

UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC. ®
1300 East 9th Street, Suite 1605 | Cleveland, Ohio 44114
(216) 736-3829 | (888) 822-3863 | www.cornerstonefund.org

OFFERING CIRCULAR

\$150,000,000

TERM NOTES, FLEXIBLE DEMAND NOTES, FLEXIBLE DEMAND PLUS NOTES,
AND GIVING BONUS 60-MONTH TERM NOTES

We are offering up to \$150,000,000 of Term Notes, Flexible Demand Notes, Flexible Demand Plus Notes, and Giving Bonus 60-Month Term Notes (collectively, the “Notes”). The Notes are unsecured debt obligations of United Church of Christ Cornerstone Fund, Inc. (“Cornerstone Fund,” “we,” “us,” or “our”). We will pay interest on the Notes at the rates set forth on the investment rate sheet accompanying this Offering Circular (“Rate Sheet”). We may adjust the rates of interest we pay on the Notes, the term to maturity of Term Notes, and the minimum investment amounts applicable to the Notes from time to time, which are reflected as of the date we delivered this Offering Circular on the Rate Sheet. Certain Notes are also available as investments for Individual Retirement Accounts and the applicable interest rate for such Notes is stated on the Rate Sheet.

<u>Instrument</u>	<u>Maturity</u>	<u>Minimum Investment</u>
Flexible Demand Notes	Demand	\$ 50 *
Flexible Demand Plus Notes	Demand	\$ 50 *
Term Notes	3 to 60 months	\$ 500
Giving Bonus 60-Month Term Notes (Qualified Charitable Organization)	60 months	\$ 10,000
Giving Bonus 60-Month Term Notes (Racial Equity or LGBTQIA+ Organizations)	60 months	\$ 2,500

Interest rates paid on Term Notes (other than the Giving Bonus 60-Month Term Notes) are tiered based upon the term and amount of the investment as provided on the accompanying Rate Sheet. Giving Bonus 60-Month Term Notes are special investment programs incorporating a gift to a qualified charitable organization. See “DESCRIPTION OF THE NOTES – GIVING BONUS” on page 20 for details.

*The minimum investment is \$25 for Demand Notes held for the benefit of a minor under the Uniform Transfers to Minors Act. See “DESCRIPTION OF THE NOTES – KIDS CLUB INVESTMENT PROGRAM” on page 22 for details. Minimum investment amounts are current as of the date of this Offering Circular, but may change from time to time. See the accompanying Rate Sheet or our website www.cornerstonefund.org for current minimum investment requirements.

There are no underwriters or outside selling agents involved with this offering, and no commissions or underwriting expense will be paid. We will receive 100% of the proceeds of the sale of the Notes, out of which we pay all related expenses of the offering, which we estimate will be approximately \$150,000 per year.

The Notes are unsecured debt securities subject to the terms, conditions and risks described in this Offering Circular. You could lose some or all of your investment. Please read the “Risk Factors” beginning on page 3.

You are encouraged to consider the concept of investment diversification when determining whether to invest in the Notes and the amount of Notes that would be appropriate for you in relation to your overall investment portfolio and personal financial needs.

Repayment of the Notes is dependent on our financial condition at the time payment is due. Our Notes are not insured by the Federal Deposit Insurance Corporation (FDIC), the Securities Investor Protection Corporation (SIPC), or any other governmental agency. The Notes are not guaranteed by the United Church of Christ or any church, conference, institution or agency of the United Church of Christ.

You should read this Offering Circular, which contains important information about the Cornerstone Fund, before deciding whether to invest, and retain it for future reference. In making an investment decision, you should rely on your own examination of the Cornerstone Fund and the terms of the offering, including the merits and risks involved. You should rely only on the information provided in this Offering Circular. We have not authorized anyone to provide you with any other or different information.

The date of this Offering Circular is April 30, 2024.

* Not FDIC or SIPC Insured

* Not a Bank Deposit

* No United Church of Christ Guarantee

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

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

THIS OFFERING CIRCULAR SETS FORTH CONCISELY INFORMATION ABOUT THE SECURITIES THAT YOU SHOULD KNOW BEFORE INVESTING, AND SHOULD BE RETAINED FOR FUTURE REFERENCE.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT DETERMINED OR CONFIRMED THE ACCURACY, ADEQUACY, TRUTHFULNESS, OR COMPLETENESS OF THIS DOCUMENT AND HAVE NOT PASSED UPON THE MERIT OR VALUE OF THE 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 THE CORNERSTONE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

STATE SPECIFIC INFORMATION

Please read the information applicable to specific states below. This information will apply to you if you are a resident of one of those states. We are or may be qualified to offer and sell our Notes in the following states. However, these states require the following special disclosures, which you should read if you live in one of these states:

Alabama, Arizona, Arkansas, Idaho, Indiana, Kentucky, Michigan, Missouri, Ohio, Pennsylvania, Tennessee and Washington Residents: In order for you to purchase any Notes, prior to your receiving an Offering Circular, you **must** be a member of, a contributor to (including a previous investor), or participant in the United Church of Christ or the Cornerstone Fund or in any program, activity, or organization which constitutes a part of the United Church of Christ or the Cornerstone Fund, or in any other Faith-Based Organization, grant-making organization, foundation or other entity which is missionally aligned with the Cornerstone Fund, or such other persons or entities having a reasonable association or affiliation with the Limited Class, as determined by the Cornerstone Fund, such as (1) family members of persons in the Limited Class, (2) entities controlled by or under common control with members of the Limited Class, (3) employees of the Cornerstone Fund or any organizations affiliated with the United Church of Christ, and (4) other reasonably associated or affiliated institutional investors that are nonprofit religious organizations.

Alabama Residents: THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 8-6-10 OF THE ALABAMA SECURITIES ACT OR OTHER AVAILABLE EXEMPTION UNDER SECTION 8-6-11 OF THE ALABAMA SECURITIES ACT.

California Residents: If you are a resident of California, your Term Notes will not be automatically renewed at maturity. We will notify you approximately thirty (30) days before your Term Note matures, at which time you will have the opportunity to send in the Term Note for repayment or notify us of your intention to renew the Term Note for an additional like term or reinvest the principal balance of the Term Note in another form of Term Note that is available at that time. If you do not affirmatively elect to renew or reinvest, the principal balance of the Term Note will be paid to you upon your sending the Term Note to us for payment. If the Term Note is not sent to us for repayment or if you do not elect to renew or reinvest, on and after the maturity date, the Term Note will be treated and earn interest as a Future Demand Note until we receive the Term Note from you for payment or you elect to renew or reinvest. California residents will only be able to renew their Term Notes or reinvest in other Term Notes if we hold a current registration permit in California. We cannot assure you that such permits will be issued in the future.

Notes purchased in California are subject to restrictions on transfer imposed pursuant to California law. Each certificate representing a Note issued to an investor in California will bear the following legend: IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF BUSINESS OVERSIGHT OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES. A copy of Section 260.1411.11 (Restriction on Transfer) of the California Code of Regulations will be delivered to the original investor and to each transferee of such security at the time the certificate evidencing the Note (or, if uncertificated, the confirmation of the original investment or transfer of the Note) is delivered to the investor or transferee.

Florida Residents: The securities are offered pursuant to an exemption from registration and have not been registered in the State of Florida.

Kentucky Residents: These securities are issued pursuant to a claim of exemption from registration under Section 292.400(9) of the Kentucky Securities Act or other available exemption under Section 292.410 of the Kentucky Securities Act.

Automatic renewal at maturity as described in this Offering Circular is not available for Kentucky. We will notify each Kentucky investor approximately thirty (30) days before their note matures, by means that evidences delivery, at which time the investor shall have the opportunity to request repayment or notice us of an intention to renew the investment or use the proceeds to invest in another note. 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 the note, the proceeds of the note will be treated and will earn interest as if they are invested upon maturity in a flexible demand note. Any renewal or reinvestment can only be made if there is an effective exemption in Kentucky at the time of renewal or reinvestment.

Louisiana Residents: THESE SECURITIES HAVE BEEN OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 709 OF THE LOUISIANA REVISED STATUTES OR 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. The Demand Notes and the Flexible Demand Plus Notes are not being offered and cannot be sold in Louisiana.

Michigan Residents: THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER MICH. COMP. LAWS 451.2202 OR A REGISTRATION ORDER ISSUED BY THE STATE OF MICHIGAN. THE STATE OF MICHIGAN DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE TRUTH, MERITS, OR COMPLETENESS OF ANY PROSPECTUS OR ANY OTHER INFORMATION FILED WITH THIS STATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Missouri Residents: The Notes have not been registered under the Missouri Uniform Securities Act of 2003 because they are exempt from registration by Rev. Stat. Mo. Section 409.2-201(7)(B). In making an investment decision, you must rely on your own examination of our organization and the terms of the offering, including the merits and risks involved. The Notes have not been recommended by any federal or states securities commission or regulatory authority. Furthermore, these authorities have not confirmed the accuracy or determined the adequacy of this Offering Circular. It is illegal for anyone to tell you otherwise.

New York Residents: The Attorney General for the State of New York has not passed on or endorsed the merits of this offering. Any representation to the contrary is unlawful.

Oregon Residents: Automatic reinvestment upon maturity of a Term Note, as provided in this offering circular (see “Terms” on page 19 under the heading entitled, “Description of the Notes”), is available to Oregon residents only under limited circumstances. Thirty (30) days prior to the maturity of your original investment (the “Original Investment”), we will deliver a maturity notice and current offering circular to you. If you decide not to reinvest, on or prior to the maturity of your Original Investment, you must send us a written notice along with your Note. We will then redeem your funds. If you do not submit a written request, we may, at our discretion, reinvest the proceeds into a comparable Investment (the “New Note”) that has a three (3) month maturity. The interest rate on the New Note may be different from the interest rate on the Original Investment.

Pennsylvania Residents: EVERY PENNSYLVANIA PURCHASER OF THE NOTES HAS THE RIGHT TO WITHDRAW FROM THE PURCHASE AS PROVIDED BY SECTION 207(M) OF THE PENNSYLVANIA SECURITIES ACT OF 1972. IF YOU ACCEPT AN OFFER TO PURCHASE THE NOTES, YOU MAY ELECT WITHIN TWO (2) BUSINESS DAYS AFTER THE FIRST TIME YOU RECEIVE THIS OFFERING CIRCULAR TO WITHDRAW FROM YOUR PURCHASE AND RECEIVE A FULL REFUND OF ALL MONIES PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A LETTER, TELEGRAM OR FACSIMILE TRANSMISSION TO US INDICATING YOUR INTENTION TO WITHDRAW. SUCH LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE SECOND BUSINESS DAY MENTIONED ABOVE. IF YOU ARE SENDING A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME IT WAS MAILED. SHOULD YOU MAKE THE REQUEST ORALLY, YOU SHOULD ASK FOR WRITTEN CONFIRMATION THAT YOUR REQUEST HAS BEEN RECEIVED.

The By-Laws of the Cornerstone Fund 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 void.

A registration statement in connection with this offering has been filed in the offices of the Pennsylvania Department of Banking and Securities, Corporation Finance Office, 17 N 2nd St., Suite 1300, Harrisburg, Pennsylvania, 17101. 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) 787-8059.

South Carolina Residents: We are not offering and cannot sell our Demand Notes and Flexible Demand Plus Notes to residents of South Carolina. If we do not pay principal or interest on your Note for a period of ninety (90) days from the date of lawful demand by you, other than by clerical error or administrative oversight, it will be an event of default, unless you waive the default or we lawfully contest the payment. A default on your Note will constitute a default on all of our Notes of the same class issued to other South Carolina Investors under this Offering Circular. Upon default, South Carolina Investors shall have the right to obtain the names and addresses of all South Carolina Investors of

Notes in default and by a vote of 25% of these Investors, to declare all defaulted Notes in South Carolina due and payable in full.

South Dakota Residents: 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 nor the SEC 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 Residents: THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, 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.

Virginia Residents: these securities are issued pursuant to a claim of exemption from registration under Section 13.1-514.1.b of the Virginia Securities Act or other available exemption under Section 13.1-514 of the Virginia Securities Act.

Washington Residents: Automatic reinvestment upon maturity of a Term Note, as provided in this Offering Circular (see “Terms” on page 19 under the heading entitled, “Description of the Notes”), is not available to Washington residents. At least thirty (30) days prior to the maturity of your Term Note, we will deliver a maturity notice to you, accompanied by a current Offering Circular if one was not previously delivered to you. You will have the opportunity to send in the Term Note for repayment or notify us of your intention to renew the Term Note for an additional like term or reinvest the principal balance of the Term Note in another form of Term Note that is available at that time. If you do not affirmatively elect to renew or reinvest, the principal balance of the Term Note (and any accrued and unpaid interest thereon) will be paid to you at maturity.

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EXHIBITS

Exhibit A	Audited Financial Statements
Exhibit B	Investment Applications
Exhibit C	Rate Sheet

SUMMARY OF THE OFFERING

We provide this summary for your convenience. Since it is only a summary, you must read it together with the more complete statements and information in this Offering Circular (“Offering Circular”), including the audited financial statements. Any person or entity investing or considering investing in the Cornerstone Fund is referred to as an “Investor” in this Offering Circular. See “Definitions” on page 31 for other terms used in this Offering Circular.

1. **Cornerstone Fund.** The Cornerstone Fund is an Indiana nonprofit corporation, with its principal offices located in Cleveland, Ohio. We are identified through our common religious faith with the United Church of Christ denomination. See “INTRODUCTION” and “HISTORY AND OPERATIONS.”

2. **Description of Notes.** We are offering unsecured debt securities in the form of Flexible Demand Notes and Flexible Demand Plus Notes (“Demand Notes”) and 3 Month to 60 Month, and Giving Bonus 60-Month Term Notes (“Term Notes” and, together with the Demand Notes, the “Notes”). The present terms and minimum investment available at any particular time are shown in the Investment Application accompanying this Offering Circular. Available interest rates and minimum investments are shown on the Rate Sheet that accompanies the Investment Application. Demand Notes have an adjustable interest rate, adjustable quarterly, with fifteen (15) days’ prior notice to you if the rates are being decreased. On the Term Notes (other than the Giving Bonus 60-Month Term Notes), interest rates will vary depending upon the term of the Note and the amount of the investment. We compound interest semiannually and retain and credit it to your account unless you elect to receive interest payments. At maturity, we automatically renew Term Notes for additional terms equal to the original terms (or for the closest terms being offered at the time), unless, on or prior to the maturity date for the original or any renewal term, you send us the Note along with a written request for payment. We will send you Notice of Maturity at least thirty (30) days prior to maturity of each Term Note. You will receive a copy of the latest Offering Circular at that time if you have not already received one. In the case of automatic extension of existing Notes upon maturity, the new extension interest rate may be less than the interest rate on the original Term Note. Generally, you cannot redeem your Term Notes prior to maturity. When early redemption is allowed, normally there is an early redemption penalty. We also offer our Demand Notes and Term Notes as investments for Individual Retirement Accounts. See “DESCRIPTION OF THE NOTES – IRA Investments.”

3. **Risk Factors.** Your purchase of our Notes is subject to certain described risks. See “RISK FACTORS,” which you are urged to read carefully.

4. **Use of Proceeds.** We add the proceeds of the sale of our Notes to our general funds. We primarily use the proceeds to make loans to Faith-Based Organizations (as defined herein) to finance capital improvement or other property related projects. We may also use proceeds to pay interest on outstanding Notes, repay outstanding Notes as they mature or are redeemed, and cover our overall operating expenses. No underwriters or independent selling agents are participating in this offering and we pay no underwriting discounts or commissions in connection with the sale of the Notes. See “USE OF PROCEEDS.”

5. **Management.** We are managed by our 16-member board of directors (“Board of Directors”) that meets regularly two (2) times per year. The following key personnel are responsible for our day-to-day operations:

Maria C. Coyne, President and Chief Executive Officer
Betsey Saffar, Vice President, Chief Financial Officer
J. Scott Hackenberg, Vice President, Chief Lending Officer
Rebecca Perera, Vice President, Chief Credit Officer
Rev. Dr. Courtney Stange-Tregear, Vice President, Chief Relationship Officer
Patricia J. Eggleston, Secretary
Cindy Crotty, Treasurer

See “MANAGEMENT.”

6. **Financing the Cornerstone Fund’s Activities.** Our primary sources of funds are principal and interest payments received on our loans to Faith-Based Organizations, interest earned on our Invested Funds (as defined herein) and cash receipts from the sale of our Notes. We may also incur indebtedness that would rank senior to the Notes to the extent collateral is pledged to secure it. See “FINANCING THE CORNERSTONE FUND’S ACTIVITIES.”

7. **The Cornerstone Fund’s Lending Activities.** We use the proceeds from the sale of our Notes to make loans to Faith-Based Organizations. These loans generally are secured by first mortgages on property, Notes held by the borrower or other approved collateral and are predominantly for the construction, repair or renovation of other facilities for churches and faith-based organizations that care for the environment, provide refuge meeting space, day care and senior centers, housing, health and human services, job training and address other community needs, and for

the refinancing of existing indebtedness. These loans are underwritten utilizing our loan evaluation guidelines that include generally applied Loan To Value (LTV), debt service, and other financial ratios, in an effect to determine a prudent amount of indebtedness for the borrower and to realistically evaluate ability to repay. Loans generally are either fixed rate or adjustable rate loans made with payments based on up to 30-year amortization. See “THE CORNERSTONE FUND’S LENDING ACTIVITIES.”

8. **The Purchase of Notes.** To purchase one or more of the Notes, you should complete and sign the Investment Application and send it to us along with your payment. For information concerning present terms and interest rates available, you may call us at 888-822-3863 or visit our website at www.cornerstonefund.org. Information contained in or that can be accessed through our website is not a part of this Offering Circular.

9. **Selected Financial Information.** The following summarizes selected financial information for the fiscal year ending December 31, 2023.

	<u>As of December 31, 2023</u>	
Cash and Invested Funds	\$	18,790,386
Total Outstanding Loans *	\$	104,372,592
Unsecured Loans – Amount	\$	206,750
Unsecured Loans – % of Total Loans		0.20%
Loan Delinquencies** – % of Total Loans		0.00%
Allowance for Loan Losses	\$	(1,369,424)
Total Assets	\$	124,524,000
Outstanding Line of Credit	\$	0
Construction Funds on Deposit	\$	110,368
Outstanding Notes Payable	\$	110,943,896
Total Liabilities	\$	112,228,935
Notes Redeemed During Year	\$	90,299,973
Net Assets Without Donor Restrictions	\$	11,466,737
Net Assets With Donor Restrictions	\$	828,328
		<u>Year Ended</u>
		<u>December 31, 2023</u>
Revenues, including net appreciation of investments	\$	5,679,240
Expenses	\$	5,650,799
Increase in Net Assets Without Donor Restrictions	\$	15,687
Increase in Net Assets With Donor Restrictions	\$	12,754

* Balance of loans outstanding, net of participations.

