retirement trends, IRS regulations, and customized action plans.

Courtney N. Hayes – Assistant Secretary of AGLF; Assistant Secretary/Legal Counsel of AGFSG

Ms. Hayes is an attorney licensed to practice law in Missouri. She received her Bachelor of Arts degree in Business Administration and Accounting from William Jewell College in Liberty, Missouri in 1999, and received her Juris Doctor and Master of Law in Taxation degrees from the University of Missouri-Kansas City School of Law in 2003. She worked in the Trust Department at Commerce Trust Company in Lawrence, Kansas prior to joining AGFSG in March 2005.

Donald M. Headlee – Vice President of AGLF; Chief Business Development Officer/Executive Vice President of AGFSG

Mr. Headlee graduated from Evangel University in Springfield, Missouri, with a Bachelor of Arts degree in Management. Mr. Headlee previously served as vice president of First Federal Savings & Loan Association of Greene County ("First Federal") headquartered in Waynesburg, Pennsylvania. He began at First Federal in 1984 as a loan officer and was ultimately responsible for marketing, human resources and product development and implementation. Mr. Headlee joined AGFSG in 2008 where he oversees the asset gathering and investment activities of AGFSG, which includes retirement planning and planned giving.

William A. Hunt, Jr. – Secretary of AGLF; Secretary/Senior Vice President for Legal Services of AGFSG

Mr. Hunt is an attorney licensed to practice law in Virginia. He received his Bachelor of Arts degree in History from Christopher Newport College in Newport News, Virginia, and received his Doctor of Jurisprudence from the College of William and Mary, Williamsburg, Virginia. He was in private practice, specializing in real estate, and served as a planned giving attorney for the Christian Broadcasting Network, Virginia Beach, Virginia, through April 1995. Mr. Hunt joined AG Foundation in January 1996, which subsequently became an affiliated entity of AGFSG in 1998.

Leslie Lingenfelter – Vice President of AGLF; Vice President for Credit and Loan Operations of AGFSG

Ms. Lingenfelter joined AGFSG in 2009. She received her Bachelor of Science degree in Accounting from Southwest Missouri State University in 1996. Ms. Lingenfelter, a certified public accountant (CPA), was an auditor from 1997 to 2002 specializing in financial institutions and not-for-profit organizations. From 2002 through 2004 Ms. Lingenfelter served as the controller for Convoy of Hope. Prior to joining AGFSG Ms. Lingenfelter was self-employed as a CPA.

Sheri J. Shaffer – Vice President of AGLF; Vice President for Client Services of AGFSG

Ms. Shaffer joined AGFSG in 2011. She received her Bachelor of Arts degree from Central Bible College in 1985. Ms. Shaffer has 26 years of experience in banking, lending, and relationship management. She has worked in private banking at leading financial institutions.

Legal Issues

None of AGLF's directors or officers has, during the past 10 years, been convicted of any criminal proceeding (other than possibly for traffic violations or other minor misdemeanors), is the subject of any pending criminal proceedings, or was the subject of any order, judgment, or decree of any court enjoining such person from any activities associated with the offer or sale of securities.

Management Compensation

Members of AGLF's Board of Directors receive no compensation for their services to AGLF, but are reimbursed for expenses properly incurred in attending board meetings. AGLF contracts with AGFSG for all operations personnel and related benefit services. Pursuant to the Management Agreement, certain AGFSG employees receive indirect compensation which may be apportioned to AGLF. The amount of \$277,000 is the apportioned compensation for AGFSG's executive officers for the prior 12 months ending March 31, 2020. None of AGFSG's executive officers received compensation in excess of \$150,000 during the fiscal year ending March 31, 2020 for their apportioned remuneration related to AGLF's operations. An annual fee is payable monthly to AGFSG up to 1% of AGLF's average total liabilities, plus 0.25% of AGLF's total assets, excluding amounts receivable from AGFSG. This fee is intended to be all-inclusive and to cover compensation of all personnel and other expenses of AGFSG related to its management of AGLF, including, but not limited to, rent, telephone expenses, utilities, office furniture, administrative expenses, and all other management expenses. During the fiscal year ended March 31, 2020, AGLF paid total service fees to AGFSG of \$6,991,650. This compares to service fees of \$7,203,519 and \$7,568,166 in fiscal years 2019 and 2018, respectively. AGLF estimates that total service fees during fiscal year 2020-2021 will be approximately \$7,464,000. AGLF remains solely responsible for its obligations, liabilities, and expenses, including the repayment of all Investment Certificates; annual funding for loan loss reserves; legal, auditing, accounting, reporting, registration, and other professional fees related to Investment Certificates; expenses directly connected to the acquisition, disposition, and ownership of real estate interests; transfer agents, registrars, and similar fees.

Except as otherwise described in this Offering Circular, no member of AGLF's management (i) has any material employment contract with AGLF; (ii) receives any material prerequisites of employment from AGLF; or (iii) has any material conflict of interest.

FINANCIAL STATEMENTS

This Offering Circular includes AGLF's audited financial statements as of and for the fiscal years ended March 31, 2020, 2019, and 2018. AGLF's current audited financial statements will be made available to investors upon written request, and will be mailed to investors within 120 days of the last fiscal year end. In addition, it is AGLF's policy to provide each investor with a copy of the current Offering Circular at least 30 days prior to each Investment Certificate's maturity date.

Audit Committee and Board of Directors
Assemblies of God Loan Fund
Springfield, Missouri

We agree to the inclusion in the July 2020 offering circular of our report dated July 16, 2020, on our audits of the financial statements of Assemblies of God Loan Fund as of and for the years ended March 31, 2020 and 2019, and our report dated July 11, 2019, on our audits of the financial statements of Assemblies of God Loan Fund as of and for the years ended March 31, 2019 and 2018.

BKD, LLP

Springfield, Missouri
July 28, 2020

Assemblies of God Loan Fund

Independent Auditor's Report and Financial Statements

March 31, 2020 and 2019

Independent Auditor's Report

Audit Committee and Board of Directors
Assemblies of God Loan Fund
Springfield, Missouri

We have audited the accompanying financial statements of Assemblies of God Loan Fund, which comprise the statements of financial position as of March 31, 2020 and 2019, 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Audit Committee and Board of Directors
Assemblies of God Loan Fund
Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Assemblies of God Loan Fund as of March 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Springfield, Missouri
July 16, 2020

Assemblies of God Loan Fund

Statements of Financial Position

March 31, 2020 and 2019

Assets

	<u>2020</u>	<u>2019</u>
Cash	\$ 1,685,222	\$ 920,869
Investments	142,467,792	161,711,580
Interest, dividends and investment income receivable	3,394,527	3,222,250
Loans receivable, net of allowance for loan losses	958,842,838	937,532,455
Other real estate owned, net	27,788,722	19,142,685
Other	19,616	26,015
Total assets	<u>\$ 1,134,198,717</u>	<u>\$ 1,122,555,854</u>

Liabilities and Net Assets

Liabilities

Accrued interest payable	\$ 900,352	\$ 891,143
Due to affiliate	14,575	12,933
Notes payable	863,870,909	873,761,857
Other	160,655	1,042,915
Total liabilities	864,946,491	875,708,848

Net Assets

Without donor restrictions		
Undesignated	<u>269,252,226</u>	<u>246,847,006</u>
Total liabilities and net assets	<u>\$ 1,134,198,717</u>	<u>\$ 1,122,555,854</u>

Assemblies of God Loan Fund
Statements of Activities
Years Ended March 31, 2020 and 2019

	Without Donor Restrictions	
	2020	2019
Revenues, Gains and Other Support		
Interest on loans receivable	\$ 51,000,789	\$ 50,583,220
Investment return, net	(432,911)	764,010
Other revenue	1,175,749	501,901
Total revenues, gains and other support	51,743,627	51,849,131
Expenses		
Interest	18,434,589	17,138,430
Service fees	4,248,429	4,423,904
Provision for loan losses	-	600,000
Other real estate owned expense	704,087	513,432
Grant to affiliate	4,500,000	4,000,000
Depreciation	996,868	760,595
Professional fees	307,587	379,518
Insurance and other	146,847	116,692
Total expenses	29,338,407	27,932,571
Change in Net Assets	22,405,220	23,916,560
Net Assets, Beginning of Year	246,847,006	222,930,446
Net Assets, End of Year	\$ 269,252,226	\$ 246,847,006