** Loans on which principal and/or interest were delinquent for ninety (90) days or more.

See “SUMMARY OF OPERATIONS AND SELECTED FINANCIAL INFORMATION” and “FINANCIAL STATEMENTS.”

RISK FACTORS

- Notes are Unsecured Obligations.** The Notes are unsecured debt securities of the Cornerstone Fund subject to the terms, conditions and risks described in this Offering Circular, including risk of possible loss of the amount invested. You must depend solely upon our financial condition and operations for principal repayments and interest payments on the Notes. We believe that we have taken all necessary legal steps to ensure that our debts and liabilities are independent of the financial structure of the United Church of Christ or any Faith-Based Organizations; thus, those other entities will have no legal obligations to repay the principal or interest on the Notes. Neither the United Church of Christ nor any Faith-Based Organization has guaranteed the Notes or any loans we have made. Our Notes are not certificates of deposit or deposit accounts with a bank, savings and loan association, credit union or other financial institution regulated by federal or state authorities. Our Notes are not insured by FDIC or SIPC or any other government agency. Risks of investment in the Notes may not be correlated to the interest rates on the Notes.
- Market Risk.** The Notes are subject to investment risks, including possible loss of the entire principal amount invested.
- Limit on Senior or Secured Debt.** We have a \$7,500,000 revolving line of credit secured by essentially all assets of Cornerstone Fund. As of December 31, 2023, we had \$0 borrowed under this line of credit. All of the Notes and anticipated future offerings of Notes will be of equal rank in priority with all of our other Notes in relation to any senior secured indebtedness. It is our policy that any senior or secured indebtedness we incur, including borrowings under the revolving line of credit, will not exceed 10% of our tangible assets as of the date of issuance or incurrence of the obligation. Any senior or secured indebtedness would rank senior to the Notes to the extent collateral is pledged to secure it.
- No Sinking Fund or Trust Indenture.** We have not established any sinking fund or trust indenture to provide for repayment of the Notes. No trustee monitors our affairs on your behalf, no agreement provides for joint action by Investors in the event we default on the Notes and you do not have the other protections a trust indenture would provide. The lack of a sinking fund or trust indenture may adversely affect our ability to repay the principal and interest on the Notes when due.
- Liability for Claims against the United Church of Christ or Faith-Based Organizations.** We should not be liable for claims made against the United Church of Christ or Faith-Based Organizations. Although we believe that we have taken all necessary legal steps to establish the Cornerstone Fund as a separate legal entity apart from the United Church of Christ or any Faith-Based Organization, it is possible that in the event of claims against the United Church of Christ or any Faith-Based Organization, the claimants might contend that we are also liable. Such claims, if upheld by the courts, could negatively affect our financial condition and ability to repay Notes.
- No Market Exists and Transferability is Limited and Restricted.** There is no market for the Notes and it is highly unlikely that a market will develop. The Notes are transferable only with our consent and in accordance with this Offering Circular; see “Method of Sale; Transfer” on page 23 for more information. In addition, conditions on transfer of the Notes may be imposed under the securities laws of certain states. Therefore, you should view the purchase of a Note as an investment for its full term.
- No Right to Redeem Prior to Maturity.** We are not legally obligated to redeem your Note prior to its maturity. When early redemption is allowed, normally there is a penalty. Furthermore, ability to redeem your Term Note is subject to the availability of funds. See “DESCRIPTION OF THE NOTES – Early Redemption and Penalty” on page 22.
- Redemption of Notes.** We have the right to redeem (i.e., prepay) any outstanding Note or Investment Balance (as defined herein) prior to the expiration of its term with your consent. There can be no assurance that you will be able to reinvest your redemption proceeds in other securities having terms (and associated risks) as favorable as the redeemed Notes, which may result in a decline of income for you.
- Invested Funds Subject to Risks.** Our invested assets are subject to various market risks which may result in losses if the market values of our investments decline and could have an adverse impact upon our liquidity and our ability to repay our Notes.

10. **Invested Funds-Specific Risks.**

Certificate of Deposit Risk. Certificates of Deposit are subject to the risk that the value of the investment may be eroded over time by inflation.

Money Market Risk. Although a money market fund is designed to be a relatively low risk investment, it is not free of risk. Despite the short maturities and high credit quality of a money market fund's investments, increases in interest rates and deteriorations in the credit quality of the instruments the money market fund has purchased may reduce the money market fund's yield and can cause the price of a money market security to decrease. In addition, a money market fund is subject to the risk that the value of an investment may be eroded over time by inflation.

Debt Securities Risk. The issuers of debt instruments in which we may invest may default on their obligations to pay principal or interest when due. This non-payment would result in a reduction of income to us, a reduction in the value of a debt instrument experiencing nonpayment and, potentially, a decrease in our profitability and our ability to pay interest and principal due on Notes. To the extent that the credit rating assigned to a security in our investment portfolio is downgraded, the market price and liquidity of that security may be adversely affected. When market interest rates rise, the market value of debt instruments generally will fall.

Loan Participation Risk. We may purchase a participation interest in a loan and thus acquire some or all of the interest of a bank or other lending institution in a loan to a borrower. Generally, a participation interest will result in our having a contractual relationship only with the lender, not the borrower. As a result, our interest in the loan is subject to the credit risk of the lender selling the participation in addition to the credit risk of the borrower. By purchasing a participation interest, we would typically have the right to receive payments of principal, interest, and any fees owed on the loan only from the lender selling the participation and only upon receipt by the lender of the payments from the borrower.

11. **Term Notes Automatically Renewed.** We automatically renew Term Notes at maturity (except for Investors in certain states as noted above) for an additional like term unless within ten (10) days after the end of the term, you send the Term Note and a written request for payment to our office. We will send you a notice of maturity, however, thirty (30) days prior to the maturity date. You will receive a copy of the latest Offering Circular at that time if you have not already received one. In the case of automatic extension of existing Term Notes upon maturity, the new extension interest rate may be less than the interest rate on the original Note. The new interest rate will be the applicable interest rate for the term of the Term Note being extended at the time of the extension.

12. **Importance of Substantial Number of Notes Being Extended or Reinvested at Maturity.** A substantial portion of our outstanding Notes will mature in one (1) year or less. For the last three (3) years, however, an average of approximately 85.87% of our maturing Notes have been extended or reinvested in other Notes. If demands for repayment upon maturity of our outstanding Notes exceed prior experience or if the availability of funds from sources other than operating income is reduced, it may have an adverse effect on our financial condition and our ability to repay maturing Notes. If prevailing interest rates rise significantly, demands for repayment of Term Notes at maturity and/or redemption of Demand Notes may exceed historical averages. Though our reinvestment rate has not materially changed, the increasing interest rate environment elevates this risk. In 2024, \$52,150,905 of Term Notes will mature. In addition, as of December 31, 2023, there were \$11,249,840 of Demand Notes that could be called for redemption during 2024.

13. **Interest Rate Risk.** In general, interest rates are subject to significant fluctuations depending upon various economic and market factors over which we have no control and which could affect our ability to repay the Notes. Interest rate fluctuations will adversely affect our profitability if we are unable to maintain a sufficient spread between the interest rates we pay on our Notes and borrowed funds and the interest rates we receive on our outstanding loans and investments. In particular, rapid changes in interest rates can significantly and adversely affect our profitability. Generally, interest rates have been in a rising environment.

14. **Current Economic Volatility.** Given the volatility of current economic conditions, the values of our assets and liabilities could change, resulting in future adjustments in asset values, the allowance for loan losses, or net assets.

15. **Economic Slowdown Risk.** During a period of economic slowdown or recession, our borrowers may experience increased difficulty in making timely payments of principal and interest on our loans, particularly if the period is prolonged. This could result in a need to restructure some loans to provide more flexible payment terms to our borrowers or to rely upon the collateral for repayment, which may not be sufficient to satisfy all amounts owed. This could also result in a need to provide for loan losses, which would negatively impact our profitability.

16. **Competition with Other Institutions.** Other institutions may offer notes or other securities with a higher rate of return and/or notes or other securities that provide greater security and less risk than our Notes. Our Notes are not insured by the Federal Deposit Insurance Corporation, Securities Investor Protection Corporation, or any other governmental agency or private insurance company. Also, in many instances, with respect to loans to Faith-Based Organizations, we compete with other commercial lenders, such as banks, credit unions, and savings associations; online commercial lenders; community development financial institutions, church lenders, and other nonprofit lenders.

17. **Changes in Securities Laws, Practices and Procedures – Sales of Notes could be Curtailed.** Changes in federal and state laws, regulations, practices and procedures regarding the sale of debt securities of religious, charitable or other nonprofit organizations may make it more difficult and costly for us to offer and sell our Notes in the future. If this occurs, it could result in a decrease in the amount of Notes sold by us which could affect our ability to meet our obligations. If we do not continue to qualify our Notes in any particular state, you, along with other Investors in that state, may not be able to reinvest at maturity. Further, while we strive to comply with all applicable laws, if we find that we have not done so in all cases, it is possible that we may be subject to future regulatory actions, which could include fines, orders or the institution of repurchase offers.

18. **Tax Consideration.** As a general rule for individual U.S. federal income tax purposes, interest paid or payable on the Notes will be taxable as ordinary income imputed to you regardless of whether interest is paid or compounded, unless you purchased the Notes through an Individual Retirement Account (“IRA”), Educational Savings Account (“ESA”), or other tax deferred account. Additionally, there is always a risk that changes may be made in the tax laws, which changes could have an adverse effect on your ownership of Notes. See “Tax Aspects” at page 19 for a more detailed discussion.

19. **Loans to Faith-Based Organizations.** Our loans are made primarily to Faith-Based Organizations, including local churches. The ability of local churches and faith-based organizations to repay their loans will depend primarily upon the financial condition of the entity and the contributions and other revenue they receive, both of which may fluctuate for any number of reasons, including but not limited to the number of members or other participants of the organization, the strength of the economy, the economic conditions of major employers and population shifts in the region where the Faith-Based Organization is located. Loans are not personally guaranteed by Faith-Based Organization members. Although we could seek to sell participation interests in our existing loans to other church extension funds or other lenders in order to increase liquidity, there is no readily available market for the loans we make. Also, a declining commercial real estate market could depress the value of our loan collateral or delay or limit our ability to dispose of the loan collateral and increase the possibility of a loss following a foreclosure. Furthermore, real property values may decline due to general and local economic conditions, increases in operating expenses, changes in zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighborhoods and in demographics, increases in market interest rates, or other factors. Factors such as these may adversely affect the value of property financed. Furthermore, if the borrower is a church, church property which serves as collateral for a loan is a “special purpose” property, which may have a more limited number of prospective purchasers than other commercial properties. Therefore, if the property needs to be sold to satisfy a loan in default, the proceeds may not necessarily be sufficient to satisfy the full amount of the loan. In addition, with respect to real property secured loans, although we require normal lender protections, such as title insurance or an opinion of counsel as to the validity of title and adequate fire and extended coverage insurance naming us as mortgagee, we do not normally obtain independent appraisals as to the value of real property securing the loans we make, unless the loan is over \$1,000,000 or the circumstances otherwise warrant.

20. **Lending Criteria and Enforcement.** Our lending policies are described in more detail under “THE CORNERSTONE FUND’S LENDING ACTIVITIES” beginning on page 11. In alignment with our mission, we tend to have more patience in getting our borrowers ready to borrow and in working through issues with existing borrowers when they encounter some difficulty. Further, in view of the relationship we have with our borrowers, we have been willing, in certain instances in the past, to accommodate late payments to an extent greater than other types of commercial lenders may be willing to do. We may continue to do so in the future. Thus, many of our loans involve a higher risk of loss than loans made by other commercial lenders.

21. **Loan Concentration Risk.** Although we have no geographic restrictions on where loans are made, the five jurisdictions with the greatest concentration of loans, as of December 31, 2023, were as follows:

<u>State</u>	<u>Number of Borrowers</u>	<u>Principal Outstanding</u>	<u>Percent of Loan Portfolio</u>
Illinois	21	\$ 19,160,537	18.24%
California	37	18,520,543	17.63%
Ohio	24	10,049,734	9.57%
Massachusetts	15	6,711,159	6.45%
Texas	10	6,765,185	6.44%
Total (all five)	107	\$ 61,267,158	58.32%

The concentration of loans in one or more states or regions increases the risk that adverse economic conditions in those areas could adversely affect collections on loans in that area, which could adversely affect our ability to repay the Notes.

22. **Allowance for Credit Losses.** Cornerstone Fund estimates expected credit losses using a risk rating method of measuring and monitoring loan risk based upon financial information of the borrower. As of December 31, 2023, the Fund has recorded an allowance for credit losses of \$1,369,424. Loans are charged off when we determine that all or a portion of the balance will not be collected through payment or liquidation of underlying collateral. During 2023, 2022 and 2021, we did not charge off any loans. We entered into foreclosure proceedings in March 2023 against one of our borrowers, and as of December 31, 2023, we had foreclosed on the property and were holding the property as an asset held for sale.

23. **Loan Delinquencies and Losses.** Consistent with our mission as a charitable lender and our relationship with our borrowers, we work with our borrowers to meet their obligations and therefore may be more likely to accept partial, deferred, interest-only or late payments than a typical commercial lender. As of December 31, 2023, we had no “Loan Delinquencies,” which for purposes of this Offering Circular means payments of principal or interest are ninety (90) days or more past due, whether the borrower is in default or not. As of December 31, 2023, we had no loans on nonaccrual status.

24. **Creditor Remedies.** Our remedies as a creditor upon default by any of our borrowers will be subject to various laws, regulations and legal principles that provide protections to borrowers. Our legal and contractual remedies, including those specified in our loan agreements and collateral documents, typically require judicial actions, which are often subject to discretion and delay. Under existing laws (including, without limitation, the Federal Bankruptcy Code), the remedies specified by our loan agreements and collateral documents 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 collateral documents. In addition, the laws of a particular jurisdiction may change or make it impractical or impossible to enforce specific covenants in the loan agreements and collateral documents.

25. **Line of Credit.** We currently have a secured, revolving line of credit in the amount of \$7,500,000 with Peoples Bank. The extent to which this line of credit becomes unavailable or substantially decreased may have an adverse effect on our ability to make loans as timely as desirable or to make timely payments of principal and interest on our Notes. As of December 31, 2023, 2022 and 2021, there was \$0 outstanding under our line of credit.

26. **Investor Concentration Risks.** The table below shows the five (5) states in which our Investment Balances are most concentrated, as of December 31, 2023:

<u>State</u>	<u>Number of Notes Outstanding</u>	<u>Total Notes Outstanding</u>	<u>Percent of Total</u>
Ohio*	420	\$ 19,619,584	17.66%
California	322	16,865,776	15.18%
Pennsylvania	328	6,827,051	6.14%
New York	230	6,439,351	5.79%
Illinois	194	5,481,085	4.93%
Total (all five)	1,494	\$ 55,232,847	49.70%

* Includes investments from the UCC national setting totaling \$9,242,962, or 8.32% of all outstanding Notes

Declining economic conditions in these states could negatively affect the rate at which those residents redeem or reinvest their Notes and our ability to raise funds through the sale of additional Notes.

27. **Dependence on Funds Received for Repayment.** We rely upon the principal and interest received on our outstanding loans, as well as interest earned on our Invested Funds to fund the repayment of principal and payment of interest on our Notes. Depending on our cash flow at any particular time, we may have to use funds received from the sale of new Notes and our lines of credit to pay such principal and interest on our Notes, which may have an effect on our ability to maintain a positive financial position. In addition, if we have insufficient liquid assets to repay your Note when payment is due, you will not be repaid unless and until we have sufficient cash to do so.

28. **Environmental Risks.** There is potential environmental liability associated with the loans we make. When such a risk exists we typically do conduct an environmental audit before making the loan. We do not however conduct an environmental audit for all loans. If environmental pollution or other contamination is found on or near property securing a loan, our security for the loan could be impaired. If we are deemed to have participated in management of the property at issue, fail to conduct all appropriate inquiry prior to a foreclosure, or do not fall within certain statutory safe harbors following a foreclosure, we could be subject to lender liability for these same things. In addition, changes in environmental regulations could require the borrower to incur substantial unexpected expenses to comply with such regulations, and this could impair both the value of the collateral and the borrower's ability to repay us and thereby our ability to repay our Notes.

29. **Construction Loan Risks.** Some of our borrowers will be subject to risks associated with construction and may use our loans to construct new facilities or to improve existing facilities. We typically recommend to our borrowers maximum price guaranteed construction contracts, and we have stringent requirements for all construction loans over \$1,000,000, including requiring payment and performance bonds and all necessary permitting. If any of the following risks related to construction and improvement occur, it could have a material adverse effect on a borrower's ability to repay its loan by increasing construction costs or delaying or preventing completion of a project and would adversely affect our ability to repay the Notes: the borrower and its contractor may not sign a fixed-price construction contract; completion may be delayed due to, among other things, shortages of materials, strikes, acts of nature, delays in obtaining necessary building permits or architectural certificates, environmental regulations, or fuel or energy shortages; effects of economic slowdowns; service interruptions; or legal challenges due to environmental or operational or other mishaps; or the contractor may not post a completion bond.

30. **No Firm Underwriting Commitment for This Offering.** We are offering the Notes directly and without a firm underwriting commitment. No assurance can be given as to the principal amount of Notes that will be sold and whether the proceeds will be sufficient to accomplish the purposes of the offering.