Assemblies of God Loan Fund
Statements of Cash Flows
Years Ended March 31, 2020 and 2019

	2020	2019 (Adjusted - Note 13)
Operating Activities		
Change in net assets	\$ 22,405,220	\$ 23,916,560
Items not requiring (providing) cash from operating activities		
Depreciation	996,868	760,595
Provision for loan losses	-	600,000
Net unrealized losses on investments	1,220,049	-
Amortization of premiums and accretion of discounts on securities	-	30,513
Loss on sale of other real estate owned	106,462	-
Undistributed equity in earnings of Foundation Capital Resources, Inc.	(564,107)	37,936
Changes in		
Interest, dividends and investment income receivable	(172,277)	7,206
Interest payable and accrued expenses	(873,051)	562,644
Other assets	6,399	102,425
Net cash provided by operating activities	23,125,563	26,017,879
Investing Activities		
Purchase of investments	(27,102,247)	(24,822,491)
Proceeds from redemption of investments	45,619,005	38,911,235
Net change in money market accounts	71,088	23,831,952
Originations of loans receivable	(135,058,091)	(91,893,043)
Repayments of principal on loans receivable	103,721,808	79,454,291
Capitalized costs on other real estate owned	(380,709)	(263,741)
Proceeds from sale of other real estate owned	657,242	25,000
Net cash provided by (used in) investing activities	(12,471,904)	25,243,203
Financing Activities		
Proceeds from issuance of notes payable	180,570,716	163,794,297
Repayment of principal on notes payable	(189,139,039)	(215,728,146)
Proceeds from issuance of notes payable to affiliates	4,272,125	4,445,820
Repayment of principal on note payable to affiliates	(5,594,750)	(3,902,083)
Net change in due to affiliate	1,642	12,133
Net cash used in financing activities	(9,889,306)	(51,377,979)
Increase (Decrease) in Cash	764,353	(116,897)
Cash, Beginning of Year	920,869	1,037,766
Cash, End of Year	\$ 1,685,222	\$ 920,869
Supplemental Cash Flows Information		
Interest paid	\$ 18,425,380	\$ 17,019,898
Real estate acquired in the settlement of loans	\$ 10,025,900	\$ 421,179

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2020 and 2019

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Assemblies of God Loan Fund (AGLF) is an affiliate of The General Council of the Assemblies of God (The General Council) and Assemblies of God Financial Services Group (AGFSG) and its affiliated organizations. AGLF operates various loan programs for financing capital expansion projects, particularly for the purchase, construction or renovation of facilities for worship, education and ministry, along with refinancing of existing loans. The loans are primarily available to Assemblies of God churches and institutions. To provide a source of funds to finance the loans, unsecured debt securities are issued by AGLF primarily to members and adherents of the Assemblies of God and to institutions affiliated with the Assemblies of God.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make 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, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for loan losses and the valuation of real estate acquired in connection with foreclosures or in satisfaction of loans. In connection with the determination of the allowance for loan losses and the valuation of foreclosed assets, management typically obtains independent appraisals or other estimates of value for significant properties.

Cash

Cash includes funds held in banks for operating purposes. Funds invested in temporary investments are not considered cash equivalents for financial reporting purposes.

At March 31, 2020, AGLF's cash accounts exceeded federally insured limits by approximately \$456,000.

Investments and Net Investment Return

AGLF measures securities, other than investments that qualify for the equity method of accounting, at fair value. The investment in Foundation Capital Resources, Inc. (Foundation Capital) common stock is accounted for using the equity method (see *Note 2*).

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2020 and 2019

Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sales of securities are recorded on the trade date and are determined using the specific identification method.

Loans Receivable

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off are reported at their outstanding principal balances adjusted for any charge-offs, the allowance for loan losses and any deferred fees or costs. Generally, these loans are collateralized by first mortgages on churches, church districts and colleges.

Interest income is reported on the interest method and includes amortization of net deferred loan fees over the loan term. Generally, loans are placed on nonaccrual status at the time management determines the interest may not be recoverable, which is generally 90 days, and interest may be reversed and considered a loss, unless the loan is believed to be well secured and in the process of collection.

Loans receivable primarily represent loans made by AGLF to churches and affiliated entities and are generally secured by mortgages on the properties.

Allowance for Loan Losses

The allowance for loan losses is based upon the risks inherent in the loan portfolio and is established through a provision for loan losses recorded as a component of the change in net assets. Loan losses are charged against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

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

The allowance consists of allocated and general components. The allocated component relates to loans that are classified as impaired. For those loans that are classified as impaired, an allowance is established when the estimated collateral value of the impaired loan is lower than the carrying value of that loan. The general component covers nonclassified loans and is based on historical charge-off experience and expected loss given default derived from AGLF's internal risk rating process. Other adjustments may be made to the allowance for pools of loans after an assessment of internal or external influences on credit quality that are not fully reflected in the historical loss or risk rating data.

Assemblies of God Loan Fund

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March 31, 2020 and 2019

A loan is considered impaired when, based on current information and events, it is probable that AGLF will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral dependent.

Other Real Estate Owned

Assets acquired through, or in lieu of, loan foreclosure are initially recorded at fair value less cost to sell at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management on other real estate owned held for sale and the assets are carried at the lower of carrying amount or fair value less estimated cost to sell. Revenues and expenses from operations of other real estate owned and changes in any valuation allowance related to other real estate owned are included in the change in net assets.

Other real estate owned held for lease are currently leased or are held with the intent to lease and are being depreciated on a straight-line basis over the estimated life of the property, which is generally 20 years.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. There were no net assets with donor restrictions as of March 31, 2020 and 2019.

Functional Allocation of Expenses

Functional expenses (*Note 11*) presents the natural classification detail of expenses by function. Certain costs have been allocated between the program and supporting services based on usage and other methods.

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2020 and 2019

Exemption From Income Taxes

AGLF is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as provided by The General Council's group exemption ruling from the Internal Revenue Service and under similar provisions of state law. However, AGLF is subject to federal income tax on any unrelated business taxable income.

Note 2: Investments

Investments consisted of the following at March 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Money market mutual funds	\$ 74,526,515	\$ 74,597,603
Fixed income funds	52,452,283	57,289,090
Foundation Capital common stock	15,488,994	28,924,887
Municipal debt securities	-	900,000
	<u>\$ 142,467,792</u>	<u>\$ 161,711,580</u>

At March 31, 2020 and 2019, AGLF owned approximately 3.6 percent and 6.1 percent, respectively, of the common stock of Foundation Capital, which is a real estate investment trust. Foundation Capital pays dividends quarterly in an amount that approximates its taxable income. Additions to this investment were \$0 and \$1,000,000 for the years ended March 31, 2020 and 2019, respectively. Distributions from this investment, including dividends received, were \$14,832,334 and \$2,924,934 for the years ended March 31, 2020 and 2019, respectively. Foundation Capital is controlled by AGFSG through its approximate 97 percent and 98 percent ownership in Foundation Capital at March 31, 2020 and 2019, respectively, either directly or through entities it controls, like AGLF. Therefore, AGLF's investment in Foundation Capital is accounted for using the equity method. Foundation Capital is consolidated into the financial statements of AGFSG. Foundation Capital has a fiscal year ending December 31. Summarized financial information of Foundation Capital as of March 31, 2020 and 2019, is shown below:

	<u>2020</u>	<u>2019</u>
Assets	\$ 562,894,885	\$ 590,729,818
Liabilities	134,029,052	115,167,541
Net income for the three months ended March 31, 2020 and 2019	4,104,554	3,894,649

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2020 and 2019

Note 3: Loans Receivable and Allowance for Loan Losses

Loans receivable primarily represent loans made by AGLF to churches and affiliated entities and are generally secured by mortgages on the properties. Loans at March 31, 2020 and 2019, include:

	2020	2019
Mortgage loans	\$ 974,453,997	\$ 953,143,614
Allowance for loan losses	(15,611,159)	(15,611,159)
Net loans	\$ 958,842,838	\$ 937,532,455

Loans receivable by aging at March 31, 2020 and 2019, were as follows:

2020						
	30-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivable	Total Loans > 90 Days & Accruing
Mortgage loans	\$ 2,309,130	\$ 2,853,851	\$ 5,162,981	\$ 969,291,016	\$ 974,453,997	\$ -
2019						
	30-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivable	Total Loans > 90 Days & Accruing
Mortgage loans	\$ 5,151,559	\$ 6,140,911	\$ 11,292,470	\$ 941,851,144	\$ 953,143,614	\$ -

Nonaccruing loans are summarized as follows at March 31, 2020 and 2019:

	2020	2019
Mortgage loans	\$ 4,014,674	\$ 8,038,950

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2020 and 2019

Activity in the allowance for loan losses is summarized as follows:

	2020	2019
Balance, beginning of year	\$ 15,611,159	\$ 15,196,563
Provision for loan losses	-	600,000
Charge-offs	-	(185,404)
Balance, end of year	\$ 15,611,159	\$ 15,611,159

AGLF evaluates the allowance for loan loss methodology on an ongoing basis. No significant changes were made to the methodology during the past year.

The following tables present the allowance for loan losses and the recorded investment in loans based on portfolio segment and impairment method as of and for the years ended March 31, 2020 and 2019:

	2020	2019
Allowance for Loan Losses		
Ending balance		
Individually evaluated for impairment	\$ 105,501	\$ 2,181,898
Ending balance		
Collectively evaluated for impairment	15,505,658	13,429,261
Total	\$ 15,611,159	\$ 15,611,159

	2020	2019
Loans		
Ending balance		
Individually evaluated for impairment	\$ 4,014,674	\$ 8,038,950
Ending balance		
Collectively evaluated for impairment	970,439,323	945,104,664
Total	\$ 974,453,997	\$ 953,143,614

Impaired loans include nonperforming loans but also could include loans modified in troubled debt restructurings where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance or other actions intended to maximize collection.

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2020 and 2019

As of March 31, 2020, AGLF had \$289,873 of mortgages that were modified in troubled debt restructurings and impaired. There were no newly modified troubled debt restructures during 2020. During the previous 12 months, no loans were modified as troubled debt restructuring and had payment defaults subsequent to the modifications. Of the total troubled debt restructurings at March 31, 2020, \$289,873 were accruing interest. As of March 31, 2019, AGLF had \$294,718 of mortgages that were modified in troubled debt restructurings and impaired. There were no newly modified troubled debt restructures during 2019. Of the total troubled debt restructurings at March 31, 2019, none were accruing interest. When loans modified as troubled debt restructurings have subsequent payment defaults, the defaults are factored into the determination of the allowance for loan losses to ensure specific valuation allowances reflect amounts considered uncollectible.

The following tables present impaired loans at March 31, 2020 and 2019:

	2020			
	Recorded Balance	Specific Allowance	Average Investment in Impaired Loans	Interest Income Recognized
Loans without a specific valuation allowance				
Mortgage loans	\$ 3,679,792	\$ -	\$ 2,779,998	\$ 91,369
Loans with a specific valuation allowance				
Mortgage loans	334,882	105,501	3,246,814	-
Total impaired loans	<u>\$ 4,014,674</u>	<u>\$ 105,501</u>	<u>\$ 6,026,812</u>	<u>\$ 91,369</u>
	2019			
	Recorded Balance	Specific Allowance	Average Investment in Impaired Loans	Interest Income Recognized
Loans without a specific valuation allowance				
Mortgage loans	\$ 1,880,204	\$ -	\$ 3,759,739	\$ 11,582
Loans with a specific valuation allowance				
Mortgage loans	6,158,746	2,181,898	3,501,984	27,517
Total impaired loans	<u>\$ 8,038,950</u>	<u>\$ 2,181,898</u>	<u>\$ 7,261,723</u>	<u>\$ 39,099</u>

As part of the ongoing monitoring of the credit quality of AGLF's loan portfolio, management tracks loans by determining if the loan is impaired or deemed unimpaired. Impaired loans by category are shown above; all other loans are considered by management to be unimpaired.

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2020 and 2019

Note 4: Other Real Estate Owned

Other real estate owned consists of the following:

	2020	2019
Foreclosed assets held for sale	\$ 6,905,237	\$ 6,905,237
Foreclosed assets held for lease	20,883,485	12,237,448
	\$ 27,788,722	\$ 19,142,685

Note 5: Notes Payable

Unsecured notes payable consists of the following:

	Interest Rates	2020	2019
Subscription contracts – net (to be converted to Series A notes)	3% to 7% after issue	\$ 1,144,987	\$ 1,169,547
Series A notes	3% to 7%	1,562,171	1,578,110
Series C notes	2.25% to 3.75%	138,038,838	138,001,366
Series D notes	0% to 2.75%	280,861,193	285,379,034
IRA notes	1.375% to 3.5%	160,893,120	170,782,185
Demand notes	1.625% to 3.25%	281,370,600	276,851,615
		\$ 863,870,909	\$ 873,761,857

Subscription contracts represent commitments by church members or adherents to invest in AGLF notes as a condition of AGLF lending money to their church. The contracts require a 10 percent down payment with the balance payable monthly over five years. These contracts are noninterest bearing and are converted into Series A notes when the full contract amount has been received. For subscription contracts not received in full, either a note is issued after the church loan is fully paid or the balance of the subscription contract is sold to another church member or adherent.

The aggregate annual maturities of notes payable as of March 31, 2020, are as follows:

2021	\$ 539,467,432
2022	125,536,489
2023	87,368,471
2024	47,334,642
2025	36,120,558
Thereafter	28,043,317
	\$ 863,870,909

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2020 and 2019

Note 6: Line of Credit

AGLF and AGFSG and other of its affiliates have a joint \$115 million revolving line-of-credit arrangement led by BOKF, NA. The line of credit matures on October 16, 2020. The line has an outstanding balance of \$95,000,000 and \$85,000,000 at March 31, 2020 and 2019, respectively. Interest varies with LIBOR, is payable quarterly and was 2.36 percent and 3.48 percent at March 31, 2020 and 2019, respectively. The line is collateralized by certain of AGLF's, AGFSG's and other affiliates' loans receivable. At March 31, 2020 and 2019, respectively, the total loans securing the line of credit were approximately \$153,996,000 and \$153,980,000, of which approximately \$80,958,000 and \$91,821,000, respectively, were AGLF's loans receivable. No amounts were outstanding on the line of credit at AGLF as of March 31, 2020 and 2019.

Note 7: Related Party Transactions

AGFSG services loans for AGLF and certain other affiliates of The General Council. AGLF has no employees and most of its expenses are paid by AGFSG. AGFSG also provides the necessary infrastructure and management services for which it is paid service fees. The service fees are based on the levels of assets and liabilities of AGLF and are paid on a monthly basis. The service fees paid to AGFSG during 2020 and 2019 totaled \$6,991,650 and \$7,203,519, respectively. The amount due to AGFSG and other of its affiliates at March 31, 2020 and 2019, was \$14,575 and \$12,933, respectively.

AGLF has notes receivable from other affiliated organizations. The loans are included in loans receivable at March 31, 2020 and 2019. Notes receivable from affiliates consist of the following:

	<u>2020</u>	<u>2019</u>
Notes receivable from affiliated organizations, secured, maturing in 2021 through 2033 with interest at 4.75% – 5.75%		
Evangel University of the Assemblies of God	\$ 23,627,522	\$ 24,195,270

Interest income from these notes receivable for 2020 and 2019 was \$1,195,361 and \$1,180,720, respectively.