31. **Cybersecurity Risks, Dependence upon Technology and Related Services.** The majority of our business records are stored and processed electronically, including records of our loans receivable, Notes payable and investment applications, and most other business records. We rely to a certain extent upon third party vendors for providing hardware, software, and services (including our website functionalities) for processing, storing and delivering information. If you elect to use our website and related online services, electronic delivery services, or similar mobile services that may be offered in the future, we can offer no assurances and make no warranty as to their accuracy and availability, and such use is subject to the terms, conditions and limitations set forth in applicable usage agreements. Our electronic records include confidential customer information and proprietary information of our organization. Electronic processing, storage and delivery has inherent risks such as the potential for hardware failure, virus or malware infection, input or programming errors, interruption of website service, inability to access data when needed, corruption or permanent loss of data, unauthorized access to data or theft of data. Cyber threats are rapidly evolving and we may not be able to anticipate or prevent all such threats. While we and our vendors take measures to protect against these risks, our computer systems and network infrastructure are not immune to cyber-attacks, including denial of service attacks, hacking, terrorist activities, identity theft and other fraudulent, illegal or improper activity perpetrated by third parties. No cybersecurity measures will be 100% effective, and there may be other risks that have not been identified or that may emerge in the future. A successful penetration or circumvention of our or our vendor's security could cause, among other consequences, significant disruption of all aspects of our operations, damage to hardware and software systems, misappropriation of confidential or proprietary information, personal information or identity of holders of Notes, or theft of our funds, which would have a material adverse effect on us, our operations, and our ability to repay our obligations under the Notes as and when due.

32. **Right to Change our Policies and Procedures.** At various points in this Offering Circular we describe our policies, such as our loan guideline or investment policies. These descriptions are intended to help you understand our current operations. We have had different policies in the past and we may change our policies in the future. If we change our policies or procedures, including our loan guidelines or investment policies, there may be an adverse impact on our ability to repay your Note.

FORWARD LOOKING STATEMENTS

This Offering Circular contains forward-looking statements about our plans, strategies, objectives, goals, and expectations. These forward-looking statements are identifiable by words or phrases indicating that we “expect,” “anticipate,” “project,” “plan,” “believe,” or “intend” that a particular event may or will occur in the future or similarly stated expectations. These forward-looking statements are subject to many factors, including the risk factors above, which could cause actual results to differ materially from the stated expectations. We undertake no obligation to update or revise any forward-looking statements to reflect developments or information obtained after the date of this Offering Circular.

INTRODUCTION

General

The Cornerstone Fund is an Indiana nonprofit corporation, incorporated on September 22, 1993. We are affiliated structurally with the United Church of Christ through a common religious purpose. The local churches, Associations, Conferences, national organizations, colleges and seminaries, health and human services organizations, other affiliated organizations of the United Church of Christ, or churches and other religious organizations that are missionally aligned with the Cornerstone Fund, are sometimes hereinafter collectively referred to as “Faith-Based Organizations.” Our executive offices are located at 1300 East 9th Street, Suite 1605, Cleveland, Ohio 44114.

Purpose of the Cornerstone Fund

Local Church Ministries (a Covenanted Ministry of the United Church of Christ) (“Local Church Ministries”) and its predecessor organizations historically have been the principal organizations responsible for the church extension functions of the United Church of Christ. In furtherance of this purpose, the Cornerstone Fund was incorporated. It has instituted a program of selling Notes, the proceeds of which are used primarily for loans to Faith-Based Organizations to finance their capital improvement and other property-related projects, including church buildings and other structures.

Nationwide Offerings

We anticipate that during 2024 we will offer and sell our Notes to Investors in a number of states, and we may offer and sell our Notes in additional states in the future as part of a continuous offering process. The total amount of \$150,000,000 in Notes to be sold in this offering is not a limitation on the amount of Notes we may sell in our continuous offering. Our Notes are unsecured obligations having the same priority to our assets as all of our other outstanding Notes and any other general unsecured obligations.

The maturity terms, interest rates and minimum investments for the Notes we currently are offering are set forth in the “Investment Application” and “Rate Sheet” which accompany this Offering Circular. At our option, we may not make some of our Notes available for purchase from time to time. The terms of the Notes offered in the various states may vary slightly from time to time. See “DESCRIPTION OF THE NOTES.”

HISTORY AND OPERATIONS

United Church of Christ

The United Church of Christ stems from five historic religious denominations: the Congregational Churches, the Christian Church, the German Reformed Churches, the Evangelical Synod, and the Afro-Christian Convention. The United Church of Christ is a volitional association of its members, operating on a principle of decentralized administration. In 2013, the United Church of Christ’s current structure was implemented. This structure creates three distinct operating settings for the activities of the United Church of Christ: congregational, conference and national. These operating settings, however, create no authoritarian structure. The United Church of Christ has no central body to administer the operations of all three settings, and the operating entities in each setting are bound through their common religious beliefs and objectives.

In the congregational setting, the United Church of Christ has local churches throughout the United States, most of which are not-for-profit corporations. In most cases, these local churches form groups, known as Associations, to work and minister together. These Associations grant or certify the standing of churches and ministers.

In the conference setting, the United Church of Christ is composed of 36 Conferences in total: 35 geographic Conferences, many of which encompass a single state, and one ethnic non-geographic Conference. Each of the Conferences is a separate, not-for-profit corporation. Generally, the purpose of the Conferences is to develop new local churches, help find suitable pastors and aid pastors and local churches.

In the national setting, the United Church of Christ’s main legislative body is the General Synod, a representative body of the United Church of Christ that meets every two years. All members of the United Church of Christ may attend such meetings and discuss the issues presented, but only the voting delegates elected by the 36 Conferences and the directors of the United Church of Christ Board elected by the delegates to the General Synod may vote upon the issues presented. The General Synod generally receives reports on the work of the denomination and considers issues concerning the denomination and its religious purposes and objectives.

The elected General Minister and President is the spiritual leader and pastor, the Minister of the United Church of Christ and the presiding administrative officer of the General Synod and its United Church of Christ Board. The United Church of Christ Board meets twice a year and acts on behalf of the General Synod between its biennial meetings.

Cornerstone Fund

The Cornerstone Fund was incorporated in Indiana on September 22, 1993, primarily to continue the activities of a portion of the United Church of Christ's Church Building Revolving Loan Fund. We are presently exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and are organized and operated exclusively for religious, educational, benevolent and charitable purposes. No part of our net earnings inures to the benefit of any person or individual. We are a nonprofit corporation organized as a directorship, which means we do not have any shareholders and our affairs are overseen by our Board of Directors. See "Management" for more information.

Cornerstone Fund owns no real estate or real estate improvements, other than real estate owned as a result of lending activities (which is described further under "Loan Delinquencies and Foreclosures"). We own a portion of our office furniture and other equipment.

RELATED PARTY TRANSACTIONS

Over the past three years, we have made loans to many Faith-Based Organizations. Some of these loans may have been made to Faith-Based Organizations whose members, officers or clergy included persons who at the time were our officers or directors or officers or directors of Local Church Ministries. In all instances, we made these loans, if any, under the same terms and at the prevailing interest rate we charge to our other borrowers. Loans or other material affiliated transactions between us and our affiliates, or between us or our affiliates and our executive officers or directors, must be approved by a majority of independent directors who do not have an interest in the transaction. If we only have two (2) independent directors on our board of directors, both independent directors must be disinterested in and approve the loan or material affiliated transaction.

We paid personnel expenses of \$1,722,928 and common services fees of \$131,747 in 2023 to service organizations related to the United Church of Christ. In addition, directors and employees of the Cornerstone Fund own Notes totaling \$696,952. See Note 9 to the audited financial statements for details of these transactions with related parties.

USE OF PROCEEDS

We add the proceeds received from the sale of the Notes to our general funds, and the proceeds are primarily used to make loans to Faith-Based Organizations to finance capital improvement and other property projects, including the construction of new facilities and the renovation, remodeling or repurposing of existing facilities throughout the United States and American Samoa. See "HISTORY AND OPERATIONS." We may also use proceeds to pay interest on outstanding Notes, repay outstanding Notes as they mature or are redeemed, and cover our overall operating expenses. During the year ended December 31, 2023, we advanced \$36,112,950 in loan funds. However, in the normal course of our operations, we are continuously making loan commitments based upon the availability of funds. We have not, in advance, committed all or any portion of the proceeds of this offering for any specific loans. At December 31, 2023, we had loan commitments or unfunded portions of existing loans totaling \$29,509,481, as to which monies probably will be advanced during 2024 and 2025. We also have had many indications of additional interest in loans from various Faith-Based Organizations and we anticipate that a significant number of additional loan commitments will be issued in 2024 as the proceeds of the sale of our Notes are received.

No underwriters or brokers are participating in this offering and we pay no underwriting discounts or sales commissions in connection with the sale of the Notes. Sales of the Notes will be effected solely through certain of our officers and employees. We will pay all expenses of this offering from the proceeds of the offering, including printing, mailing, attorneys' fees, accountants' fees, and securities registration fees which are estimated to be \$150,000 annually.

We cannot assure you that the proceeds from the sale of our Notes will be used for capital improvement projects in your state or any other area of the United States. See "DESCRIPTION OF THE NOTES" and "THE CORNERSTONE FUND'S LENDING ACTIVITIES – Loan Policies."

THE CORNERSTONE FUND'S LENDING ACTIVITIES

General

We use the proceeds from the sale of Notes primarily to make loans to Faith-Based Organizations. We generally make first mortgage secured loans at interest rates generally equivalent to or slightly lower than prevailing commercial rates. As of December 31, 2023, the average of all loans with outstanding balances was approximately \$371,226. These secured, interest-bearing loans are made to Faith-Based Organizations predominantly for the construction and improvement of facilities and the refinancing of existing indebtedness. In a few instances, some loans may be secured by the borrower's Notes, a pledge of other investments or other approved collateral.

At December 31, 2023, the aggregate principal balance of interest-bearing loans, net of participations was \$104,372,592, earning a weighted average interest rate of 5.17%. Those loans can be summarized as follows:

Type of loan	Aggregate Net Principal Balance	Percentage of Total Loans
Secured loans	\$ 104,165,842	99.80%
Unsecured loans	206,750	0.20%
TOTAL	\$ 104,372,592	100.00%

Loan Policies

Amounts loaned, interest rates, availability of funds, payment schedules and other loan terms are determined at the time loan applications are approved by our officers, Finance & Loan Committee or Board of Directors, as applicable depending upon the loan amount or the identity of the borrower, and are subject to change from time to time.

We are currently making interest-bearing loans at rates adjustable every one (1), three (3), five (5) or ten (10) years, with terms and payment amortization up to thirty (30) years. We also offer a fixed rate five-year term loan. In rare instances we have offered fixed rates at longer terms. Refinancing or extension of loans at maturity is at our then prevailing rates and under our loan policies then in effect.

Other than our unsecured loans and lines of credit, we normally require a loan to value ratio of 75% or less (including the property being purchased and other properties owned by the borrower). We hold first mortgages or first trust deeds the borrower's Notes, a pledge of other investments or other approved collateral as security until the loan is repaid. Independent appraisals are generally required on loans above a threshold determined from time to time by the Finance & Loan Committee, loans outside of the United Church of Christ, and under any other circumstances where we believe an appraisal is warranted. In some instances, based on the structure of the loan, we may waive the appraisal requirement. The Cornerstone Fund does not otherwise obtain independent appraisals as to the value of real property securing the loans it makes. At closing, the borrower pays all closing costs, including recording fees and mortgage title insurance costs.

Pursuant to general guidelines, the amount of any loan, or the aggregate amount of all loans, net of participations, to any one borrower will not exceed 15% of the aggregate principal balance of all outstanding loans, net of participations, of the Cornerstone Fund as of the date of final loan approval, whichever is greater. Loans to Faith-Based Organizations that are not a part of the United Church of Christ denomination, as a matter of policy, are limited to 40% or less of outstanding loans at any given time. Further, the amount of any loan, or the aggregate amount of all loans, to any one borrower will not exceed an amount that is equal to 75% of the fair market value of the security for the loan or loans, as of the date of final loan approval and pursuant to reasonable valuation standards determined by our Board of Directors from time to time. These guidelines may be exceeded from time to time provided such exceptions are approved by our Board of Directors. We generally have a minimum loan requirement of \$10,000.

We offer a Secured Revolving Line of Credit loan secured by mortgage on the borrower's real property, the borrower's Notes, other investments or other approved collateral. The term of the line of credit is one (1) to five (5) years, renewable at Cornerstone Fund's discretion. The interest rate changes based on an agreed-upon index.

We offer an Unsecured Revolving Line of Credit loan with a term of one (1) to five (5) years. The interest rate changes based on an agreed-upon index. Our policy is that the combined aggregate principal amount of all Unsecured Revolving Line of Credit loans and all Unsecured Bridge loans not to exceed 10% of the outstanding balance of all loans, net of participations, at the time the Unsecured Revolving Line of Credit loan is approved.

We offer a Bridge loan secured by a first mortgage on all property owned by the borrower, the borrower's Notes, a pledge of other investments or other approved collateral. The term of the bridge loan is one (1) year, renewable at Cornerstone Fund's discretion. The interest rate changes based on an agreed-upon index.

We also offer an Unsecured Bridge loan with a term of one (1) year. The interest rate changes as the base index changes. Our policy is that the combined aggregate principal amount of all Unsecured Revolving Line of Credit loans and all Unsecured Bridge loans not to exceed 10% of the outstanding balance of all loans, net of participations, at the time the Unsecured Bridge loan is approved.

In addition, with respect to real property secured loans, we require normal lender protections, such as title insurance as to the validity of title and adequate fire and extended coverage insurance naming us as mortgagee. The Cornerstone Fund generally makes personal contact with the leadership of the various borrowers prior to issuing any commitment in order to discuss and accumulate pertinent information, including the organization and its past and present sources of revenue. We have adopted loan evaluation guidelines that include generally applied loan to value and debt service ratios in an effort to determine a prudent amount of indebtedness for the borrower and to realistically evaluate the borrower's ability to repay. Our current policy is that the maximum loan amount not exceed a percentage of the value of the collateral securing the loan, based on the type of collateral: (a) up to 100% of our Notes held by the Borrower; (b) up to 90% of approved investment funds held at UCF; (c) up to 85% of approved investment funds held elsewhere; (d) up to 75% of real estate's appraised value; and (e) up to 60% of other collateral approved by Cornerstone Fund.

Interest rates are determined at the time of commitment and/or funding. The interest rate quoted on the commitment letter is honored for sixty (60) days and may be extended at our discretion.

Single advance loans bear interest at the approved rate. If disbursement of the loan is not requested within sixty (60) days of commitment, these loans initially bear interest at the loan rate prevailing at the time funds are advanced. Multiple advance loans (construction loans) initially bear interest at the approved rate. If at least 10% of the amount committed is not disbursed within sixty (60) days of loan closing, there may be an adjustment to the prevailing interest rate.

Our Board of Directors determines the lending guidelines, which are subject to being changed at any time or waived in particular instances, in the discretion of the Board of Directors. We cannot assure you that the lending guidelines, amounts of loan funds available and interest rates offered will not be changed periodically.

Major Loans

At December 31, 2023, we had 232 loans outstanding having an aggregate principal balance, net of participations, of \$104,372,592, of which there were 26 loans with principal balances in excess of \$1,000,000. At December 31, 2023, we had eight loan commitments which when fully funded will have principal balances in excess of \$1,000,000. Consistent with our stated policy, we normally will make no single loan or loan commitment, or aggregate amount of loans or loan commitments net of participations, to one borrower having a principal balance or anticipated principal greater than 15% of the aggregated principal balance, net of participations, of our outstanding loans.

Missouri Mid-South Conference Revolving Loan Fund

During 2017, Cornerstone Fund received a contribution of cash, investments and loans receivable from a foundation to establish a revolving loan fund for the benefit of churches and ministries in the Missouri Mid-South Conference. Interest income earned on the loans is accumulated in the fund to distribute under future loans. As of December 31, 2023, loans outstanding under this program were \$298,367 and cash and investment balances were \$479,961. In accordance with the foundation's memorandum of gift, in the event of Cornerstone Fund's bankruptcy, dissolution, or judicial appointment of a receiver, the remaining assets of the revolving loan fund shall be transferred in their entirety to the Missouri Mid-South Conference of the United Church of Christ.

Allowance for Credit Losses

An allowance for credit losses is recorded based upon management's review of the outstanding balances within and the historical performance of the loan portfolio. The Fund has adopted ASC 326 Accounting for Current Expected Credit Losses. The Fund's allowance for loan losses was \$1,369,424 as of December 31, 2023. During 2021, 2022 and 2023, we did not charge off any loans. See Note 2.G. to the audited financial statements at the end of the Offering Circular. There can be no assurance that we will not have a loan loss in the future, which could adversely affect the change in unrestricted net assets.

Loan Delinquencies and Foreclosures

At December 31, 2023, December 31, 2022 and December 31, 2021, we did not have any loans on which interest and/or principal payments were delinquent for ninety (90) days or more. During 2023, we commenced one foreclosure proceeding on a church property securing our outstanding loan. As of December 31, 2023, we held the property as an asset held for sale in the amount of \$627,258.

Due to the nature of the relationship with our borrowers, however, we are willing to make accommodations with borrowers whose payments are not current or to refinance their outstanding obligations. It is our policy to aid our borrowers to try to meet their obligations without foreclosure. Therefore, our delinquency experience cannot be compared to a commercial lender. We cannot assure you, however, that we will be able or willing to refinance, accommodate or restructure any delinquent loans in the future. We have had no material loan losses with respect to our outstanding loans incurred within the last three fiscal years, pending disposition of the real estate asset held for sale described above.

Loan Processing

After receiving and reviewing a request for a for a loan from a Faith-Based Organizations, the prospective borrower is asked to complete an application. After loan applications are properly filed, loan requests are reviewed and, if approved, commitments are issued by our officers, Finance & Loan Committee or Board of Directors, as applicable depending upon the loan amount, all of which are subject to ratification by our Board of Directors.

Construction Funds on Deposit

From time to time, in connection with our construction loans, borrowers will deposit funds for disbursement during the course of the construction project. Once the funds on deposit are fully disbursed, the borrower will begin drawing on the construction loan. As of December 31, 2023, the total construction funds on deposit were \$110,368.

FINANCING THE CORNERSTONE FUND'S ACTIVITIES

General

Our ability to pay principal and interest on the Notes depends upon our financial condition and the funds available to us. Generally, the primary sources of our funds are the interest earned on our Invested Funds, principal payments and interest earned on our loans to Faith-Based Organizations and the proceeds from the sale of our Notes. The following describes our sources of funds and other financial information.

Sale of Notes

Outstanding Notes

The following describes our outstanding Notes at December 31, 2023:

Description	Aggregate Number Of Notes	Weighted Average Interest Rate	Aggregate Principal Balance	Percentage of All Notes
Demand Notes	502	0.90%	\$ 11,249,840	10.13%
Term Notes	3155	3.77%	99,694,056	89.87%
TOTAL	3657	3.48%	\$ 110,943,896	100.00%

At December 31, 2023, our total outstanding Notes represented 98.85% of our total liabilities. We anticipate that sales of Notes will increase during 2024 and thereafter, and our primary means of obtaining the funds necessary to conduct our operations will continue to be the receipt of proceeds from the sale of our Notes to Investors in a number of states.

Proceeds from the Sale of Notes and Redemptions in 2023

The following summarizes our Notes issued during 2023:

	Cash Sales	Other Issuances	TOTAL
Term Notes	\$ 16,741,130	\$ 72,275,153	\$ 89,016,282
Demand Notes	8,438,802	321,923	8,760,725
TOTAL	\$ 25,179,932	\$ 72,597,076	\$ 97,777,007

The following summarizes our Notes that matured or were redeemed during 2023:

	Cash Redemptions	Other Maturities / Redemptions	TOTAL
Term Notes	\$ 9,616,524	\$ 64,489,090	\$ 74,105,614
Demand Notes	15,075,760	1,118,600	16,194,360
TOTAL	\$ 24,692,284	\$ 65,607,690	\$ 90,299,974

“Other Issuances” and “Other Maturities / Redemptions” include the net effect of automatic renewals at maturity of Term Notes reinvested into Term Notes of the same or different term, partial redemption or increase of principal in connection with an Investor’s loan agreement in their capacity as a borrower, and the reinvestment of accrued interest, but excludes the redemption of Notes and use of proceeds to purchase a new Note (or increase the principal amount of an existing Note) of a different type (as between Demand or Term). See also the audited financial statements.

We cannot estimate with any degree of certainty the total amount of cash proceeds we will receive in 2024 from new sales of Notes. In addition, we anticipate that out of the outstanding principal and accrued interest on Notes maturing in 2024, a significant amount will be reinvested on new terms or will be automatically extended. Also, we intend to limit the aggregate outstanding principal balance of Demand Notes at any particular time to 20% of the aggregate outstanding principal balance of all Notes at that time.

As a matter of policy, our Board of Directors annually evaluates our financial condition and our funding needs for the ensuing year and, if necessary, establishes a limitation on the sale of Notes. If necessary, we can control the outstanding principal balance on Notes by determining the Notes to be made available for sale at any particular time, the interest rate to be paid on the Notes and whether to allow renewal or extension of a Note at maturity.

Historically, our Investors have redeemed only a portion of our maturing Term Notes. The following shows the percentage of the aggregate principal balances of our maturing Term Notes that were extended or reinvested in other Notes upon maturity for each of the last five (5) years.

	2023	2022	2021	2020	2019
Percentage Reinvested	83.5%	88.9%	84.5%	89.7%	92.7%

Maturity Information

The following shows the amount of our outstanding Demand Notes and outstanding Term Notes by their year of maturity, as of December 31, 2023:

Maturity	Principal Balance
Demand	\$ 11,249,840
2024	52,150,905
2025	24,357,234
2026	12,811,374
2027	5,461,381
2028	4,913,162
TOTAL	\$ 110,943,896

Loans to Faith-Based Organizations

In addition to the sale of our Notes, we generate funds for operations from the income received on our outstanding loans. At December 31, 2023, the number of loans with outstanding balances, weighted average interest rate, and aggregate principal balance, net of participations, on our loans were as follows:

Description	Number of Loans	Weighted Average Interest Rate	Aggregate Net Principal Balance
Secured Loans	223	5.18%	\$ 104,165,842
Unsecured Loans	9	10.25%	206,750
TOTAL	232	5.17%	\$ 104,372,592

At December 31, 2023, our total outstanding loans, net of participations and the allowance for loan losses, represented 83.82% of our total assets.

Interest Income and Principal Repayments

For the last three (3) years, we earned the following income from interest on our loans and received the following loan principal repayments:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Interest Income	\$ 5,016,620	4,372,059	\$ 4,507,507
Principal Repayments	\$ 27,267,063	14,362,627	\$ 18,148,434

For a description of the terms of our loans, major loans and loan delinquencies, see “THE CORNERSTONE FUND’S LENDING ACTIVITIES.”

Scheduled Principal Payments

The following shows the principal payments of our outstanding loans scheduled to be received in the following years as of December 31, 2023:

<u>Year</u>	<u>Amount</u>
2024	\$ 6,588,817
2025	3,897,115
2026	5,411,482
2027	10,306,750
2028	3,655,017
Thereafter	<u>74,513,411</u>
Principal Repayments	\$ 104,372,592
Loan Loss Allowance	<u>(1,369,424)</u>
TOTAL	<u>\$ 103,003,168</u>

Only a portion of the principal balance on maturing loans each year is actually repaid. Normally, we extend or refinance a significant portion of our maturing loans.

Cash and Invested Funds

Cash and Invested Funds

In accordance with our policy of maintaining reasonable liquidity, we maintain a portion of our assets in cash and investments (“Invested Funds”). These Invested Funds consist primarily of cash equivalents, money market and certificates of deposit from financial institutions, corporate bonds and annuities from which we hope to generate interest that provides further funds for our operations.

At December 31, 2023, these Cash and Invested Funds were as follows:

<u>Description</u>	<u>Weighted Average Rate of Return</u>	<u>Aggregate Market Value</u>
Cash and Cash Equivalents	5.01%	\$ 9,444,886
Short-term investments	3.49%	1,500,000
Certificates of Deposits	3.31%	4,005,000
Bonds and Annuities	2.34%	3,176,396
TOTAL	<u>4.04%</u>	<u>\$ 18,126,282</u>

At December 31, 2023, our Cash and Invested Funds represented 16.34% of the aggregate principal balance of our outstanding Notes and Investment Balances, which is in compliance with our investment policy as stated below.

The following shows our interest income from our Invested Funds for the last three (3) years:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Interest Income	\$ 393,701	285,260	\$ 90,351

The following shows the net realized and unrealized gain (loss) on our Invested Funds for the last three (3) years:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Gain (Loss) on Invested Funds	\$ 81,120	\$ (297,985)	\$ (13,313)

Investment Policies

It is our policy to invest our Invested Funds in only cash equivalents (highly liquid debt instruments purchased with an original maturity of three (3) months or less, investments in money market and short-term certificates of deposit and jumbo long term certificates of deposit), U.S. government securities, term notes offered by church extension funds, municipal securities, and corporate debt bearing credit ratings of A-1/P1 or higher. A portion of these investments, which totaled \$664,104 as of December 31, 2023, are in a pooled fixed income fund administered by United Church Funds.

Our Board of Directors is responsible for setting and changing our investment policies. The Finance & Loan Committee is responsible for directing the investments. See “MANAGEMENT – Directors” for the names of the members of the Finance & Loan Committee. Presently, we have no investment advisors or managers employed. If they were employed, the funds transferred to them would be managed within our investment policies or other parameters set by our Board of Directors. There can be no assurance that we will or will not use outside investment advisors or managers in the future.

Also, as a matter of policy, we maintain at all times cash and/or Invested Funds having an aggregate market value equal to at least 10% of the aggregate principal balance of our outstanding Notes and Investment Balances. We cannot assure you this policy will be continued at all or at the same percentage. To the extent that demand increases for new loans, the principal balance of our Invested Funds may decrease. See “THE CORNERSTONE FUND’S LENDING ACTIVITIES.”

Related Financial Information

We anticipate that we will generate sufficient funds to make all of the principal and interest payments required on our outstanding Notes and Investment Balances from the funds available from operations and other sources. These funds primarily are composed of loan principal repayments, interest earned and paid on our loans and Invested Funds and proceeds from the sale of our Notes.

If our maturing Notes are not extended or reinvested in accordance with our historical experience, it may be necessary for us to redeem a portion of our Invested Funds or to obtain funds from other sources, including borrowing to meet current cash needs.

We had an excess of assets over liabilities (net assets) without donor restrictions of \$11,466,737, \$11,451,050, and \$11,171,571, at December 31, 2023, December 31, 2022, and December 31, 2021, respectively. See “SUMMARY OF OPERATIONS AND SELECTED FINANCIAL INFORMATION.”

Lines of Credit

We have a \$7,500,000 revolving line of credit with Peoples Bank. Subject to our compliance with certain covenants under the credit agreement, we may borrow under this line of credit from time to time to fund loans to Faith-Based Organizations, when cash flows from other sources are not sufficient. We had \$0 borrowed under this line of credit as of December 31, 2023, 2022, and 2021. Interest is payable monthly at a varying rate based on the prime rate minus 1.38%. We also are required to pay a biannual renewal fee plus any bank legal fees for loan renewal document preparation. The line of credit is secured by essentially all assets of the Cornerstone Fund and matures on November 30, 2025.

As a matter of policy, the amount borrowed on our secured lines of credit will not exceed 10% of our tangible assets.

SUMMARY OF OPERATIONS AND SELECTED FINANCIAL INFORMATION

The following table sets forth a summary of our operations and selected financial data for the past five (5) years. You should read this data in conjunction with the current audited financial statements attached to this Offering Circular.

	As of December 31,				
	2023	2022	2021	2020	2019
Cash and Invested Funds	\$ 18,790,386	\$ 20,903,947	\$ 25,925,331	\$ 23,573,098	\$ 17,866,408
Total Outstanding Loans*	\$ 104,372,592	\$ 95,526,704	\$ 90,857,180	\$ 95,530,635	\$ 94,712,250
Unsecured Loans –					
Amount	\$ 206,750	\$ 279,565	\$ 366,941	\$ 259,969	\$ 108,191
Unsecured Loans – % of					
Total Loans	0.20%	0.29%	0.40%	0.27%	0.11%
Loan Delinquencies** –					
% of Total Loans	0%	0%	0%	0%	0%
Allowance for Loan					
Losses	\$ (1,369,424)	\$ (1,329,423)	\$ (1,230,876)	\$ (1,277,260)	\$ 0
Total Assets	\$ 124,524,000	\$ 116,989,318	\$ 116,711,930	\$ 120,303,768	\$ 113,601,736
Outstanding Line of					
Credit	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,500,000
Construction Funds on					
Deposit	\$ 110,368	\$ 425	\$ 2,743	\$ 2,331,164	\$ 5,532,811
Outstanding Notes					
Payable	\$ 110,943,896	\$ 103,466,861	\$ 104,152,345	\$ 106,681,065	\$ 94,035,843
Total Liabilities	\$ 112,228,935	\$ 104,722,694	\$ 104,559,221	\$ 109,357,698	\$ 102,211,384
Notes Redeemed During					
Year	\$ 90,299,973	\$ 84,911,946	\$ 86,161,803	\$ 68,417,944	\$ 57,154,731
Net Assets Without					
Donor Restrictions	\$ 11,466,737	\$ 11,451,050	\$ 11,171,571	\$ 10,111,489	\$ 10,584,469
Net Assets With Donor					
Restrictions	\$ 828,328	\$ 815,574	\$ 981,138	\$ 834,581	\$ 805,883
	2023	2022	2021	2020	2019
Revenues, including net					
(depreciation)					
appreciation of					
investments	\$ 5,679,240	\$ 4,417,140	\$ 5,091,033	\$ 5,050,750	\$ 4,736,828
Expenses	\$ 5,650,799	\$ 4,303,225	\$ 3,884,394	\$ 4,444,720	\$ 4,129,848
Increase in Net Assets					
Without Donor					
Restrictions	\$ 15,687	\$ 279,479	\$ 1,060,082	\$ 577,332	\$ 584,264
Increase (Decrease) in					
Net Assets With					
Donor Restrictions	\$ 12,754	\$ (165,564)	\$ 146,557	\$ 28,698	\$ 22,716

* Balance of loans outstanding, net of participations.

** Loans on which principal and/or interest were ninety (90) days or more past due, whether in default or not.

MANAGEMENT DISCUSSION AND ANALYSIS

The Cornerstone Fund was formed in 1993 with a transfer of a portion of the assets of the Church Building Revolving Loan Fund to the Cornerstone Fund. During 1994, we began the process of qualifying our Notes for sale in a number of states, and began contacting numerous Faith-Based Organizations concerning their capital projects and the need for financing. In 1995, we began selling our Notes and disbursed new loans to Faith-Based Organizations. Since that time, the sale of our Notes and the amount and number of our loans has steadily increased. At December 31, 2023, the aggregate principal balance of our outstanding Notes was \$110,943,896 and the aggregate principal balance on our outstanding loans, net of participations, was \$104,372,592. For the five (5) years from December 31, 2018 through December 31, 2023 we have had a combined net increase in our net assets without donor restrictions of \$2,516,844. As of December 31, 2023, our net assets without donor restrictions were \$11,466,737.

At December 31, 2023 we had \$29,509,481 in loan commitments on which monies probably will be advanced in 2024 and 2025. Also, in 2024, we anticipate that we will continue to receive proceeds from the sale of our Notes to Investors. The proceeds from the sale of the Notes will increase the amount of funds available to us for loans to Faith-Based Organizations.

We believe that prudent procedures have been adopted to insure our financial viability in a changing economy to achieve the positive spread between loan return and interest paid on Notes, including shorter term loans, variable interest rate loan commitments, and a balanced investment approach to insure reasonable liquidity.

Capital Adequacy

At December 31, 2023, we had net assets of \$12,295,065, which were equal to 9.9% of our total assets. We consider this to be a strong capital position intended to support our growth and operation and to protect Investors against losses in the value of assets available to repay Notes and Investment Balances. We recognize the need to maintain a strong capital position and carefully monitor our capital position as we sell additional Notes to meet the capital needs of Faith-Based Organizations.

Liquidity

Historically, we have made interest and principal payments on our Notes from amounts we receive as principal and interest payments on outstanding loans. We have a policy of maintaining an operating liquidity to provide for anticipated cash requirements equal to 10% of the aggregate principal balance of our outstanding Notes. At December 31, 2023, we had cash and investments of \$18,790,386, which were equal to 18.16% of our outstanding Notes. We also have a \$7,500,000 line of credit that we can draw upon as necessary. See the above section, "Lines of Credit" on page 16.

Cash Flow

Cash flow performance examines the amount of available cash as compared to cash redemptions. Historically, we have been able to meet demand for redemption of our Notes from principal and interest payments received on our outstanding loans. In 2023, in comparing (a) the sum of the cash provided by normal operating activities, liquid assets at the beginning of the year, and cash generated by the sale of Notes to (b) the cash redemptions of Notes, the coverage ratio was 1.30 to 1.

Loan Delinquencies

At December 31, 2023, we had no loans with principal and/or interest payments that were delinquent ninety (90) days or more.

Change in Net Assets

We strive to manage our operations to provide interest and other operating income sufficient to pay interest expense on Notes and Investment Balances and operating expenses. We had increases of our net assets without donor restrictions of \$15,687 and \$279,479 in 2023 and 2022, respectively. We achieved a cumulative net positive change of \$2,516,844 in total net assets without donor restrictions over the five (5) year period ended December 31, 2023.

Future Plans and Activities

We intend to continue policies and procedures that allow us to adjust readily to fluctuating economic conditions.

We also intend to maintain our policy which limits the length of time to which we are committed to a particular interest rate in respect to our loan commitments. This policy allows us to adjust our interest rates on loans more in line with existing conditions depending upon the time at which the various loan funds are requested after the commitment. See “THE CORNERSTONE FUND’S LENDING ACTIVITIES – Loan Policies.”

Furthermore, we intend to continue our policy regarding penalties for early withdrawal on certain of our Notes. See “DESCRIPTION OF THE NOTES – Terms.” We intend to continue to maintain a balance in our Invested Funds so as to achieve a reasonable and prudent position of liquidity which will allow us greater flexibility in times of fluctuating interest rates.

TAX ASPECTS

Although we are a 501(c)(3) organization, you will not be entitled to a charitable contribution deduction under federal income tax law for the Note you purchase. Unless the Notes are purchased through an IRA, ESA, or other qualified tax deferred account, interest on your Note is fully taxable to you as ordinary income. You will be taxed on the interest earned on your Notes in the year it accrues, whether we retain and credit it to your Note or you elect to receive it. You should not be taxed on the return of any principal amount of your Note or on the receipt by you of interest that was previously taxed and reinvested, unless your basis in the Note is reduced by an event other than repayment of the principal. Payments of principal and interest may be subject to “back-up withholding” of federal income tax if you fail to furnish us with a correct Social Security Number or tax identification number, or if you or the Internal Revenue Service (“IRS”) has informed us you are subject to back-up withholding.

In addition, if you (or you and your spouse together) have invested or loaned more than \$250,000 in the aggregate with or to us and other charitable organizations that control, are controlled by or under common control with us, you may be deemed to receive additional taxable interest under Code Section 7872 if the interest on a particular Note is below the applicable federal rate, which is a minimum rate of interest which the Internal Revenue Service requires be included in certain loan transactions. In that situation, the Internal Revenue Service may impute income up to that applicable federal rate. If you believe this applies to you, you should consult your tax advisor.

If the federal law creating the tax consequences described in this summary changes, this summary could become inaccurate. This summary is based on the Code, the regulations promulgated under the Code and administrative interpretations and court decisions existing as of the date of this Offering Circular. These authorities could be changed either prospectively or retroactively by future legislation, regulations, administrative interpretations, or court decisions, and we have no obligation to notify you regarding any changes to the tax consequences of an investment in the Notes due to any such changes. Accordingly, this summary may not accurately reflect the tax consequences of an investment in our Notes after the date of this Offering Circular.

Finally, this summary does not address every aspect of tax law that may be significant to your particular circumstances. For instance, it does not address special rules that may apply if you are a financial institution or tax-exempt organization, or if you are not a citizen or resident of the United States. Nor does it address any aspect of state or local tax law that may apply to you. It also does not address the tax consequences of investing through an IRA, ESA, or other tax-deferred account. We recommend you consult with your own competent financial and tax adviser.

DESCRIPTION OF THE NOTES

Terms

We are currently offering the Notes shown on the Investment Application and Rate Sheet. The purchase price of the Notes is 100% of the face value. We offer the Notes for cash and we offer no financing terms. The Notes are unsecured obligations of the Cornerstone Fund and will mature as follows:

<u>Description</u>	<u>Maturity</u>
Flexible Demand Notes	Demand
Term Notes	3 to 60 Months

A Note commences on the date of issuance. A Term Note matures on the date on which the term expires, except that if the maturity date is not a business day, then the maturity date will be the next business day. Our Term Notes are not insured by the FDIC, SIPC or any other governmental agency.