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2020 and 2019

AGLF also has notes payable to other affiliated organizations which bear interest at market rates prevailing at the time such notes were originated. The notes are included in notes payable at March 31, 2020 and 2019. Such amounts due to affiliates consist of the following:

	2020	2019
Notes payable to affiliated organizations, unsecured, repayable over one to five years, with interest ranging from 1.625% to 3%		
Assemblies of God Foundation	\$ 34,413,454	\$ 37,241,433
The General Council of the Assemblies of God Revised Retirement Plan	-	558,591
Evangel University of the Assemblies of God	2,840,335	3,519,187
Global University	-	664,185
Steward Financial Holdings, Inc.	8,523,957	7,944,955

Interest expense incurred to these affiliated organizations during 2020 and 2019 totaled \$914,718 and \$785,748, respectively.

All entities named in this note are affiliates of AGLF either through its management company, AGFSG, or through The General Council of the Assemblies of God.

Note 8: Commitments and Risks

Commitments

Commitments to extend credit are agreements to lend as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses. Since a portion of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Each borrower's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the counterparty. Collateral held generally includes first mortgages on the related property.

AGLF and related entities had approximately \$9,727,000 and \$34,756,000 in outstanding commitments to originate mortgage loans at March 31, 2020 and 2019, respectively. A portion of these commitments is expected to be funded by Assemblies of God Loan Pool (AGLP). At March 31, 2020 and 2019, AGLF granted unused lines of credit and had commitments to fund construction loans to borrowers aggregating approximately \$31,119,000 and \$45,905,000, respectively. The commitments extended over varying periods of time with the majority to be disbursed within a one-year period.

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2020 and 2019

Credit Risks Relating to Loans Receivable

AGLF extends credit for real estate mortgage loans to Assemblies of God churches and affiliated organizations. AGLF evaluates the creditworthiness on a loan-by-loan basis and generally requires collateral in the form of first mortgages on the related property. The loans are expected to be repaid from operations of and/or contributions to the borrowers. AGLF also controls credit risk through regular evaluations and monitoring procedures.

At March 31, 2020, AGLF had loans to borrowers in the states of Florida and California that represented approximately 10 percent and 14 percent of the gross loan portfolio, respectively. At March 31, 2019, AGLF had loans to borrowers in the states of Florida and California that represented approximately 11 percent and 13 percent of the gross loan portfolio, respectively. AGLF did not have aggregate loans in any other state that exceeded 10 percent of the gross loan portfolio at March 31, 2020 and 2019.

Notes Payable

Notes payable represent unsecured debt securities issued by AGLF and offered only by an offering circular primarily to members, adherents or contributors of The General Council or churches and ministries affiliated with The General Council. The debt securities consist of demand and term notes with various maturity terms and interest rates. The proceeds from the issuance of the debt securities are used for the primary purpose of funding mortgages and loans. AGLF controls credit risk by accepting notes payable with interest and repayment terms that it believes can be met from cash flows generated by mortgages and loans with similar interest rates and maturities.

Economic Conditions

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of AGLF. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Note 9: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2020 and 2019

- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at March 31, 2020 and 2019:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
March 31, 2020				
Money market mutual funds	\$ 74,526,515	\$ 74,526,515	\$ -	\$ -
Fixed income funds	52,452,283	52,452,283	-	-
March 31, 2019				
Money market mutual funds	\$ 74,597,603	\$ 74,597,603	\$ -	\$ -
Fixed income funds	57,289,090	57,289,090	-	-
Municipal debt securities	900,000	-	900,000	-

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended March 31, 2020.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. AGLF does not have any securities classified as Level 3. The investment in Foundation Capital common stock is accounted for on the equity method and is thus not included in this disclosure.

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March 31, 2020 and 2019

Nonrecurring Measurements

The following table presents the fair value measurement of assets measured at fair value on a nonrecurring basis and the level within the fair value hierarchy in which the fair value measurements fall at March 31, 2020 and 2019:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
March 31, 2020				
Impaired loans (collateral dependent)	\$ 229,381	\$ -	\$ -	\$ 229,381
March 31, 2019				
Impaired loans (collateral dependent)	\$ 3,979,988	\$ -	\$ -	\$ 3,979,988

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a nonrecurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

Impaired Loans (Collateral Dependent), Net of Allowance for Loan Losses

The estimated fair value of collateral-dependent impaired loans is based on the estimated fair value of the collateral, less estimated cost to sell. Collateral-dependent impaired loans are classified within Level 3 of the fair value hierarchy.

AGLF considers the appraisal or other evaluation of the fair value of the collateral as the starting point for determining fair value and then considers other factors and events in the environment that may affect the fair value. The estimated fair values are reduced by discounts to consider lack of marketability and estimated cost to sell if repayment or satisfaction of the loan is dependent on the sale of the collateral, and are generally 20 percent. These discounts and estimates are developed by management by comparison to historical results.

Assemblies of God Loan Fund

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Note 10: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Estimates related to the allowances for loan losses and foreclosed assets are reflected in *Notes 1* and *3*. Current vulnerabilities due to certain concentrations of credit risk are discussed in *Note 8*.

AGLF invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

Note 11: Functional Expenses

As described in *Note 1*, the financial statements report certain categories of expenses that are attributed to more than one program or supporting function. The table below presents expenses by both their nature and their function.

March 31, 2020				
Functional Classification				
Natural Classification	PROGRAM			Total
	Lending and Notes Payable	Ministry Support	Management and General	
Interest	\$ 18,434,589	\$ -	\$ -	\$ 18,434,589
Service fees	4,248,429	-	-	4,248,429
Grants to affiliates	-	4,500,000	-	4,500,000
Depreciation	996,868	-	-	996,868
Provision for loan losses	-	-	-	-
Net loss on other real estate owned	704,087	-	-	704,087
Professional fees	307,587	-	-	307,587
Insurance	-	-	75,134	75,134
Other	50,485	-	21,228	71,713
	\$ 24,742,045	\$ 4,500,000	\$ 96,362	\$ 29,338,407
Total expenses	\$ 24,742,045	\$ 4,500,000	\$ 96,362	\$ 29,338,407

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2020 and 2019

March 31, 2019				
Functional Classification				
Natural Classification	PROGRAM			Total
	Lending and Notes Payable	Ministry Support	Management and General	
Interest	\$ 17,138,430	\$ -	\$ -	\$ 17,138,430
Service fees	4,423,904	-	-	4,423,904
Grants to affiliates	-	4,000,000	-	4,000,000
Depreciation	760,595	-	-	760,595
Provision for loan losses	600,000	-	-	600,000
Net loss on other real estate owned	513,432	-	-	513,432
Professional fees	379,518	-	-	379,518
Insurance	-	-	47,897	47,897
Other	43,289	-	25,506	68,795
Total expenses	<u>\$ 23,859,168</u>	<u>\$ 4,000,000</u>	<u>\$ 73,403</u>	<u>\$ 27,932,571</u>

Note 12: Availability and Liquidity

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of March 31, 2020 and 2019, comprise the following:

	2020	2019
Cash	\$ 1,685,222	\$ 920,869
Investments, excluding equity investee	126,978,798	132,786,963
Interest, dividends and investment income receivable	3,394,527	3,222,250
Scheduled loan principal amounts due in the next year	33,824,303	33,913,827
Total financial assets	165,882,850	170,843,909
Internal designations		
Unused lines of credit	(5,315,117)	(6,679,482)
Commitments to fund construction loans	(25,884,085)	(39,225,045)
Commitments to extend credit	(9,727,000)	(34,756,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 124,956,648	\$ 90,183,382

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2020 and 2019

AGLF follows the financial standards included in the Statement of Policy Regarding Church Extension Fund Securities issued by the North America Securities Administrators Association, Inc. for liquidity status. The standards state that AGLF's cash, cash equivalents, readily marketable securities and available lines of credit shall have a value of at least 8 percent of the principal balance of its total outstanding notes payable, except that the value of available lines of credit for meeting this standard shall not exceed 2 percent of the principal balance of its total outstanding notes payable. To help manage unanticipated liquidity needs, AGLF, along with certain affiliates, has a committed line of credit (*Note 6*) in the amount of up to \$115 million, of which approximately \$20 million was available at March 31, 2020.

AGLF owes \$281,370,600 in principal to holders of demand notes and \$258,096,832 in term notes that are scheduled to mature during 2021. See *Note 5* for the scheduled maturities of all notes payable. Demand notes may be redeemed in whole or in part, at the option of the registered holder; however, AGLF reserves the right to require 30 days' notice. Similarly, term debt securities may be redeemed, subject to the availability of funds, at the option of the registered holder upon written notice to AGLF, but subject to early redemption penalties, unless redeemed at maturity. Over the past three years, approximately 75 percent of the principal balance of maturing notes payable has been renewed or reinvested annually, excluding demand notes and notes held by entities affiliated with AGLF.

In addition to funding note redemptions, AGLF must also fund its outstanding loan commitments. Outstanding commitments to originate new loans totaled approximately \$9,727,000 as of March 31, 2020, the majority of which are expected to require funding during the next year. AGLF must also fund its unused lines of credit and commitment to fund construction loans, which total \$31,119,202 as of March 31, 2020. Historically, AGLF has been able to meet the loan funding requirements through a combination of existing cash and investments on hand and cash generated from loan repayments and the sale of notes.

Note 13: Changes in Accounting Principle

In 2020, AGLF adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Topic 606 creates a single framework for recognizing revenue from contracts with customers that fall within its scope. The majority of AGLF's revenues come from interest on loans and investment return, which are outside the scope of Topic 606. AGLF's services that fall within the scope of Topic 606 are presented within other revenue in the accompanying statements of activities and are recognized as revenue as AGLF satisfies its obligation to the customer. Services within the scope of Topic 606 include miscellaneous income and service income related to late fees and returned check fees.

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2020 and 2019

AGLF adopted Topic 606 using the modified retrospective approach applied to all contracts not completed at the date of adoption with the cumulative effect, if any, of initially applying the new standard recognized in net assets at the beginning of the year of adoption. Comparative prior period information has not been adjusted and continues to be reported in accordance with previous revenue recognition guidance in ASC Topic 605, *Revenue Recognition*. AGLF's adoption of Topic 606 did not result in a change to the timing of revenue.

In 2020, AGLF adopted the Financial Standards Board Accounting Standards Update 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* using a modified prospective basis to all agreements not completed as of adoption. Adoption of ASU 2018-08 had no impact on the financial statements.

In 2020, AGLF adopted the Financial Standards Board Accounting Standards Update 2018-13, *Fair Value Measurement (Topic 820): Disclosure Requirement for Fair Value Measurement*. The guidance eliminates certain disclosure requirements for fair value measurements as part of its disclosure framework project. The changes were made retrospectively to the disclosures. This adoption had no effect on any 2020 or 2019 financial statement line items and no change to change in net assets.

In 2020, AGLF adopted the Financial Standards Board Accounting Standards Update 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The guidance updates how certain cash receipts and payments are presented and classified in the statement of cash flows under Topic 230. This change was applied retrospectively in the statement of cash flows. The following financial statement line items for fiscal year 2019 were affected by this adoption:

	2019		
	As Adjusted	As Previously Reported	Effect of Change
Statement of Cash Flows			
Equity in earnings of Foundation			
Capital Resources, Inc.	\$ -	\$ (886,998)	\$ 886,998
Undistributed equity in earnings of Foundation			
Capital Resources, Inc.	37,936	-	37,936
Net cash provided by operating activities	26,017,879	25,092,945	924,934
Proceeds from redemption of investments	38,911,235	39,836,169	(924,934)
Net cash provided by investing activities	25,243,203	26,168,137	(924,934)

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2020 and 2019

In 2020, AGLF changed its accounting policy on financial assets and liabilities by adopting the provisions of ASU 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. The guidance updates how equity investments (except those accounted for under the equity method of accounting) are to be measured at fair value. The change was applied through a cumulative-effect adjustment to current year's beginning net assets of zero.

Note 14: Subsequent Events

Subsequent events have been evaluated through July 16, 2020, which is the date the financial statements were available to be issued.

Assemblies of God Loan Fund

Independent Auditor's Report and Financial Statements

March 31, 2019 and 2018

Independent Auditor's Report

Audit Committee and Board of Directors
Assemblies of God Loan Fund
Springfield, Missouri

We have audited the accompanying financial statements of Assemblies of God Loan Fund, which comprise the statements of financial position as of March 31, 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Assemblies of God Loan Fund as of March 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Audit Committee and Board of Directors
Assemblies of God Loan Fund
Page 2

Emphasis of Matter

As described in *Note 13* to the financial statements, in 2019, Assemblies of God Loan Fund adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

BKD, LLP

Springfield, Missouri
July 11, 2019

Assemblies of God Loan Fund

Statements of Financial Position

March 31, 2019 and 2018

Assets

	<u>2019</u>	<u>2018</u>
Cash	\$ 920,869	\$ 1,037,766
Investments	161,711,580	199,700,725
Interest, dividends and investment income receivable	3,222,250	3,229,456
Loans receivable, net of allowance for loan losses	937,532,455	926,114,882
Other real estate owned, net	19,142,685	19,243,360
Other	26,015	128,440
	<u>26,015</u>	<u>128,440</u>
Total assets	<u>\$ 1,122,555,854</u>	<u>\$ 1,149,454,629</u>

Liabilities and Net Assets

Liabilities

Accrued interest payable	\$ 891,143	\$ 772,611
Due to affiliate	12,933	800
Notes payable	873,761,857	925,151,969
Other	1,042,915	598,803
	<u>1,042,915</u>	<u>598,803</u>
Total liabilities	875,708,848	926,524,183

Net Assets

Without donor restrictions		
Undesignated	246,847,006	222,930,446
	<u>246,847,006</u>	<u>222,930,446</u>
Total liabilities and net assets	<u>\$ 1,122,555,854</u>	<u>\$ 1,149,454,629</u>

Assemblies of God Loan Fund
Statements of Activities
Years Ended March 31, 2019 and 2018

	Without Donor Restrictions	
	2019	2018
Revenues, Gains and Other Support		
Interest on loans receivable	\$ 50,583,220	\$ 49,496,752
Investment return, net of investment expenses	764,010	283,038
Other revenue	501,901	545,736
Total revenues, gains and other support	51,849,131	50,325,526
Expenses		
Interest	17,138,430	16,071,790
Service fees	4,423,904	4,709,121
Provision for loan losses	600,000	720,000
Other real estate owned expense	513,432	539,076
Grant to affiliate	4,000,000	2,500,000
Depreciation	760,595	693,109
Professional fees	379,518	458,394
Insurance and other	116,692	127,343
Total expenses	27,932,571	25,818,833
Change in Net Assets	23,916,560	24,506,693
Net Assets, Beginning of Year	222,930,446	198,423,753
Net Assets, End of Year	\$ 246,847,006	\$ 222,930,446

Assemblies of God Loan Fund
Statements of Cash Flows
Years Ended March 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Activities		
Change in net assets	\$ 23,916,560	\$ 24,506,693
Items not requiring (providing) cash from operating activities		
Depreciation	760,595	693,109
Provision for loan losses	600,000	720,000
Amortization of premiums and accretion of discounts on securities	30,513	129,258
Gain on sale of other real estate owned	-	(603)
Equity in earnings of Foundation Capital Resources, Inc.	(886,998)	(1,684,727)
Changes in		
Interest, dividends and investment income receivable	7,206	(156,286)
Interest payable and accrued expenses	562,644	289,628
Other assets	102,425	46,717
Net cash provided by operating activities	<u>25,092,945</u>	<u>24,543,789</u>
Investing Activities		
Purchase of investments	(24,822,491)	(17,572,470)
Proceeds from redemption of investments	39,836,169	16,732,219
Net change in money market accounts	23,831,952	(12,428,604)
Originations of loans receivable	(91,893,043)	(83,170,935)
Repayments of principal on loans receivable	79,454,291	100,882,093
Capitalized costs on other real estate owned	(263,741)	(93,049)
Proceeds from sale of other real estate owned	25,000	104,649
Net cash provided by investing activities	<u>26,168,137</u>	<u>4,453,903</u>
Financing Activities		
Proceeds from issuance of notes payable	163,794,297	189,060,155
Repayment of principal on notes payable	(215,728,146)	(234,334,202)
Proceeds from issuance of notes payable to affiliates	4,445,820	1,084,436
Repayment of principal on note payable to affiliates	(3,902,083)	(8,985,065)
Net change in due to affiliate	12,133	686,919
Net cash used in financing activities	<u>(51,377,979)</u>	<u>(52,487,757)</u>
Decrease in Cash	(116,897)	(23,490,065)
Cash, Beginning of Year	<u>1,037,766</u>	<u>24,527,831</u>
Cash, End of Year	<u>\$ 920,869</u>	<u>\$ 1,037,766</u>
Supplemental Cash Flows Information		
Interest paid	\$ 17,019,898	\$ 16,110,209
Real estate acquired in the settlement of loans	\$ 421,179	\$ 2,403,390