Except for Investors in certain states as disclosed under “State Specific Information” on pages iii through v, the term of a Term Note is automatically extended at maturity at the then current rate of interest for a like term (or the closest term then being offered), unless you send us the Term Note along with written demand for redemption on or prior to the maturity date for the original or any extended maturity date. We will notify you of the maturity date at least thirty (30) days prior to each maturity date and will furnish you with a current offering circular at that time, if you have not previously received one. In the case of automatic extension of existing Term Notes upon maturity, the new extension interest rate may be less than the interest rate on the original Term Note. The new interest rate will be the applicable interest rate for the term of the Term Note being extended at the time of the extension. If the investor elects not to extend or reinvest the maturing Term Note, then we will repay all outstanding principal and accrued but unpaid interest at maturity. If we elect not to extend the term, we will notify you in writing of this election at least thirty (30) days prior to the original or extended maturity date.

The terms of Term Notes available and minimum amounts of investment required are reflected in the Investment Application and Rate Sheet which accompany this Offering Circular.

Giving Bonus Term Notes

This is a special investment program only available for investments of \$10,000 or more in a 60-Month Term Note (“Giving Bonus Term Note”). To be eligible for this investment program, you must authorize, in writing, the gifting of a minimum of 10% of the monies invested to a qualified charitable 501(c)(3) organization, which, in most circumstances, should qualify as a charitable contribution for tax purposes. A gift to an individual or any other type of entity does not qualify you to participate in this program. You may have more than one of these Notes with Giving Bonus with the same or other designated beneficiaries and can have one of these Giving Bonus 60-Month Term Notes along with other regular Term Notes offered by Cornerstone Fund.

Immediately following the investment, a withdrawal in the amount of the authorized gift will be made and the gifted money sent to the designated beneficiary in the name of the Investor, accompanied by a letter asking the beneficiary to acknowledge receipt of the gift in writing to you as donor. A copy of the letter sent to the beneficiary will be sent to you.

The interest rate paid on this Giving Bonus 60-Month Term Note will generally be up to 1.00% above the most current posted interest rate for a regular 60-Month Term Note at the time of investment, as set forth on the Rate Sheet then in effect. At the time of the original maturity, the Giving Bonus 60-Month Term Note would be changed to a regular 60-Month Term Note and the extension or renewal interest rate will be the then current posted rate for a regular 60-Month Term Note, unless you elect to redeem the Giving Bonus 60-Month Term Note or reinvest the monies in another regular-term Term Note available at that time. However, at maturity you may elect to again participate in the Giving Bonus 60-Month Term Notes, should the program still be available. In the event the Note is redeemed in whole or in part prior to maturity, normal penalties will apply.

To purchase the Giving Bonus 60-Month Term Note, you need to complete the special application form for such Giving Bonus 60-Month Term Note accompanying this Offering Circular.

Under this or any of our other Giving Bonus options described below, any tax benefits associated with your designation of a gift to an eligible organization depend on whether a gift to the recipient is deductible under applicable tax laws. Cornerstone Fund makes no representations or assurances about the deductibility of an investor’s gift made in connection with an investment in a Giving Bonus Note, nor does our approval of a recipient organization constitute a determination as to the deductibility of the gift.

Racial Equity Giving Bonus Investment Program

Cornerstone Fund offers another type of Note (the “60-Month Racial Equity Giving Bonus Note”) for investors who designate a gift of at least 10% of the investment amount to a charitable organization that is addressing racial inequity, regardless of whether such recipient is affiliated with the United Church of Christ. Cornerstone Fund maintains a list of approved recipient organizations eligible for the 60-Month Racial Equity Giving Bonus Note, which is available upon request, and we may approve other organizations identified by the investor. We reserve the discretion whether or not to approve any organization that is not on our approved list of recipients.

The minimum investment for a 60-Month Racial Equity Giving Bonus Note is \$2,500, instead of the \$10,000 minimum for the standard 60-Month Giving Bonus Note. The “bonus” interest rate may accordingly be lower for the 60-Month Racial Equity Giving Bonus Notes than it is for the standard 60-Month Giving Bonus Note. The current interest rates are set forth on the Interest Rate Sheet that accompanies this Offering Circular.

Under our Giving Bonus options, any tax benefits associated with your designation of a gift to an eligible organization depend on whether a gift to the recipient is deductible under applicable tax laws. Cornerstone Fund makes no representations or assurances about the deductibility of an investor's gift made in connection with an investment in a Giving Bonus Note, nor does our approval of a recipient organization constitute a determination as to the deductibility of the gift.

LGBTQIA+ Giving Bonus Investment Program

Cornerstone Fund offers a type of Giving Bonus Note (the "60-Month LGBTQIA+ Giving Bonus Note") for investors who designate a gift of at least 10% of the investment amount to a charitable organization that is advancing LGBTQIA+ rights, regardless of whether such recipient is affiliated with the United Church of Christ. Cornerstone Fund maintains a list of approved recipient organizations eligible for the 60-Month LGBTQIA+ Giving Bonus Note, which is available upon request, and we may approve other organizations identified by the investor. We reserve the discretion whether to approve any organization that is not on our approved list of recipients.

The minimum investment for a 60-Month LGBTQIA+ Giving Bonus Note is \$2,500, instead of the \$10,000 minimum for the standard 60-Month Giving Bonus Note. The "bonus" interest rate may accordingly be lower for the 60-Month LGBTQIA+ Giving Bonus Notes than it is for the standard 60-Month Giving Bonus Note. The current interest rates are set forth on the Interest Rate Sheet that accompanies this Offering Circular.

Under our Giving Bonus options, any tax benefits associated with your designation of a gift to an eligible organization depend on whether a gift to the recipient is deductible under applicable tax laws. Cornerstone Fund makes no representations or assurances about the deductibility of an investor's gift made in connection with an investment in a Giving Bonus Note, nor does our approval of a recipient organization constitute a determination as to the deductibility of the gift.

Creation Care Investment & Loan Program

Through our Creation Care Investment & Loan Program, Cornerstone Fund supports environmental justice efforts by offering more favorable terms on loans to organizations affiliated with the United Church of Christ for projects specifically aimed at improving their impact on the environment and reducing their carbon footprint.

To finance this loan program, we now offer and sell specially-priced Notes (the "36-Month Creation Care Note"), which will pay an interest rate that is lower than the prevailing rate for standard Term Notes of equal term. The current rates are set forth on the Interest Rate Sheet that accompanies this Supplement.

At our discretion, we may allow investors to request that their investment be used to support the Creation Care Investment & Loan Program by indicating their preference on the Investment Application form. Our acceptance of investments that are targeted in this way represents our commitment to use reasonable efforts to make or maintain Creation Care loans in amounts equal to or greater than the amount of the outstanding Notes targeted to that program from time to time. However, investors indicating their desire to support the Creation Care Investment & Loan Program should understand that, due to variability in the availability and timing of appropriate projects and loans, and differences between the terms to maturity of loans and targeted Notes, there may be variations from time to time between the amount of outstanding Notes targeted to a specific area or cause and loans outstanding to that area or cause, and we do not track specific Notes to specific loans. An investor's indicated preference with respect to targeting their investment does not require Cornerstone Fund to use that investor's funds in accordance with the targeting preference, and we reserve the right to un-target funds from time to time at our discretion.

Flexible Demand Notes

Flexible Demand Notes have an adjustable interest rate, accrue interest daily and compound interest semiannually, with the entire principal and accrued interest payable within five (5) days of your written demand. Flexible Demand Notes require a minimum initial purchase of \$50. Any amount may later be invested in or redeemed from the same Flexible Demand Note. If you agree to make a minimum monthly investment of \$100 via ACH transfer, the Flexible Demand Note will accrue interest at a higher rate. We refer to these Notes as Flexible Demand Plus Notes. If the required minimum monthly investment of \$100 is not made by ACH in any month, the interest rate will be reduced as of the first day of the following month to accrue at the interest rate for Flexible Demand Notes that are not Flexible Demand Plus Notes.

We intend to limit the aggregate outstanding principal balance of Demand Notes at any particular time to 20% of the aggregate outstanding principal balance of all outstanding Notes at that time.

Interest

We start to accrue interest daily from the date the Note is issued. We compound interest on June 30 and December 31 of each year until the Note's maturity date or any extension thereof. We retain and credit the interest to your account unless you specifically elect on your Investment Application to receive interest payments semi-annually, quarterly, or monthly in the case of Notes of \$10,000 or more. The interest rates on our Term Notes, which have a fixed rate of interest, depend upon prevailing interest rates at the time of sale and are reflected in the Rate Sheet. We do not pay interest on the amount gifted in connection with a Note with Giving Bonus.

The initial interest rate on Flexible Demand Notes, including Flexible Demand Plus Notes, depends on our prevailing interest rates at the time of sale and is reflected in the Rate Sheet. At our option, the interest rate may be adjusted on the first day of each calendar quarter. We will notify you of any quarterly adjustment to the interest rate not less than fifteen (15) days before the effective date of the adjustment if the adjustment is a decrease in the interest rate.

We will send notice semiannually showing the balance of the respective Demand Note.

Early Redemption and Penalty

Although you generally cannot redeem your Term Notes or Investment Balances before the maturity date, our policy is to honor requests for early redemption upon a representation of personal or financial emergency need. We cannot assure you that we will continue this policy in the future and we are not legally obligated to do so.

When early redemption is allowed, we generally charge an early redemption penalty on certain of our Term Notes. Upon such early redemption prior to original or extended maturity, there will be a forfeiture of one month's interest on any Term Note with an original term of six (6) months or less, and a forfeiture of three (3) months' interest on any Note with an original term exceeding six (6) months. When early redemption is allowed, there will be no penalty imposed if the date of redemption is within ten (10) days after the date of maturity or extended maturity. If one or more of the owners of your Term Note(s) is deceased, we will not impose any early redemption penalty.

We have no right to prepay or call any outstanding Note or Investment Balance prior to the expiration of its term without your consent.

Kids Club Investment Program – Notes Held as Custodian for Minors

In our Kids Club Investment program, we permit investors to hold Term Notes and Demand Notes in their capacities as custodians for the benefit of a minor under the Uniform Transfers to Minors Act ("UTMA"). UTMA allows an adult (usually a parent or grandparent) to make investments for the benefit of a minor without the complications of establishing a formal trust or guardianship. If you select this option by using our Kids Club Investment Application Form, investment ownership will be recorded in your name as "Custodian for minor under the Uniform Transfers to Minors Act." For more specific information about UTMA, including restrictions and potential tax benefits and consequences, we recommend that you consult your attorney or financial advisor.

Under our Kids Club Investment Program, the minimum investment in a Flexible Demand Note held in the capacity as custodian for the benefit of a minor under the UTMA is reduced to \$25. Any amount may later be invested in or redeemed from the same Kids Club Flexible Demand Note. If you agree to make a minimum monthly investment of \$50 via ACH transfer, the Kids Club Flexible Demand Note will accrue interest at a higher rate. We refer to these Notes as Kids Club Flexible Demand Plus Notes. If the required minimum monthly investment of \$50 is not made by ACH in any month, the interest rate will be reduced as of the first day of the following month to accrue at the interest rate for Kids Club Flexible Demand Notes that are not Kids Club Flexible Demand Plus Notes.

The minimum investment under the Kids Club Investment Program for Term Notes is \$500.

IRA Investments

You may decide to invest in our Demand Notes and Term Notes with funds held in an Individual Retirement Account as defined in Code Section 408 ("IRA"), paying interest at a rate as specified in the Rate Sheet at the time of purchase. There is a minimum investment of \$50 for a Demand Note acquired as an IRA and additional purchases in any amount may be made up to the limit allowed by the Code for one (1) year. There is a minimum investment of \$500 for a Term Note acquired for an IRA. Interest earned on IRA investments grows free of federal and state income taxes until funds are withdrawn. Prior to age 59 ½, all distributions generally are subject to federal and state income taxes and a 10% early distribution penalty, unless the distributions are rolled over into another allowable retirement plan. There are certain risks and considerations involved in investing in self-directed IRAs and an investor should

consider whether there is sufficient liquidity should the IRA beneficiary need to take a mandatory distribution. You should consult with your tax advisor before choosing to invest in our notes in an IRA account due to the tax implications of missing a Minimum Required Distribution and the limitations on the amount a taxpayer can contribute each year.

If you wish to arrange for your investments to be handled so as to qualify for tax deferral under provisions of the tax law dealing with IRAs, you may do so with Goldstar Trust Company, a custodian of self-directed IRAs based in Canyon, Texas. If you choose to open a self-directed IRA with Goldstar Trust Company, Goldstar Trust Company acts as the custodian of your account and will invest in one of our Notes as you direct. We are not affiliated with Goldstar Trust Company, but under an arrangement we have with them, we absorb the cost of the account maintenance fee charged to investors upon opening the account and annually thereafter. Goldstar Trust Company charges other fees on the accounts, including for certain transactions, paper statements, and account termination, for which the investor is responsible. More information on this feature is available by contacting us.

ESA Investments

You may decide to invest in our Demand Notes and Term Notes with funds held in a Coverdell Education Savings Account as defined in Code Section 530 (“ESA”), paying interest at a rate as specified in the Rate Sheet at the time of purchase. There is a minimum investment of \$50 for a Flexible Demand Note acquired as an ESA and additional purchases in any amount may be made up to the limit allowed by the Code for one (1) year. There is a minimum investment of \$500 for a Term Note acquired for an ESA. There are certain risks and considerations involved in investing in self-directed ESAs. You should consult with your tax advisor before choosing to invest in our notes in an ESA due to the tax implications and the limitations on the amount a taxpayer can contribute each year.

If you wish to arrange for your investments to be handled so as to qualify for tax deferral under provisions of the tax law dealing with ESAs, you may do so with Goldstar Trust Company, a custodian of self-directed ESAs based in Canyon, Texas. If you choose to open a self-directed ESA with Goldstar Trust Company, Goldstar Trust Company acts as the custodian of your account and will invest in one of our Notes as you direct. We are not affiliated with Goldstar Trust Company, but under an arrangement we have with them, we absorb the cost of the account maintenance fee charged to investors upon opening the account and annually thereafter. Goldstar Trust Company charges other fees on the accounts, including for certain transactions, paper statements, and account termination, for which the investor is responsible. More information on this feature is available by contacting us.

Additional Information

We may, from time to time, offer additional Notes in your state and other states, which differ in terms from your Notes, without notifying or obtaining your consent, but in such case such different Notes would be registered or otherwise qualified in states where such is required. The Notes are unsecured, unsubordinated debts of the Cornerstone Fund, with the result that in the event of liquidation or any distribution of assets upon bankruptcy, reorganization, or similar proceedings, all our unsecured, unsubordinated obligations will have an equivalent claim to our assets. We have never issued secured or subordinated obligations to the public and we do not anticipate doing so in the future, but we cannot assure you that none of our Notes will be secured or otherwise senior to your Notes. It is our policy that, if we do create any senior or secured indebtedness, the amount will not exceed 10% of our tangible assets as of the date of issuance or incurrence of the obligation. If we fail to pay principal and interest on your Note when due and requested, it will be an event of default, but only as to that Note, and not as to all Notes outstanding. As to your Note, you will have available to you all legal remedies to collect the amount owed to you that are provided for under state and federal law.

Because you purchase a Note, you are not entitled to an equity interest in the Cornerstone Fund or the right to vote on corporate matters.

It is our policy to deliver you a copy of our annual report or Offering Circular, which will include our audited financial statements, within one hundred twenty (120) days after the close of each fiscal year. Our fiscal year ends on December 31.

Method of Sale; Transfer

We solicit the sale of the Notes primarily through direct mail advertising, our website, and attending and disseminating marketing materials at local, regional and national United Church of Christ events. Prospective Investors are able to obtain an Offering Circular and additional material concerning the Notes by requesting information from the Cornerstone Fund either by telephone or by mail. We then transmit the materials to them. We directly mail our

Offering Circular and advertising materials to current, past, and prospective Investors. If the Investor wishes to purchase a Note, the Investor completes the Investment Application that accompanies the Offering Circular and sends it with a check to the Cornerstone Fund in Ohio. If the Cornerstone Fund accepts this offer to purchase, the Investor is notified by mail and an executed Note is delivered to the Investor. All sales are made by officers of the Cornerstone Fund pursuant to broker-dealer, issuer or agent licensing or applicable exemption therefrom and such officers receive no commissions, fees or other special remuneration for or in connection with the sale of the Notes. See “MANAGEMENT.”

With our consent, you generally may transfer the Notes as follows:

- (1) transfers to persons who would be eligible to purchase our Notes originally;
- (2) transfers by gift, order of process of any court, as security for a loan, or on death; or
- (3) transfers to the Cornerstone Fund, to your descendants or spouse, to Investors of the same class of security or transfers by a corporate Investor to a wholly-owned subsidiary or parent company.

We reserve the right in our sole discretion not to accept a particular Investment Application, to give priority to one Investment Application over another, to accept less than the minimum investment amount or to impose a maximum investment amount.

Website

We have a website for providing information to Investors and other persons affiliated with the United Church of Christ. The website is www.cornerstonefund.org. The home page and other accessible pages of the website provide information concerning our mission and work, as well as the investment choices and latest available interest rates. Information contained in or that can be accessed through our website is not a part of this Offering Circular.

MANAGEMENT

Directors

As a nonprofit corporation, we have no shareholders. Our affairs are managed by our Board of Directors, all of whom, except for the ex officio member, serve for three-year terms. The ex officio member is the person holding office of President and Chief Executive Officer of the Cornerstone Fund. The remaining Directors are elected by our Board of Directors. Approximately one-third of the elected Directors are elected annually.

Nominations of elected Directors are made by our Governance Committee, which attempts to select nominees that are affiliated with, interested in and active in the United Church of Christ. The committee’s objective is to maintain a reasonable diversification of Directors by selecting individuals from various geographic regions and backgrounds including the clergy, business, industry, teaching, legal, or other professions whose experience or expertise is believed to be valuable.

The Board of Directors has two (2) regularly scheduled meetings per year. We have an Executive Committee which meets as needed between meetings of the Board of Directors. The Executive Committee has the authority to act on behalf of the full Board, subject to ratification by the full Board. We also have a Finance & Loan Committee which, pursuant and subject to policies set by the Directors, has the authority to determine interest rates and related terms of the Notes as well as the loans made to Faith-Based Organizations and manage the Invested Funds.

The following person is our ex officio Director (with full voice and vote) as of the date of this Offering Circular:

+ o ◇ Δ **Maria C. Coyne** is the President and Chief Executive Officer of the Cornerstone Fund. (See the biographical information on Ms. Coyne below under “Officers and Key Personnel.”)

The following sets forth the persons who currently serve as our elected Directors and their background, education and occupations/professions for at least the last five years:

Terms Expiring December 31, 2024:

+ ◇ **Dennis Coy** currently serves as senior pastor of Congregational United Church of Christ in Canton, Ohio – and has served this congregation since early 2014. Mr. Coy serves as Chief Risk Officer for financial institutions. Mr. Coy has served as a member of the United Church of Christ Board of Directors. Mr. Coy is a career investigator and investigations manager in both the public and private sectors with over 20 years of experience as a specialist in the area of White Collar Crimes and financial crimes, in general. Mr. Coy has served as an executive overseeing risk, compliance, and investigations in the banking, financial services, and

financial technology (FinTech) sectors. Mr. Coy is also active in his community and has served in various roles with regional and state-wide nonprofit organizations. He has a B.A. in Legal Studies from Dominican University and attended the University of London for divinity and theological studies.

- o ◇ **Cindy P. Crotty** is the Treasurer of Cornerstone Fund. See the biographical information on Ms. Crotty below under “Officers and Key Personnel.”
- + ✕ **Darrell Goodwin** is the first Executive Conference Minister of the Southern New England Conference, United Church of Christ. As the Chief Vision-Keeper, he is responsible for guiding the conference and its affiliates to have a positive and lasting impact in our world. Rev. Goodwin is a member of the United Church of Christ Board, the UCC Council for Health and Human Service Ministries, and the Global Ministries Board. He brings to his varying leadership roles extensive experience in pastoral ministry and higher education. He served as an Associate Conference Minister for the Iowa, Nebraska and South Dakota Conferences, and has served as Pastor and Founder of Liberation United Church of Christ in Seattle, Everett United Church of Christ and Chaplain Intern at VA Puget Sound Health Systems). Before full-time ministry, he served in several positions in Jesuit higher education, including Assistant Director of Student Life for Judicial Affairs, Associate Director of Multicultural Affairs, Acting Director of Multicultural Affairs, Assistant Dean of Students, Associate Dean of Students, and Dean of Students. Rev. Goodwin holds a Bachelor of Arts in Human Development and Theology from Boston College; a Master of Education in Higher Education and Student Affairs Administration from The University of Vermont; a Master of Arts in Transforming Spirituality from Seattle University; and is currently a doctoral candidate in San Francisco Theological Seminary’s Doctor of Ministry program.
- △ **Bee Moorhead** currently serves as Executive Director of Texas Impact, a position she has held since 2000. Ms. Moorhead also serves as Executive Director of the Texas Interfaith Center for Public Policy. The Texas Interfaith Center for Public Policy was established by the board of directors of Texas Impact to improve and expand upon interfaith public policy education and dialogue. Both organizations have earned state and national recognition for work on interfaith education and community leadership development. Ms. Moorhead previously served as a senior fiscal policy analyst for the Texas Comptroller of Public Accounts where she helped lead a nationally known Texas Performance Review, providing members of the Legislature with numerous recommendations for strengthening state government and state services, many of which are now law. She was architect of “Family Pathfinders,” a unique initiative linking families on public assistance with faith and community-based organizations. Bee holds a Master’s degree in Public Affairs from the University of Texas LBJ School. She also holds an undergraduate degree in theatrical costume design from UT Austin, and she has studied theology and New Testament at Austin Presbyterian Seminary. An ordained elder in the Presbyterian Church (USA), Bee has been a member of University Presbyterian Church since 1983.
- ✕ **Timothy Tutt** is an ordained United Church of Christ clergy person and a non-profit executive and consultant. He has previously served as the pastor of churches in Austin, Texas, and Bethesda, Maryland. He is a graduate of Baylor University and Baptist Theological Seminary at Richmond in Richmond Virginia. The Rev. Dr. Tutt also holds a Doctor of Ministry (focusing on Public Theology) from Wesley Seminary. Prior to entering seminary, he worked on Capitol Hill as a Legislative Assistant. After seminary, he served as Protestant Chaplain at Georgetown University for a school year. He serves on various NGO boards and denominational committees.g
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✕ o ◇ **Elizabeth Walker** has been engaged in the legal profession for over 35 years. Currently, she is serving in an Of Counsel capacity to Chartwell Law, LLP in their offices in Philadelphia, Pennsylvania. Ms. Walker retired from Zurich America Insurance Company in 2018 where she specialized in the field of employment law, educating, training, counseling and defending insured employers. Ms. Walker is a graduate of Rutgers College, New Brunswick, New Jersey, where she earned a B.A. in Economics. She attended Colgate Rochester/Bexley Hall/Crozier Theological Seminary studying applied ethics before earning her Juris Doctor Degree from Temple University School of Law in Philadelphia, Pennsylvania. She is admitted to the bars of the State of New Jersey and Commonwealth of Pennsylvania. Ms. Walker is an active member of Old First Reformed United Church of Christ where she serves as Chair of the Outreach Leadership Team. Ms. Walker serves as Moderator Emeritus of the Philadelphia Association of the United Church of Christ and on the Investment & Endowment Committee of the Pennsylvania Southeast Conference of the United Church of Christ. Ms. Walker is a member of the Board of Directors of the United Church of Christ and Chairs the Audit Committee of that Board. Ms. Walker also serves as that Board’s representative on the Investment

Committee of United Church Funds. Also, in the national setting of the United Church of Christ, Ms. Walker is serving on the Taskforce developing a Manual on the Local Church and on the Racial Equity Advisory Taskforce.

Terms Expiring December 31, 2025:

- Δ **Lorraine Cenicerros** currently serves as the Conference Minister of the Kansas-Oklahoma Conference, United Church of Christ. Rev. Cenicerros previously served as the Associate Conference Minister for the Southwest Association and the western half of the Southeast Association for the Wisconsin Conference. She has significant ecclesiastical experience, having served for five years on the Central Association Committee on Ministry. Rev. Cenicerros also served as Chair of the Board of Directors for the Southern California Nevada Conference. Rev. Cenicerros has a Bachelor of Science degree from Northern Arizona University in Flagstaff and a Master of Divinity from Claremont School of Theology. She has experience as a local pastor, a pediatric chaplain and most recently, has served as manager of Spiritual Care for Providence Saint John's Health Center in Santa Monica. Prior to her entry into ordained ministry, she held several managerial positions.
- Δ **Jamar Doyle** began his service as the President and Chief Executive Officer of the United Church of Christ Council for Health and Human Services Ministries (CHHSM) in March 2022. Prior to joining CHHSM, Mr. Doyle served as Executive Director of the Greater Collinwood Development Corporation in Cleveland, Ohio. Prior to working in Collinwood, he worked for 10 years at the St. Clair Superior Development Corporation in roles of increasing responsibility, most recently as the organization's Assistant Director. Currently Mr. Doyle serves on the Boards of the United Church of Christ, the National Benevolence Association, and the Museum of Creative Human Art in Cleveland. In 2019, he was selected to the German Marshall Fund's Marshall Memorial Fellowship, an experiential leadership program. He is also a graduate of the Coro Fellowship in Public Affairs, a national leadership development program designed to advance ethical leaders and build their capacity to create more connected and inclusive communities. Mr. Doyle formerly served as Vice President of the Board of Directors for the Ohio Community Development Corporation Association and was a commissioner on the Cleveland Metropolitan School District's Bond Accountability Commission. Mr. Doyle holds a Master's in Urban Planning, Design and Development from Cleveland State University's Levin College of Urban Affairs and a dual B.A. in Political Science and Urban Studies from the University of Pittsburgh.
- + o **Patricia J. Eggleston** is the Secretary of the Cornerstone Fund. See the biographical information on Ms. Eggleston below under "Officers and Key Personnel."

Terms Expiring December 31, 2026:

- ⌘ **John Tyler Connoley** is the Conference Minister of the Central Pacific Conference of the United Church of Christ. They have spent most of their adult life serving in the church, first as a lay leader and then as an ordained minister. They grew up in Zambia, where their parents were missionaries in the Wesleyan Church. They came to the United Church of Christ in 2004 and have served in the conference setting of the United Church of Christ since 2014. Rev. Connoley loves connecting people and helping them find their calling, and has years of experience in group and individual discernment processes. Rev. Connoley has been a prophetic voice, advocating for full LGBTQ+ religious inclusion since 1992. A biblical theologian and storyteller, Rev. Connoley has a Master of Arts in Religion and a Master of Divinity, both from Earlham School of Religion. Their undergraduate degree is in Business and Economics from Indiana Wesleyan University. In addition to their ministry activities, Rev. Connoley is a small business owner with their husband.
- o **Robert (Bob) Fard** serves as Vice President of Acquisitions and Development for Retirement Housing Foundation; managing the acquisition, construction, project management, forward planning and entitlements for RHF, a recognized ministry of the UCC. His background is rooted in single-family tract, multi-family and office/retail developments. Prior to joining RHF, Mr. Fard served in an acquisitions or forward planning role for companies such as CityView (founded by former Secretary of HUD, Henry Cisneros), Red Mountain Retail Group and Young Homes. Mr. Fard holds a BA in Economics from University of California, Irvine and earned a Masters of Real Estate Development (MRED) from University of Southern California (USC). Mr. Fard also holds a real estate brokers' license in California.
- o **Melissa Garrett-Hirsch** is an executive level technology leader, business organizational development professional and business owner. She has over 30 years of experience developing Information Technology strategies and delivering operational excellence within the consumer products and financial services verticals.

She is the Owner and President of the UnBAR Café Inc., an independent Coffee and Wine Bar located in the Larchmere neighborhood of Cleveland, and a licensed Real Estate agent in Ohio. Ms, Garrett-Hirsch currently leads a team of Sr. Analysts at Progressive Insurance Company responsible for improving the quality of IT systems across the enterprise. Previously, Ms, Garrett-Hirsch has spent over 25 years in various senior leadership roles at Cleveland Metropolitan School District, American Greetings, and KeyCorp. She is an active member of the Shaker Area Development Corp (SHAD), Woodhill Steering Committee, National Association of University Women, and Alpha Kappa Sorority Inc., past trustee for the Shaker Heights Library Board, and Greater Cleveland YMCA. She holds a Bachelor of Management and Information Systems (Notre Dame) and a Master of Management with a concentration in Systems Thinking (Ursuline College).

◇ **Erin Gilmore** is the Acting Conference Minister for the Rocky Mountain Conference of the United Church of Christ. Prior to this role, she served as an Associate Conference Minister of the Rocky Mountain Conference from 2017-2023. In her current work she seeks to support clergy and lay leadership as they aspire to create life-giving and life-affirming spaces that embody the best of what we can be as the Body of Christ. Rev. Gilmore received A Master of Divinity from Pacific School of Religion and undergraduate degree in Mathematics from St. Olaf College. Before being called to serve in the conference, Rev. Gilmore served as a pastor of two congregations, first at Holladay United Church of Christ in Salt Lake City, UT and then at First Congregational Church, in Loveland, CO. In addition to serving in the UCC, she is also involved in a worldwide practice of Participative Leadership or the Art of Hosting, which is an approach to leadership that seeks to address the complex challenges we face by harnessing the wisdom and self-organizing capacity of human beings.

⊠ **Li'avaa Moevao** is the Senior Pastor for the First Samoan Congregational Church in Huntington Beach, California. He is a member of the National Samoan Council of Churches serving as the Youth Director. Rev. Moevao attended Kanana Fou Theological Seminary (KFTS) in Pago Pago, American Samoa from 2012 to 2015, graduating with a Bachelor of Divinity. Prior to attending KFTS, Rev. Moevao worked for the Los Angeles Police Department as a Police Officer from 1988 to 2012, retiring after 24 years. Rev. Moevao also served in the United States Navy from 1978 until 1987.

* + o ◇ **Norman Williams** retired as Chairman of the Board of Directors and CEO of Illinois-Service Federal Savings and Loan Association in April of 2016, after completing a successful recapitalization of the bank. Having served since 1976 on the Board of Directors, he also during which time served as Treasurer and a member of the executive, loan, asset liability, and audit committees of the bank. In addition, Mr. Williams was the past Chairman and member of the Board of Directors of the Illinois League of Financial Institutions and has served as a member of the Board of Directors of the American Bankers Association. He is a Life Trustee and Past Chair of the Board of Trustees of Chicago Theological Seminary and served as Moderator of the 32nd General Synod of the United Church of Christ. He is the Vice Chair of the Cornerstone Fund of the United Church of Christ. Having served his local church as Chair of the Diaconate, Chair of the Board of Trustees, and Treasurer, he has returned to serve them again as Treasurer. He owns and operates Unity Funeral Parlors, Inc., as the second generation of a funeral service business in Chicago founded by his father. Mr. Williams is a graduate of Amherst College in Amherst, Massachusetts.

Non-voting Director Emeritus:

Thomas E. Dipko is the retired Executive Vice President of the United Church Board for Homeland Ministries and founding member of the Board of Directors of the Cornerstone Fund, still serving in a non-voting emeritus role. He served as a local church pastor for 21 years and as Conference Minister of the Ohio Conference for 8 years. His specializations include ecumenical theology and liturgy, and he served as the first draft writer of the United Church of Christ Book of Worship. He holds a B.A. from Otterbein College, an M.Div. from United Theological Seminary (Dayton), and a Ph.D. from Boston University.

+ Members of the Executive Committee.

o Members of the Finance & Loan Committee.

◇ Members of the Audit Committee.

△ Members of the Governance Committee.

⊠ Members of the Marketing Committee.

* Elizabeth Walker is Chairperson of the Board for 2024.

* Norman Williams is Vice Chairperson of the Board for 2024.

Officers and Key Personnel

Our officers are elected annually by our Board of Directors. These officers serve for one-year terms. The following are our key personnel as of the date of this Offering Circular:

Maria C. Coyne – President and Chief Executive Officer
Betsey Saffar – Vice President, Chief Financial Officer
J. Scott Hackenberg – Vice President, Chief Lending Officer
Rebecca Perera – Vice President, Chief Credit Officer
Rev. Dr. Courtney Stange-Tregear – Vice President, Chief Relationship Officer
Patricia J. Eggleston – Secretary
Cindy Crotty – Treasurer

The following is a summary of the key personnel, their present duties, their background, and experience for at least the last five (5) years:

Maria C. Coyne is President and Chief Executive Officer of the Cornerstone Fund. Ms. Coyne is a graduate of the University of Notre Dame with a degree in Finance and attended the Weatherhead School of Management at Case Western Reserve University and has over 30 years of banking experience with Key Bank and Bank One and served as Director of E-Strategy for the Greater Cleveland Growth Association. In addition, Ms. Coyne was a founding member of the United Way Women’s Leadership Council, served as a member of Macdonald Women’s Health Leadership Council affiliated with University Hospitals Health System, served on the Finance Council of the Cleveland Catholic Diocese, as a Board member of the Consumer Bankers Association and on the inaugural board of the Forbes Executive Women’s Board.

Betsey Saffar is Vice President, Chief Financial Officer of Cornerstone Fund. Betsey previously served from 2021 to 2023 as Chief Financial Officer & Executive Vice President for the Achievement Centers for Children, a Cleveland, OH nonprofit providing an array of services to children and adults with disabilities, where she held progressive leadership roles since 2010. Her skillset encompasses directing finance, IT, and billing, with seamless HR operations. Betsey has a strong accounting background, earning her MBA and working in internal finance and international tax consulting roles at Ernst & Young as well as experience with several nonprofit organizations earlier in her career. She owned and operated her own business for approximately seven years. Betsey earned her MBA from Indiana Wesleyan University, completed the CPA Preparatory Program at Cleveland State University and earned her Bachelor’s degree from The Ohio State University. She has completed the Nonprofit Leadership Advancement Program, a training curriculum for business leaders seeking to better serve their communities on Boards or in other nonprofit leadership roles, offered by Ohio nonprofit organization Business Volunteers Unlimited.

J. Scott Hackenberg is Vice President, Chief Lending Officer of Cornerstone Fund. After spending the first half of his career working in private equity and leveraged lending, Scott turned toward social impact investing, looking to make a greater difference in the world through high-impact, community-driven initiatives. After graduating with Distinction from Cornell University, Scott began his career in finance with Blackstone. He went on to co-found Swander Pace Capital, a private equity firm with over \$1 billion under management focused on building and growing world-class consumer businesses. Driven by a passion for using the tools of finance for the good of those who need it most, Scott then worked for the Non Profit Finance Fund and RSF Social Finance, two Bay Area organizations at the forefront of the impact investment sector. Given his rare combination of for-profit and non-profit finance experience, Scott brings a depth of experience and diligence to the areas of sourcing and gathering catalytic capital, financial structuring and grant-making programs for social impact investment initiatives. He is passionate about bringing the tools and skills of finance to community-focused organizations looking to affect long-term change.

Rebecca Perera is Vice President, Chief Credit Officer of Cornerstone Fund. Rebecca joined Cornerstone in January 2019 as a Senior Relationship Manager and was promoted to Director of Lending in June 2022. As Chief Credit Officer Rebecca leads the credit team, including all aspects of underwriting and portfolio management. In Rebecca’s work with Cornerstone Fund in previous roles she developed deep financial analysis skills and holds certifications as a Commercial Solar Lending Professional, a Housing Development Finance Professional, and an Economic Development Finance Professional. Her contributions have been significant in terms of training other team members and bringing rigor with compassion to every task she undertakes, for the benefit of our clients and the communities we serve. Rebecca is a classically trained oboist with degrees from Oberlin College and Rice University, and during her time as Principal Oboe with CityMusic Cleveland Chamber Orchestra she served as its Director of Community Engagement.

Rev. Dr. Courtney Stange-Tregear is Vice President, Chief Relationship Officer of Cornerstone Fund and clergy person in the United Church of Christ, anchored in the dynamic work of social justice advocacy and congregational transformation. She formerly served the Pacific Northwest Conference as the Minister for Church Vitality and then the Acting Conference Minister. While in conference leadership she worked to center relationship and storytelling for increased vitality, while drawing on her community organizing background to support and sustain dynamic, collaborative, and intersectional churches. She previously pastored local congregations in California and Maryland. The Rev. Dr. Stange-Tregear is a founding member and former chair of the Alliance of Associate Conference Ministers and is a member of the Antoinette Brown Society leadership. Her beliefs are deeply rooted in the Great Books tradition of St. John’s College, where she received her undergraduate degree. She is dedicated to lifelong learning, holding degrees from the University of Leeds in Philosophy and Religion, a Master of Divinity from Andover Newton Theological School, and a Doctor of Ministry from Bexley Seabury Seminary.