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2019 and 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Assemblies of God Loan Fund (AGLF) is an affiliate of The General Council of the Assemblies of God (The General Council) and Assemblies of God Financial Services Group (AGFSG) and its affiliated organizations. AGLF operates various loan programs for financing capital expansion projects, particularly for the purchase, construction or renovation of facilities for worship, education and ministry, along with refinancing of existing loans. The loans are primarily available to Assemblies of God churches and institutions. To provide a source of funds to finance the loans, unsecured debt securities are issued by AGLF primarily to members and adherents of the Assemblies of God and to institutions affiliated with the Assemblies of God.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make 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, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for loan losses and the valuation of real estate acquired in connection with foreclosures or in satisfaction of loans. In connection with the determination of the allowance for loan losses and the valuation of foreclosed assets, management typically obtains independent appraisals or other estimates of value for significant properties.

Cash

Cash includes funds held in banks for operating purposes. Funds invested in temporary investments are not considered cash equivalents for financial reporting purposes.

At March 31, 2019, AGLF's cash accounts exceeded federally insured limits by approximately \$517,000.

Investments and Net Investment Return

Investments are generally carried at estimated fair value with realized and unrealized gains and losses recognized in the statements of activities. Fair values of debt security investments are based on prices of similar securities. The investment in Foundation Capital Resources, Inc. (Foundation Capital) common stock is accounted for using the equity method (see *Note 2*).

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2019 and 2018

Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses.

Loans Receivable

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off are reported at their outstanding principal balances adjusted for any charge-offs, the allowance for loan losses and any deferred fees or costs. Generally, these loans are collateralized by first mortgages on churches, church districts and colleges.

Interest income is reported on the interest method and includes amortization of net deferred loan fees over the loan term. Generally, loans are placed on nonaccrual status at the time management determines the interest may not be recoverable, which is generally 90 days, and interest may be reversed and considered a loss, unless the loan is believed to be well secured and in the process of collection.

Loans receivable primarily represent loans made by AGLF to churches and affiliated entities and are generally secured by mortgages on the properties.

Allowance for Loan Losses

The allowance for loan losses is based upon the risks inherent in the loan portfolio and is established through a provision for loan losses recorded as a component of the change in net assets. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

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

The allowance consists of allocated and general components. The allocated component relates to loans that are classified as impaired. For those loans that are classified as impaired, an allowance is established when the estimated collateral value of the impaired loan is lower than the carrying value of that loan. The general component covers nonclassified loans and is based on historical charge-off experience and expected loss given default derived from AGLF's internal risk rating process. Other adjustments may be made to the allowance for pools of loans after an assessment of internal or external influences on credit quality that are not fully reflected in the historical loss or risk rating data.

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2019 and 2018

A loan is considered impaired when, based on current information and events, it is probable that AGLF will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral dependent.

Other Real Estate Owned

Assets acquired through, or in lieu of, loan foreclosure are initially recorded at fair value less cost to sell at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management on other real estate owned held for sale and the assets are carried at the lower of carrying amount or fair value less estimated cost to sell. Revenues and expenses from operations of other real estate owned and changes in any valuation allowance related to other real estate owned are included in the change in net assets.

Other real estate owned held for lease are currently leased or are held with the intent to lease and are being depreciated on a straight-line basis over the estimated life of the property, which is generally 20 years.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. There were no net assets with donor restrictions as of March 31, 2019 and 2018.

Functional Allocation of Expenses

Functional expenses (*Note 11*) presents the natural classification detail of expenses by function. Certain costs have been allocated between the program and supporting services based on usage and other methods.

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2019 and 2018

Exemption From Income Taxes

AGLF is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as provided by The General Council's group exemption ruling from the Internal Revenue Service and under similar provisions of state law. However, AGLF is subject to federal income tax on any unrelated business taxable income.

Reclassifications

Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 financial statement presentation. These reclassifications had no effect on change in net assets.

Subsequent Events

Subsequent events have been evaluated through July 11, 2019, which is the date the financial statements were available to be issued.

Note 2: Investments and Investment Return

Investments consisted of the following at March 31, 2019 and 2018:

	2019	2018
Money market mutual funds	\$ 74,597,603	\$ 98,429,555
Fixed income funds	57,289,090	66,233,324
Foundation Capital common stock	28,924,887	29,962,823
Municipal debt securities	900,000	5,075,023
	<u>\$ 161,711,580</u>	<u>\$ 199,700,725</u>

Total investment return is comprised of the following:

	2019	2018
Interest and dividend income	\$ 2,726,643	\$ 1,498,419
Equity in earnings of Foundation Capital	886,998	1,684,727
Investment expenses to AGFSG	(2,779,615)	(2,859,045)
External investment expenses	(70,016)	(41,063)
	<u>\$ 764,010</u>	<u>\$ 283,038</u>

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2019 and 2018

At March 31, 2019 and 2018, AGLF owned approximately 6.1 percent and 5.6 percent, respectively, of the common stock of Foundation Capital, which is a real estate investment trust. Foundation Capital pays dividends quarterly in an amount that approximates its taxable income. Additions to this investment were \$1,000,000 and \$0 for the years ended March 31, 2019 and 2018, respectively. Distributions from this investment, including dividends received, were \$2,924,934 and \$10,357,219 for the years ended March 31, 2019 and 2018, respectively. Foundation Capital is controlled by AGFSG through its approximate 98 percent ownership in Foundation Capital, either directly or through entities it controls, like AGLF. Therefore, AGLF's investment in Foundation Capital is accounted for using the equity method. Foundation Capital is consolidated into the financial statements of AGFSG. Foundation Capital has a fiscal year ending December 31. Summarized financial information of Foundation Capital as of March 31, 2019 and 2018, is shown below:

	2019	2018
Assets	\$ 590,729,818	\$ 652,890,319
Liabilities	\$ 115,167,541	\$ 118,864,690
Net income for the three months ended March 31, 2019 and 2018	\$ 3,894,649	\$ 4,812,444

Note 3: Loans Receivable and Allowance for Loan Losses

Loans receivable primarily represent loans made by AGLF to churches and affiliated entities and are generally secured by mortgages on the properties. Loans at March 31, 2019 and 2018, include:

	2019	2018
Mortgage loans	\$ 953,143,614	\$ 941,311,445
Allowance for loan losses	(15,611,159)	(15,196,563)
Net loans	\$ 937,532,455	\$ 926,114,882

Loans receivable by aging at March 31, 2019 and 2018, were as follows:

	2019					
	30-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivable	Total Loans > 90 Days & Accruing
Mortgage loans	\$ 5,151,559	\$ 6,140,911	\$ 11,292,470	\$ 941,851,144	\$ 953,143,614	\$ -

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2019 and 2018

	2018					Total Loans > 90 Days & Accruing
	30-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivable	
Mortgage loans	\$ 3,897,025	\$ 4,860,345	\$ 8,757,370	\$ 932,554,075	\$ 941,311,445	\$ -

Nonaccruing loans are summarized as follows at March 31, 2019 and 2018:

	2019	2018
Mortgage loans	\$ 8,038,950	\$ 6,484,494

Activity in the allowance for loan losses is summarized as follows:

	2019	2018
Balance, beginning of year	\$ 15,196,563	\$ 14,633,179
Provision for loan losses	600,000	720,000
Charge-offs	(185,404)	(156,616)
Balance, end of year	\$ 15,611,159	\$ 15,196,563

AGLF evaluates the allowance for loan loss methodology on an ongoing basis. No significant changes were made to the methodology during the past year.