Patricia J. Eggleston serves as Secretary of the Cornerstone Fund. Ms. Eggleston is the Executive Vice President and General Counsel for the Trinity 95th and Cottage Grove Planned Community Development, LLC (dba Imani Village). In her role, she directs, manages, and oversees all aspects of the development; ensures implementation of the organization’s goals and objectives; provides for general legal oversight of the project; and, is responsible for managing stakeholder relationships. Prior to her current role, Ms. Eggleston served as General Counsel and program advisor for Trinity United Church of Christ in Chicago, the denomination’s largest congregation. In this capacity, Ms. Eggleston was responsible for all aspects of Trinity’s legal affairs. She served in this role since 1991. Ms. Eggleston has also maintained a private legal practice, committed to representing and empowering low-income persons. She has a special expertise and extensive experience in real estate, business, contract, church, and non-profit law, representing several churches and non-profit organizations. Ms. Eggleston has been a member of Trinity United Church of Christ since 1981, and has served in various capacities with the denomination, including leadership roles with United Black Christians. She received both her B.A. and J.D. from the University of Illinois.

Cindy P. Crotty currently serves as an advisor to Vocon, a privately held company. She is a retired financial services executive with over 35 years of experience in commercial, retail, private and corporate banking. She was formerly the Executive Vice President and Regional President of Peoples Bank. She reported to the CEO and was responsible for leading and growing all bank operations for the North Region including retail, commercial, business banking, investment management and insurance. Prior to Peoples Bank Ms. Crotty spent 20 years at KeyCorp, most recently as an Executive Vice President and a member of KeyCorp’s Executive Council, where she was responsible for the Commercial Client segment. Prior to KeyCorp, she spent 14 years in various corporate finance and wealth management leadership roles at Citibank, NA (now Citigroup, NA). Ms. Crotty was trustee on the Board of Trustees of the University of Akron and a board member of The Gathering Place, and Hathaway Brown School, is past president and former board member of Beech Brook, retired board member of the Visiting Nurse Association, and was an inaugural member of the United Way Women’s Leadership Council. She is a graduate of the University of Georgia with a Bachelor of Business Administration in Accounting and completed the Key Executive Experience at the Weatherhead School of Management at Case Western Reserve University.

Remuneration

No member of the Board of Directors receives any compensation from the Cornerstone Fund for being a director. Except for the President and Vice Presidents, no officer receives compensation directly from the Cornerstone Fund. Directors and officers are reimbursed for actual expenses incurred in attending our corporate meetings.

The following table sets forth the amount of all annual remuneration of the officers whose total remuneration exceeded \$150,000 in 2023 and the total remuneration in aggregate for all officers who received compensation directly from Cornerstone Fund for 2023:

Officer	Salary	Bonus	Health or Other Insurance	Retirement Plan Contribution	Personal Use of Assets	Total Remuneration
Maria C. Coyne	\$ 227,115	-	\$ 29,628	\$ 31,796	-	\$ 288,539
Scott Hackenberg	137,500	-	31,944	19,250	-	188,694
All officers (in aggregate)	\$ 631,229	-	\$ 122,131	\$ 87,837	-	\$ 841,197

We paid no remuneration to any of our officers or directors based upon the sale of our Notes.

The remuneration of our President and all personnel, as well as office space expenses (through May 2022) and common service fees are not paid directly by us, but paid through services organizations that are related to the United Church of Christ. See “RELATED PARTY TRANSACTIONS” above and Note 9 to the audited financial statements.

As of December 31, 2023, our officers, directors, and staff as a group had invested the aggregate amount of \$696,952 in our Notes, which represented 0.63% of our total outstanding Notes held by Investors at the time. Because of the continuous nature of our offerings of Notes and the personal nature of investment by our officers, directors, and staff, we cannot state as to whether any further investment by officers, directors, and staff will occur in the future.

Pension/Retirement Plan

All officers and staff rendering services to us are eligible for the retirement benefits. Operating expenses include a portion of the retirement contributions for these employees totaling \$145,395 in 2023.

LITIGATION

As of the date of the Offering Circular, there are no present, pending, or to our knowledge, threatened litigation or other legal or administrative proceedings or claims to which the Cornerstone Fund, its officers, directors or property is or may become party. Moreover, there have never been any material legal proceedings or claims against us, our officers or directors.

ADMINISTRATIVE MATTERS

Securities issued by charitable organizations are exempt from the registration provisions of the Securities Act of 1933, as amended, and from the registration provisions of certain state securities laws. In other states, debt securities, such as our Notes, must be registered prior to their offer and sale. Additionally, in certain states, although the securities are exempt from registration, our officers engaged in sales activities must be registered as agents. Furthermore, some states have regulatory statutes which govern the borrowing and lending activities undertaken within the state.

We believe we have taken or will be taking the necessary steps to comply with the state securities laws of the states in which we offer and sell or will be offering and selling our Notes. In certain states, however, it is possible that our activities may have exposed us to potential liabilities. We are not aware, however, of any material, undisclosed liability at this time.

INDEPENDENT AUDITORS

The financial statements of Cornerstone Fund as of and for the years ended December 31, 2023, 2022 and 2021 have been audited by Maloney + Novotny LLC, independent auditors, as stated in its report appearing herein.

We will make available to you a copy of our annual report or Offering Circular, or otherwise make available our audited financial statements, within one hundred twenty (120) days after the close of each fiscal year. At the present time, our fiscal year ends on December 31.

INTERNAL CONTROLS

We maintain internal accounting control systems that are designed to provide reasonable assurance that our assets are safeguarded, that transactions are executed in accordance with management's authorization and are properly recorded, and that accounting records are adequate for preparation of financial statements and other financial information. Our Board of Directors has an Audit Committee, made up of independent directors, that is responsible for the employment of our independent auditors and the maintenance of our internal accounting controls.

DEFINITIONS

Association. A body within a Conference of the United Church of Christ which is composed of all Local Church Ministries in a geographical area, all Ordained Ministers holding standing or ordained ministerial partners standing therein, all Commissioned Ministers and Licensed Ministers in that Association. Associations determine, confer, and certifies to the standing of the Local Church Ministries of the United Church of Christ within its area. Associations grant authorization that is required for various forms of ministry in and on behalf of the United Church of Christ.

Conference. A body within United Church of Christ which is composed of all Local Church Ministries in a geographical area, all Ordained Ministers holding standing or ordained ministerial partners standing in its Associations or in the Conference itself when acting as an Association, all Commissioned Ministers and Licensed Ministers in its Associations.

Cornerstone Fund. United Church of Christ Cornerstone Fund, Inc.®, the issuer of the Notes.

Faith-Based Organizations. Local churches, Associations, Conferences, national organizations, colleges and seminaries, health & human services organizations, other affiliated organizations of the United Church of Christ, or other faith-based organizations, grantmaking organizations, foundations, and other entities that are missionally aligned with the Cornerstone Fund.

Invested Funds. Certificates of deposit, commercial paper, banker's acceptances, shares of money market funds or governmental obligations, including treasury bills and notes, purchased by the Cornerstone Fund. Invested Funds may also include units purchased in the United Church Fund's pooled fixed income fund.

Investment Balances. The amounts representing outstanding principal and accrued interest owed by the Cornerstone Fund to individuals and Faith-Based Organizations.

Local Church Ministries. Local Church Ministries (A Covenanted Ministry of the United Church of Christ) with which the Cornerstone Fund is affiliated and shares the church extension work of the United Church of Christ.

Exhibit A – Audited Financial Statements

**UNITED CHURCH OF CHRIST
CORNERSTONE FUND, INC.**

FINANCIAL REPORT

DECEMBER 31, 2023



UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC.

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Independent Auditors' Report

To the Board of Directors
United Church of Christ
Cornerstone Fund, Inc.
Cleveland, Ohio

Opinion

We have audited the financial statements of United Church of Christ Cornerstone Fund, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of United Church of Christ Cornerstone Fund, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Church of Christ Cornerstone Fund, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but it is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Church of Christ Cornerstone Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Church of Christ Cornerstone Fund, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited United Church of Christ Cornerstone Fund, Inc.'s 2022 and 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our reports dated March 10, 2023 and March 10, 2022, respectively. In our opinion, the summarized comparative information presented herein as of and for the years ended December 30, 2022 and 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Meloney + Novotny LLC

Cleveland, Ohio
March 4, 2024

UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2023

(With Comparative Totals for the Years Ended December 31, 2022 and 2021)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	2023 <u>Total</u>	<u>2022</u>	<u>2021</u>
REVENUES					
Interest on building loans	\$ 5,003,866	\$ 12,754	\$ 5,016,620	\$ 4,372,059	\$ 4,507,507
Income on cash, cash equivalents and investments:					
Interest	370,906	22,795	393,701	285,260	90,351
Net appreciation (depreciation) in fair value of investments	<u>19,907</u>	<u>61,213</u>	<u>81,120</u>	<u>(297,985)</u>	<u>(13,313)</u>
Total income on cash, cash equivalents and investments	390,813	84,008	474,821	(12,725)	77,038
Contribution revenue	157,969	-	157,969	552	453,150
Other	29,830	-	29,830	57,254	53,338
Net assets released from restrictions	<u>84,008</u>	<u>(84,008)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	5,666,486	12,754	5,679,240	4,417,140	5,091,033
EXPENSES					
Interest on investment obligations	2,668,962	-	2,668,962	1,865,579	2,005,639
Interest on borrowings	134,677	-	134,677	-	-
Provision for loan losses (Note 2)	40,000	-	40,000	98,547	(46,383)
Management and common service fees (Note 9)	1,930,109	-	1,930,109	1,468,942	1,342,662
General and administrative	516,630	-	516,630	425,212	324,320
Professional services	360,421	-	360,421	276,303	258,156
Loss on disposal of fixed assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,642</u>	<u>-</u>
Total expenses	<u>5,650,799</u>	<u>-</u>	<u>5,650,799</u>	<u>4,303,225</u>	<u>3,884,394</u>
CHANGES IN NET ASSETS	15,687	12,754	28,441	113,915	1,206,639
NET ASSETS – BEGINNING OF YEAR	<u>11,451,050</u>	<u>815,574</u>	<u>12,266,624</u>	<u>12,152,709</u>	<u>10,946,070</u>
NET ASSETS – END OF YEAR	<u>\$11,466,737</u>	<u>\$ 828,328</u>	<u>\$12,295,065</u>	<u>\$12,266,624</u>	<u>\$12,152,709</u>

The accompanying notes are an integral part of these financial statements.

UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2023

(With Comparative Totals for the Years Ended December 31, 2022 and 2021)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Changes in net assets	\$ 28,441	\$ 113,915	\$ 1,206,639
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:			
Net (appreciation) depreciation in fair value of investments	(81,120)	297,985	13,313
Amortization of right-of-use asset	93,694	61,448	-
Forgiveness of Paycheck Protection Program loan	-	-	(214,600)
Provision for credit losses	40,000	98,547	(46,383)
Loss on disposal of fixed assets	-	168,642	-
Change in operating assets and liabilities:			
Accrued interest receivable	(112,212)	947	129,044
Other assets	(196,580)	165,543	(89,305)
Accrued interest payable	-	-	-
Asset held for sale	(627,258)		
Accounts payable and other accrued expenses	5,881	(265,801)	273,264
Operating lease liability	(86,618)	(7,298)	-
Total adjustments	<u>(964,213)</u>	<u>520,013</u>	<u>65,333</u>
Net cash (used in) provided by operating activities	(935,772)	633,928	1,271,972
CASH FLOWS FROM INVESTING ACTIVITIES			
Amounts disbursed for building loans	(36,112,950)	(19,032,152)	(12,197,720)
Principal repayments received on building loans	27,267,063	14,362,627	18,148,434
Disbursement of construction funds on deposit	109,943	(2,318)	(2,328,421)
Net (purchases) redemptions of short-term investments	(1,000)	(985,973)	1,236,973
Purchases of investments	(500,000)	(5,646,145)	(9,014,064)
Proceeds from sales and maturities of investments	<u>6,188,773</u>	<u>1,979,000</u>	<u>4,639,000</u>
Net cash (used in) provided by investing activities	(3,048,171)	(9,324,961)	484,202
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of investment obligations	97,777,008	84,226,462	83,633,083
Redemption of investment obligations	<u>(90,299,973)</u>	<u>(84,911,946)</u>	<u>(86,161,803)</u>
Net cash provided by (used in) financing activities	<u>7,477,035</u>	<u>(685,484)</u>	<u>(2,528,720)</u>
CHANGE IN CASH AND EQUIVALENTS	3,493,092	(9,376,517)	(772,546)
CASH AND EQUIVALENTS – BEGINNING OF YEAR	<u>5,951,794</u>	<u>15,328,311</u>	<u>16,100,857</u>
CASH AND EQUIVALENTS – END OF YEAR	<u>\$ 9,444,886</u>	<u>\$ 5,951,794</u>	<u>\$ 15,328,311</u>
Supplemental disclosure of cash flow information:			
Cash paid during the year for:			
Interest	<u>\$ 2,803,639</u>	<u>\$ 1,865,579</u>	<u>\$ 2,005,639</u>
Noncash transaction:			
Lease liabilities arising from obtaining right-of-use assets	\$ -	\$ 1,124,374	\$ -

On January 1, 2022 and as described in Note 14, the Fund implemented ASU No. 2016-02. As a result, right of use assets and (liabilities) in the amount of \$1,124,374 and \$(1,124,374), respectively, were recorded in the statement of financial position to reflect the Fund's lease arrangement.

The accompanying notes are an integral part of these financial statements.

UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Organization

The United Church of Christ Cornerstone Fund, Inc. (the "Fund") was incorporated in 1993 as a not-for-profit corporation in Indiana for the purpose of assisting churches and faith based organizations affiliated with the United Church of Christ ("UCC") in financing buildings and expansion of existing structures. The Fund is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The Fund is affiliated with the UCC, a not-for-profit entity located in Cleveland, Ohio. The Fund pays UCC Common Services Corporation for personnel costs and remits common service fees for human resources, information technology, and other functions. Rent for office space is paid to 700 Prospect Corporation, an affiliated entity through the UCC. The lease was terminated effective May 13, 2022 (see Note 9).

Note 2. Summary of Significant Accounting Policies

A. Basis of Accounting – The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Fund has reported information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets without donor restrictions represent resources received without time or purpose restriction. Net assets with donor restrictions result from timing differences between the receipt of funds and the incurrence of the related expenses. The Fund reports gifts of cash and other assets as revenues with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

B. Revenue Recognition – Interest on building loans is recognized as revenue in the period it is earned. If a loan is placed on nonaccrual status, all accrued and unpaid interest is reserved for. There was no reserved accrued interest as of December 31, 2023, 2022 and 2021.

The Fund recognizes contributions as revenue in the period in which the pledge (promise to give) is received. The Fund considers all contributions to be without donor restrictions unless specifically restricted by the donor.

C. Use of Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Building Loans Receivable – Loans are made to fund the construction, acquisition, and expansion of facilities. Mortgages are held against these properties and are stated at their unpaid principal balance. Repayment of the loans is dependent upon many factors, including the continued membership and support of the borrower and the borrower's or Fund's ability to sell the underlying property in the event of foreclosure. The Fund serves as a disbursing agent for certain borrowers. Under these agreements, the borrowers deposited funds with the Fund to pay construction draws prior to advances being disbursed on the construction loans. As of December 31, 2023, 2022 and 2021, \$110,368, \$425 and \$2,743, respectively, remained and was recorded as construction funds on deposit.

UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 2. Summary of Significant Accounting Policies (Continued)

D. Building Loans Receivable (Continued)

During 2017, the Fund originated two loans in which it obtained a participation from the Church Building Loan Fund (the "CBLF"), an affiliated agency of the UCC. During 2019, the Fund originated two additional loans in which it obtained a participation from the CBLF and during 2020, the Fund obtained participations on two existing loans from the Disciples Church Extension Fund. The Fund maintains the servicing of the loans and, through the participation agreements, remits the allocated portion of principal and interest to the CBLF.

During 2021, the Fund obtained participations on two existing loans from the Disciples Church Extension Fund and the Mission Investment Fund of the ELCA.

During 2022, the Fund obtained participations on two existing loans from the Presbyterian Church Investment & Loan Program and the Disciples of Christ Church Extension Fund.

Loan participations are presented net of the related outstanding loan balance they are associated with and amounted to \$16,068,250, \$16,151,232 and \$16,653,759 as of December 31, 2023, 2022 and 2021, respectively.

- E. Cash and Equivalents – The Fund considers all highly liquid debt instruments purchased with an original maturity of three months or less and investments in money market and short-term mutual funds to be cash equivalents. The Fund places its temporary cash investments with various financial institutions, which may exceed federally insured amounts at times and may exceed reported values due to outstanding checks.
- F. Short-Term Investments – Short-term investments consist of certificates of deposit purchased with original maturities of greater than three months, but are not held for long-term investment. Short-term investments are carried at cost. These certificates of deposit are placed with various financial institutions, but are monitored to ensure they are within federally insured limits.
- G. Allowance for Credit Losses – An allowance is recorded to reduce the loan balance if the level of delinquencies indicates probable uncollectible balances in the future, based upon management's review of the loan portfolio and past collection history. In 2021, the Fund established a risk rating program to develop expected loss estimates. The risk rating program provides a standardized method of measuring and monitoring the loan risk within a loan portfolio based upon financial information of the borrowing institution. Loans are charged off when management determines that all or a portion of the balance will not be collected through payment or liquidation of underlying collateral. Loans are generally placed on nonaccrual status when greater than 90 days past due. Because the Fund's loans are receivable only from UCC congregations and other faith based organizations, management does not believe that further segmentation of the portfolio as required by ASC 310, *Receivables*, would be meaningful. Due to the nature of the Fund's relationship with its borrowers, the Fund is willing to make accommodations with borrowers whose payments are not current or to refinance their outstanding obligations. It is the Fund's policy to aid its borrowers to try and meet their obligations without disclosure. No loans were charged off during the years 2023, 2022 and 2021. No loans were ninety days or more past due as of December 31, 2023, 2022 and 2021. No loans were on nonaccrual status as of December 31, 2023, 2022 and 2021.

UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 2. Summary of Significant Accounting Policies (Continued)

G. Allowance for Credit Losses (Continued)

Changes in the allowance for credit losses for the years ended December 31 were as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Balance, beginning of period	\$1,329,424	\$1,230,877	\$1,277,260
Provisions	<u>40,000</u>	<u>98,547</u>	<u>(46,383)</u>
Balance, end of the period	<u>\$1,369,424</u>	<u>\$1,329,424</u>	<u>\$1,230,877</u>

H. Loan Origination Costs – Deferred costs of processing loan applications are included in other assets and amortized on a straight line basis for interest only and credit line loans, and for all other loans on a level yield method over the original lives of the loans. The net unamortized origination costs were \$261,984, \$243,647 and \$225,544 as of December 31, 2023, 2022 and 2021, respectively, and are included in other assets in these financial statements.