The following tables present the allowance for loan losses and the recorded investment in loans based on portfolio segment and impairment method as of and for the years ended March 31, 2019 and 2018:

	2019	2018
Allowance for Loan Losses		
Ending balance		
Individually evaluated for impairment	\$ 2,181,898	\$ 404,374
Ending balance		
Collectively evaluated for impairment	13,429,261	14,792,189
Total	\$ 15,611,159	\$ 15,196,563

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2019 and 2018

	2019	2018
Loans		
Ending balance		
Individually evaluated for impairment	\$ 8,038,950	\$ 6,484,494
Ending balance		
Collectively evaluated for impairment	945,104,664	934,826,951
Total	\$ 953,143,614	\$ 941,311,445

Impaired loans include nonperforming loans but also could include loans modified in troubled debt restructurings where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance or other actions intended to maximize collection.

During 2019, AGLF had \$294,718 of mortgages that were modified in troubled debt restructurings and accruing interest. During the previous 12 months, no loans were modified as troubled debt restructuring and had payment defaults subsequent to the modifications. During 2018, AGLF had \$861,747 of mortgages that were modified in troubled debt restructurings. When loans modified as troubled debt restructurings have subsequent payment defaults, the defaults are factored into the determination of the allowance for loan losses to ensure specific valuation allowances reflect amounts considered uncollectible.

The following tables present impaired loans at March 31, 2019 and 2018:

	Recorded Balance	Specific Allowance	2019 Average Investment in Impaired Loans	Interest Income Recognized
Loans without a specific valuation allowance				
Mortgage loans	\$ 1,880,204	\$ -	\$ 3,759,739	\$ 11,582
Loans with a specific valuation allowance				
Mortgage loans	6,158,746	2,181,898	3,501,984	27,517
Total impaired loans	\$ 8,038,950	\$ 2,181,898	\$ 7,261,723	\$ 39,099

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2019 and 2018

	Recorded Balance	Specific Allowance	2018 Average Investment in Impaired Loans	Interest Income Recognized
Loans without a specific valuation allowance				
Mortgage loans	\$ 5,639,273	\$ -	\$ 5,929,040	\$ 93,410
Loans with a specific valuation allowance				
Mortgage loans	<u>845,221</u>	<u>404,374</u>	<u>3,678,301</u>	<u>32,343</u>
Total impaired loans	<u><u>\$ 6,484,494</u></u>	<u><u>\$ 404,374</u></u>	<u><u>\$ 9,607,341</u></u>	<u><u>\$ 125,753</u></u>

As part of the ongoing monitoring of the credit quality of AGLF's loan portfolio, management tracks loans by determining if the loan is impaired or deemed unimpaired. Impaired loans by category are shown above; all other loans are considered by management to be unimpaired.

Note 4: Other Real Estate Owned

Other real estate owned consists of the following:

	2019	2018
Foreclosed assets held for sale	\$ 6,905,237	\$ 6,930,237
Foreclosed assets held for lease	<u>12,237,448</u>	<u>12,313,123</u>
	<u><u>\$ 19,142,685</u></u>	<u><u>\$ 19,243,360</u></u>

Note 5: Notes Payable

Unsecured notes payable consist of the following:

	Interest Rate	2019	2018
Subscription contracts – net (to be converted to Series A notes)	3% to 7% after issue	\$ 1,169,547	\$ 1,181,370
Series A notes	3% to 7%	1,578,110	1,602,017
Series C notes	2.25% to 3.75%	138,001,366	146,573,030
Series D notes	0% to 2.75%	285,379,034	319,981,624
IRA notes	1.375% to 3.5%	170,782,185	178,125,060
Demand notes	1.75% to 3.25%	<u>276,851,615</u>	<u>277,688,868</u>
		<u><u>\$ 873,761,857</u></u>	<u><u>\$ 925,151,969</u></u>

Assemblies of God Loan Fund
Notes to Financial Statements
March 31, 2019 and 2018

Subscription contracts represent commitments by church members or adherents to invest in AGLF notes as a condition of AGLF lending money to their church. The contracts require a 10 percent down payment with the balance payable monthly over five years. These contracts are noninterest bearing and are converted into Series A notes when the full contract amount has been received. For subscription contracts not received in full, either a note is issued after the church loan is fully paid or the balance of the subscription contract is sold to another church member or adherent.

The aggregate annual maturities of notes payable as of March 31, 2019, are as follows:

2020	\$ 501,243,815
2021	137,757,765
2022	104,219,610
2023	65,561,422
2024	43,726,307
Thereafter	<u>21,252,938</u>
	<u><u>\$ 873,761,857</u></u>

Note 6: Line of Credit

During 2018 and 2019, AGLF and AGFSG and other of its affiliates had a joint \$115 million revolving line-of-credit arrangement led by Bank of Kansas City. The line of credit matures on October 18, 2019. The line has an outstanding balance of \$85,000,000 at March 31, 2019 and 2018. Interest varies with LIBOR, is payable quarterly and was 3.48 percent and 2.80 percent at March 31, 2019 and 2018, respectively. The line is collateralized by certain of AGLF's, AGFSG's and other affiliates' loans receivable. At March 31, 2019 and 2018, respectively, the total loans securing the line of credit were approximately \$153,979,668 and \$206,378,000, of which approximately \$91,820,792 and \$157,642,000, respectively, were AGLF's loans receivable. No amounts were outstanding on the line of credit at AGLF as of March 31, 2019 and 2018.

Note 7: Related Party Transactions

AGFSG services loans for AGLF and certain other affiliates of The General Council. AGLF has no employees and most of its expenses are paid by AGFSG. AGFSG also provides the necessary infrastructure and management services for which it is paid service fees. The service fees are based on the levels of assets and liabilities of AGLF and are paid on a monthly basis. The service fees paid to AGFSG during 2019 and 2018 totaled \$7,203,519 and \$7,568,166, respectively. The amount due to AGFSG and other of its affiliates at March 31, 2019 and 2018, was \$12,933 and \$800, respectively.

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2019 and 2018

AGLF has notes receivable from other affiliated organizations. The loans are included in loans receivable at March 31, 2019 and 2018. Notes receivable from affiliates consist of the following:

	2019	2018
Notes receivable from affiliated organizations, secured, maturing in 2020 through 2034 with interest at 4.75% – 5.75%		
Evangel University of the Assemblies of God	\$ 24,195,270	\$ 22,181,120

Interest income from these notes receivable for 2019 and 2018 was \$1,180,720 and \$1,162,345, respectively.

AGLF also has notes payable to other affiliated organizations which bear interest at market rates prevailing at the time such notes were originated. The notes are included in notes payable at March 31, 2019 and 2018. Such amounts due to affiliates consist of the following:

	2019	2018
Notes payable to affiliated organizations, unsecured, repayable over one to five years, with interest ranging from 1.25% to 3.50%		
Assemblies of God Foundation	\$ 37,241,433	\$ 40,741,394
The General Council of the Assemblies of God Revised Retirement Plan	558,591	2,778,150
Evangel University of the Assemblies of God	3,519,187	1,439,095
Global University	664,185	1,471,336
Steward Financial Holdings, Inc.	7,944,955	6,454,599

Interest expense incurred to these affiliated organizations during 2019 and 2018 totaled \$785,748 and \$917,239, respectively.

All entities named in this note are affiliates of AGLF either through its management company, AGFSG, or through The General Council of the Assemblies of God.

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2019 and 2018

Note 8: Commitments and Credit Risk

Commitments

Commitments to extend credit are agreements to lend as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses. Since a portion of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Each borrower's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the counterparty. Collateral held generally includes first mortgages on the related property.

AGLF and related entities had approximately \$34,756,000 and \$23,788,000 in outstanding commitments to originate mortgage loans at March 31, 2019 and 2018, respectively. A portion of these commitments is expected to be funded by Assemblies of God Loan Pool (AGLP). At March 31, 2019 and 2018, AGLF granted unused lines of credit and had commitments to fund construction loans to borrowers aggregating approximately \$45,905,000 and \$38,967,000, respectively. The commitments extended over varying periods of time with the majority to be disbursed within a one-year period.

Credit Risks Relating to Loans Receivable

AGLF extends credit for real estate mortgage loans to Assemblies of God churches and affiliated organizations. AGLF evaluates the creditworthiness on a loan-by-loan basis and generally requires collateral in the form of first mortgages on the related property. The loans are expected to be repaid from operations of and/or contributions to the borrowers. AGLF also controls credit risk through regular evaluations and monitoring procedures.

At March 31, 2019, AGLF had loans to borrowers in the states of Florida and California that represented approximately 11 percent and 13 percent of the gross loan portfolio, respectively. At March 31, 2018, AGLF had loans to borrowers in the states of Florida and California that represented approximately 11 percent and 10 percent of the gross loan portfolio, respectively. AGLF did not have aggregate loans in any other state that exceeded 10 percent of the gross loan portfolio at March 31, 2019 and 2018.

Notes Payable

Notes payable represent unsecured debt securities issued by AGLF and offered only by an offering circular primarily to members, adherents or contributors of The General Council or churches and ministries affiliated with The General Council. The debt securities consist of demand and term notes with various maturity terms and interest rates. The proceeds from the issuance of the debt securities are used for the primary purpose of funding mortgages and loans. AGLF controls credit risk by accepting notes payable with interest and repayment terms that it believes can be met from cash flows generated by mortgages and loans with similar interest rates and maturities.

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2019 and 2018

Note 9: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at March 31, 2019 and 2018:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
March 31, 2019				
Money market				
mutual funds	\$ 74,597,603	\$ 74,597,603	\$ -	\$ -
Fixed income funds	57,289,090	57,289,090	-	-
Municipal debt securities	900,000	-	900,000	-
March 31, 2018				
Money market				
mutual funds	\$ 98,429,555	\$ 98,429,555	\$ -	\$ -
Fixed income funds	66,233,324	66,233,324	-	-
Municipal debt securities	5,075,023	-	5,075,023	-

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended March 31, 2019.

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2019 and 2018

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. AGLF does not have any securities classified as Level 3. The investment in Foundation Capital common stock is accounted for on the equity method and is thus not included in this disclosure.

Nonrecurring Measurements

The following table presents the fair value measurement of assets measured at fair value on a nonrecurring basis and the level within the fair value hierarchy in which the fair value measurements fall at March 31, 2019 and 2018:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
March 31, 2019				
Impaired loans (collateral dependent)	\$ 3,979,988	\$ -	\$ -	\$ 3,979,988
March 31, 2018				
Impaired loans (collateral dependent)	\$ 440,847	\$ -	\$ -	\$ 440,847

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a nonrecurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

Impaired Loans (Collateral Dependent), Net of Allowance for Loan Losses

The estimated fair value of collateral-dependent impaired loans is based on the estimated fair value of the collateral, less estimated cost to sell. Collateral-dependent impaired loans are classified within Level 3 of the fair value hierarchy.

Assemblies of God Loan Fund

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March 31, 2019 and 2018

AGLF considers the appraisal or other evaluation of the fair value of the collateral as the starting point for determining fair value and then considers other factors and events in the environment that may affect the fair value. The estimated fair values are reduced by discounts to consider lack of marketability and estimated cost to sell if repayment or satisfaction of the loan is dependent on the sale of the collateral, and are generally 20 percent. These discounts and estimates are developed by management by comparison to historical results.

Note 10: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Estimates related to the allowances for loan losses and foreclosed assets are reflected in *Notes 1* and *3*. Current vulnerabilities due to certain concentrations of credit risk are discussed in *Note 8*.

Note 11: Functional Expenses

As described in *Note 1*, the financial statements report certain categories of expenses that are attributed to more than one program or supporting function. The table below presents expenses by both their nature and their function.

March 31, 2019				
Functional Classification				
Natural Classification	PROGRAM			Total
	Lending and Notes Payable	Ministry Support	Management and General	
Interest	\$ 17,138,430	\$ -	\$ -	\$ 17,138,430
Service fees	4,423,904	-	-	4,423,904
Grants to affiliates	-	4,000,000	-	4,000,000
Depreciation	760,595	-	-	760,595
Provision for loan losses	600,000	-	-	600,000
Net loss on other real estate owned	513,432	-	-	513,432
Professional fees	379,518	-	-	379,518
Insurance	-	-	47,897	47,897
Other	43,289	-	25,506	68,795
Total expenses	<u>\$ 23,859,168</u>	<u>\$ 4,000,000</u>	<u>\$ 73,403</u>	<u>\$ 27,932,571</u>

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2019 and 2018

Functional expenses include the Lending and Notes Payable program along with the Management and General expenses. As of March 31, 2018, the total expense for Lending and Notes Payable was \$23,191,487, Ministry Support was \$2,500,000 and Management and General was \$127,346.

Note 12: Availability and Liquidity

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of March 31, 2019, comprise the following:

Cash	\$ 920,869
Investments, excluding equity investee	132,786,963
Interest, dividends and investment income receivable	3,222,250
Scheduled loan principal amounts due in 2020	<u>33,913,827</u>
Total financial assets	170,843,909
Internal designations	
Unused lines of credit	(6,679,482)
Commitments to fund construction loans	(39,225,045)
Commitments to extend credit	<u>(34,756,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 90,183,382</u>

AGLF follows the financial standards included in the Statement of Policy Regarding Church Extension Fund Securities issued by the North America Securities Administrators Association, Inc. for liquidity status. The standards state that AGLF's cash, cash equivalents, readily marketable securities and available lines of credit shall have a value of at least 8 percent of the principal balance of its total outstanding notes payable, except that the value of available lines of credit for meeting this standard shall not exceed 2 percent of the principal balance of its total outstanding notes payable. To help manage unanticipated liquidity needs, AGLF, along with certain affiliates, has a committed line of credit (*Note 6*) in the amount of up to \$115 million, of which approximately \$30 million was available at March 31, 2019.

AGLF owes \$276,851,615 in principal to holders of demand notes and \$224,392,200 in term notes that are scheduled to mature during 2020. See *Note 5* for the scheduled maturities of all notes payable. Demand notes may be redeemed in whole or in part, at the option of the registered holder; however, AGLF reserves the right to require 30 days' notice. Similarly, term debt securities may be redeemed, subject to the availability of funds, at the option of the registered holder upon written notice to AGLF, but subject to early redemption penalties, unless redeemed at maturity. Over the past three years, approximately 77 percent of the principal balance of maturing notes payable has been renewed or reinvested annually, excluding demand notes and notes held by entities affiliated with AGLF.

Assemblies of God Loan Fund

Notes to Financial Statements

March 31, 2019 and 2018

In addition to funding note redemptions, AGLF must also fund its outstanding loan commitments. Outstanding commitments to originate new loans totaled approximately \$34,756,000 as of March 31, 2019, the majority of which are expected to require funding during 2020. AGLF must also fund its unused lines of credit and commitment to fund construction loans, which total \$45,904,527. Historically, AGLF has been able to meet the loan funding requirements through a combination of existing cash and investments on hand and cash generated from loan repayments and the sale of notes.

Note 13: Change in Accounting Principle

In 2019, AGLF adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. A summary of the changes is as follows:

Statements of Financial Position

- The statements of financial position distinguishes between two classes of net assets – those with donor-imposed restrictions and those without. This is a change from the previously required three classes of net assets – unrestricted, temporarily restricted and permanently restricted.

Notes to the Financial Statements

- Expenses are reported by both nature and function in one location.
- Enhanced disclosures provide additional information useful in assessing liquidity and cash flows available to meet operating expenses for one year from the date of the Statement of Financial Position.

This change had no impact on previously reported change in net assets.