I. Fair Value of Financial Instruments – The carrying values of cash and equivalents, accounts and other receivables, and accounts payable are reasonable estimates of fair value due to the short-term nature of these financial instruments.

The Fund estimates the fair value of financial instruments using available market information and other generally accepted valuation methodologies. Fair value is defined as the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The inputs used to measure fair value are classified into three levels:

Level 1 – Quoted market prices in active markets for identical assets and liabilities.

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs in which little or no market data exists.

J. Liquidity – The general order of liquidity of assets is cash and equivalents, investments, loans and accrued interest receivable, and other assets. The general order of liquidity of liabilities is interest bearing demand investment obligations, balances on the line of credit, accounts payable and other accrued expenses, interest bearing term obligations (including accrued interest), and operating lease liability.

K. Noncash Transactions – The Fund had noncash activity related to building loan renewals which amounted to approximately \$2,495,873, \$22,447,295 and \$14,226,521 in 2023, 2022 and 2021, respectively.

UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 2. Summary of Significant Accounting Policies (Continued)

- L. Right-of-Use Asset and Operating Lease Liability – Operating lease right-of-use ("ROU") assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The operating lease ROU asset also includes any payments made and excludes lease incentives and any initial direct costs incurred. Lease expense for minimum lease payments is recognized on a straight-line basis over the term of the lease.
- M. Comparative Information – The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Fund's financial statements for the years ended December 31, 2022 and 2021, from which the summarized information was derived.
- N. Tax Status – The Fund is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from Federal income taxes.

The Fund is no longer subject to tax examinations for years before 2020 by taxing authorities in jurisdictions where the Fund has filed returns.

The Fund believes it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that would be material to the financial statements.
- O. Reclassification – Certain prior year balances have been reclassified to conform with current year presentation.
- P. Subsequent Events – Management has performed an analysis of the activities and transactions subsequent to December 31, 2023 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2023. Management has performed their analysis through March 4, 2024.

Note 3. Reserve Requirements and Liquidity

The Fund regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Fund considers all expenditures related to its ongoing lending and investment activities as well as the conduct of services undertaken to support those activities to be general expenditures.

The Fund has a policy requiring the Fund at all times to maintain cash and/or investments with an aggregate market value equal to at least 10% of the principal balance of the Fund's outstanding interest bearing investment obligations, and at least 1% of the principal balance of the Fund's outstanding building loans receivable. These reserve requirements were met during 2023, 2022 and 2021.

UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 3. Reserve Requirements and Liquidity (Continued)

The Fund's financial resources available within one year to meet general expenditures were as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash and equivalents	\$ 9,444,886	\$ 5,951,794	\$15,328,311
Short-term investments	1,500,000	1,499,000	513,027
Current maturities of long-term investments	2,750,000	4,625,000	3,606,000
Current maturities of loans receivable	<u>6,588,817</u>	<u>6,315,393</u>	<u>15,406,382</u>
Total	<u>\$20,283,703</u>	<u>\$18,391,187</u>	<u>\$34,853,720</u>

In addition to these funds, as disclosed in Note 7, the Fund has a line of credit available for short-term cash flow needs and intends on issuing additional investment obligations as described in Note 6 to provide for additional liquidity.

Note 4. Investments

At December 31, 2023, 2022 and 2021, the Fund's investments consisted of certificates of deposit with maturities ranging from 6 months to 60 months, fixed annuity contracts, and holdings in a pooled fixed income fund administered by United Church Funds ("UCF") as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Certificates of deposit	\$ 4,005,000	\$ 8,175,000	\$ 4,506,000
Fixed annuity contracts	3,176,396	4,783,447	5,000,000
UCF investments	<u>664,104</u>	<u>494,706</u>	<u>577,993</u>
Total	<u>\$ 7,845,500</u>	<u>\$13,453,153</u>	<u>\$10,083,993</u>

The Fund's investments in certificates of deposit are carried at cost, which approximates market value, based upon market rates for similar certificates of deposit, generally a Level 2 method. Funds invested in a fixed annuity contract are presented at contract value, which is not observable in a public marketplace, generally a Level 3 method. Funds invested with UCF are presented at fair value based upon the stated value per unit as quoted by UCF as a practical expedient, generally a Level 2 method. The UCF investment has daily liquidity.

UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 4. Investments (Continued)

The following table is a reconciliation of the beginning and ending balances measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Balance, beginning of period	\$ 4,783,447	\$ 5,000,000	\$ -
Purchases	-	-	5,000,000
Sales	(1,396,596)	-	-
Change in value	<u>(210,455)</u>	<u>(216,553)</u>	<u>-</u>
Balance, end of period	<u>\$ 3,176,396</u>	<u>\$ 4,783,447</u>	<u>\$ 5,000,000</u>

Scheduled maturities of the Fund's investments in certificates of deposit at December 31, 2023 were:

	<u>Certificates of Deposit</u>
2024	\$ 2,750,000
2025	<u>1,255,000</u>
Total	<u>\$ 4,005,000</u>

Note 5. Building Loans Receivable

Virtually all building loans are collateralized by a mortgage or deed of trust. The weighted average interest rate on all outstanding loans is 5.17%, 4.86% and 4.87% at December 31, 2023, 2022 and 2021, respectively.

The principal payments of loans scheduled to be received, net of participations, are:

2024	\$ 6,588,817
2025	3,897,115
2026	5,411,482
2027	10,306,750
2028	3,655,017
Thereafter	<u>74,513,411</u>
Principal payments	104,372,592
Loan loss allowance	<u>(1,369,424)</u>
Total	<u>\$103,003,168</u>

UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 5. Building Loans Receivable (Continued)

As of December 31, 2023, 2022 and 2021, the outstanding balances of lines of credit included in the building loans receivable were \$1,207,824, \$1,376,722 and \$1,980,161, respectively.

As of December 31, 2023, 2022 and 2021, the Fund has approved commitments of \$29,509,481, \$33,756,255 and \$16,189,727, respectively, for both additional loans and the unfunded balances of existing construction loans and lines of credit.

Note 6. Interest Bearing Investment Obligations

The Fund has issued and sold interest bearing investment obligations to investors who reside in various states where the Fund is registered or is exempt from registration to offer and sell to investors. The obligations outstanding are summarized as follows:

Type of Account	Weighted Average Interest December 31, 2023	December 31,					
		2023		2022		2021	
		Amount	%	Amount	%	Amount	%
Demand obligations:							
Individuals	0.91 %	\$ 2,582,828	2.33 %	\$ 4,480,114	4.33 %	\$ 3,565,405	3.42 %
Churches	<u>0.90</u>	<u>8,667,012</u>	<u>7.81</u>	<u>10,428,525</u>	<u>10.08</u>	<u>9,639,586</u>	<u>9.26</u>
Total demand	0.90	11,249,840	10.14	14,908,639	14.41	13,204,991	12.68
Term obligations:							
Individuals	3.32	34,320,150	30.94	33,808,226	32.68	36,886,240	35.42
Churches	4.03	62,872,881	56.67	52,274,706	50.52	51,691,166	49.63
IRAs	<u>3.23</u>	<u>2,501,025</u>	<u>2.25</u>	<u>2,475,290</u>	<u>2.39</u>	<u>2,369,948</u>	<u>2.27</u>
Total term	<u>3.77</u>	<u>99,694,056</u>	<u>89.86</u>	<u>88,558,222</u>	<u>85.59</u>	<u>90,947,354</u>	<u>87.32</u>
Total investment obligations	<u>3.48 %</u>	<u>\$ 110,943,896</u>	<u>100.00 %</u>	<u>\$ 103,466,861</u>	<u>100.00 %</u>	<u>\$ 104,152,345</u>	<u>100.00 %</u>

The interest bearing term investment obligations at December 31, 2023 mature as follows:

2024	\$52,150,905
2025	24,357,234
2026	12,811,374
2027	5,461,381
2028	<u>4,913,162</u>
Total	<u>\$99,694,056</u>

UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 6. Interest Bearing Investment Obligations (Continued)

The interest bearing term investment obligations generally mature over a range of six months to five years and typically are renewable automatically at maturity, unless the investor requests payment. Term obligations with balances greater than \$250,000 were \$30,900,327, \$21,422,001 and \$19,318,621 as of December 31, 2023, 2022 and 2021, respectively.

The Fund sells/renews interest bearing investment obligations subject to the laws and regulations for each of the states in which it currently operates. Changes in federal and/or state laws, rules, or regulations regarding the sale of debt securities of religious, charitable, or other nonprofit organizations may impact the Fund's ability to offer its investment obligations in the future. As of 2023, the Fund is authorized to sell interest bearing investment obligations in all fifty states.

Note 7. Financing Arrangement

The Fund has a line with Peoples Bank which provides for maximum borrowing of \$7,500,000. The line bears interest at the greater of the per annum interest rate of 2% or Peoples Bank's prime rate less 1.38% (the prime rate was 8.5% at December 31, 2023). As of December 31, 2023, 2022 and 2021, there was \$-0- outstanding on this line of credit. The People's Bank line of credit matures November 30, 2025.

Note 8. Net Assets With Donor Restrictions

Net assets with donor restrictions are designated for the following purposes:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Assets With Donor Restrictions:			
Subject to expenditure for a specified purpose:			
Missouri Mid-South Conference:			
Loan balance	\$298,367	\$291,324	\$315,222
Cash balance	<u>479,961</u>	<u>474,250</u>	<u>515,916</u>
	778,328	765,574	831,138
Subject to the passage of time:			
Contribution	<u>50,000</u>	<u>50,000</u>	<u>150,000</u>
Total	<u>\$828,328</u>	<u>\$815,574</u>	<u>\$981,138</u>

Note 9. Balances and Transactions With Related Parties

The Fund recorded personnel expense of \$1,722,928 in 2023, \$1,297,660 in 2022 and \$1,200,621 in 2021. Common services fees totaled \$131,747 in 2023, \$126,701 in 2022 and \$116,978 in 2021.

The Fund rented its office space under an operating lease with 700 Prospect Corporation, an affiliate of the UCC, through April 30, 2022. Office space expense for the Fund was \$23,965 in 2022 and \$75,063 in 2021.

Accrued expenses include amounts due to UCC Common Services Corporation and other related parties for fees and other reimbursable costs of \$43,073 in 2023, \$18,142 in 2022 and \$14,650 in 2021.

UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 9. Balances and Transactions With Related Parties (Continued)

The Fund has interest bearing investment obligations due to directors and employees of the Fund of \$696,952, \$560,990 and \$423,902 as of December 31, 2023, 2022 and 2021, respectively.

Note 10. Retirement Plan

Substantially all employees of the Fund are covered by a noncontributory defined contribution retirement plan administered by The Pensions Boards - United Church of Christ, an affiliate of the UCC. Contributions to the plan are at 14% of employees' annual salaries. At retirement, employees may select from several annuity options available for benefits. Effective July 2018, the Fund provided SEP accounts to which Fund contributions were made. Retirement contributions amounted to \$145,395, \$116,736 and \$113,482 in 2023, 2022 and 2021, respectively.

Note 11. Functional Expenses

The functional classification of expenses is a method of grouping expenses according to the purpose or activity for which costs are incurred. Interest expense on investment obligations and on borrowings to fund loans are allocated directly to program. All other expenses are allocated based upon an estimated proportion of staff time spent on the related function. The classification of expenses by function for the Fund is as follows for the years ended December 31, 2023, 2022 and 2021:

	2023		
	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
Interest expense	\$2,803,639	\$ -	\$2,803,639
Salaries and benefits	1,356,427	311,501	1,667,928
Lending services	366,268	-	366,268
Marketing	17,141	78,849	95,990
Occupancy costs	166,124	90,936	257,060
Professional fees	317,028	43,393	360,421
Administration	-	99,493	99,493
Total	<u>\$5,026,627</u>	<u>\$ 624,172</u>	<u>\$5,650,799</u>

	2022		
	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
Interest expense	\$1,865,579	\$ -	\$1,865,579
Salaries and benefits	1,001,662	232,999	1,234,661
Lending services	376,251	-	376,251
Marketing	7,571	47,516	55,087
Occupancy costs	149,013	84,766	233,779
Professional fees	243,611	32,693	276,304
Administration	-	261,564	261,564
Total	<u>\$3,643,687</u>	<u>\$ 659,538</u>	<u>\$4,303,225</u>

UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 11. Functional Expenses (Continued)

	2021		
	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
Interest expense	\$2,005,639	\$ -	\$2,005,639
Salaries and benefits	936,604	213,017	1,149,621
Lending services	173,437	-	173,437
Marketing	6,782	45,974	52,756
Occupancy costs	118,539	73,502	192,041
Professional fees	230,010	28,146	258,156
Administration	-	52,744	52,744
Total	<u>\$3,471,011</u>	<u>\$ 413,383</u>	<u>\$3,884,394</u>

Note 12. Capital Ratios

Financial institutions regulated by federal or state agencies have certain capital ratios that are used to determine whether the institution is adequately capitalized and are generally considered to be well capitalized if their tier 1 ratios are between 5%-6% and their total risk based capital ratio is at least 10%. While the Fund is not regulated or required to meet the capital ratios, they are beneficial for bench marking purposes. The Fund's risk weighted assets include its cash and equivalents, investments, and building loans receivable and are weighted at 100%. The Fund's net assets to risk weighted assets and total assets were as follows for years ended December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net assets to risk weighted assets	10.1%	10.8%	10.5%
Net assets to total assets	9.9%	10.7%	10.4%

Note 13. COVID-19 Global Pandemic

On January 30, 2020, the World Health Organization declared the outbreak of the coronavirus disease 2019 ("COVID-19") a global health emergency and subsequently declared the COVID-19 outbreak a global pandemic in March 2020. On March 27, 2020, the federal government enacted the Coronavirus Aid, Relief and Economic Security ("CARES") Act. The CARES Act created the Paycheck Protection Program ("PPP"), a program implemented by the U.S. Small Business Administration. In April 2020, the Fund received a \$214,600 loan under the PPP. The loan was recorded as debt until July 6, 2021 when it was fully forgiven and recorded as income.

Note 14. Operating Lease Liability

On January 1, 2022, the Fund adopted Accounting Standards Update No. 2016-02, *Leases (Topic 842)*, that changed the existing accounting standards for lease accounting. The Fund entered into a lease agreement for office space in May 2022 which expires on November 30, 2032. Lease expense under this agreement was \$124,668 and \$83,112 for the years ended December 31, 2023 and 2022, respectively. Cash paid against the lease liability under the arrangement was \$117,592 and \$19,308 for years ended December 31, 2023 and 2022, respectively, and is included in the operating cash flows.

UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 14. Operating Lease Liability (Continued)

The following table displays the undiscounted cash flows related to the operating lease as of December 31, 2023, along with the reconciliation to the discounted amount recorded on the statement of financial position:

2024	\$ 120,246
2025	122,959
2026	125,731
2027	128,563
2028	131,455
Thereafter	<u>543,899</u>
Total undiscounted cash flows	1,172,853
Impact of present value discount	<u>(142,395)</u>
Total operating lease liability	<u>\$1,030,458</u>

As of December 31, 2023, the weighted-average remaining lease term for the operating lease is 8.84 years.

Because the Fund generally does not have access to the rate implicit in the lease, the Fund utilizes its incremental borrowing rate as the discount rate. The weighted average discount rate associated with operating lease as of December 31, 2023 and 2022 is 2.90%.

Note 15. Asset Held for Sale

The Fund entered into foreclosure proceedings against a church in Mobile, Alabama in March 2023 after providing the church with a notice of default for non-payment on its loan. As of December 31, 2023, the Fund foreclosed on the property and is holding the property as an asset held for sale.

Exhibit B – Investment Applications



PERSONAL INVESTMENT APPLICATION

APPLICANT INFORMATION PLEASE PRINT CLEARLY.

Must be at least 18 years old. If to be titled in trust, application must accompany first and last page of trust document.

Name: _____

Street Address: _____

City/State/Zip: _____

Phone: _____ Email: _____

Date of Birth: ____ / ____ / ____ Social Security #: _____

Name of Elementary School: _____

Full Name of Your Oldest Cousin: _____

Name of Local Church: _____

JOINT APPLICANT INFORMATION PLEASE PRINT CLEARLY.

Must be at least 18 years old. One or more owners with full rights of survivorship and not tenants in common. Interest is reported to the IRS using the Social Security number of the first owner listed.

Name: _____

Street Address: _____

City/State/Zip: _____

Phone: _____ Email: _____

Date of Birth: ____ / ____ / ____ Social Security #: _____

Name of Elementary School: _____

Full Name of Your Oldest Cousin: _____

Name of Local Church: _____

INVESTMENT SELECTION PLEASE SELECT ONE.

- | | | |
|---|--|--|
| <input type="checkbox"/> Flexible Demand Note
<i>Minimum \$50 investment</i> | <input type="checkbox"/> 12-Month Term Note
<i>Minimum \$500 investment</i> | <input type="checkbox"/> 60-Month Term Note
<i>Minimum \$500 investment</i> |
| <input type="checkbox"/> Flexible Demand Plus Note
<i>Minimum \$100 monthly ACH deposit</i> | <input type="checkbox"/> 24-Month Term Note
<i>Minimum \$500 investment</i> | <input type="checkbox"/> 60-Month Term Note with Giving Bonus
<i>Minimum \$10,000 investment</i> |
| <input type="checkbox"/> 3-Month Term Note
<i>Minimum \$500 investment</i> | <input type="checkbox"/> 36-Month Term Note
<i>Minimum \$500 investment</i> | |
| <input type="checkbox"/> 6-Month Term Note
<i>Minimum \$500 investment</i> | <input type="checkbox"/> 36-Month Creation Care Term Note
<i>Minimum \$500 investment at 1.000% interest</i> | |

INVESTMENT SOURCE PLEASE SELECT ONE.

- New Investment: \$ _____
Check enclosed. All checks payable to United Church of Christ Cornerstone Fund, Inc.
- Reinvestment of Matured Note (#: _____)
PLEASE SELECT ONE. Entire Balance Principal Only Portion of Note (\$ _____)
- Transfer from Note (#: _____)

SIGNATURES

By signing this application, I agree to the certification statements on page two of this application.

Signature of Primary Owner, Executor, or Trustee Date

Signature of Joint Owner or Trustee Date

INTEREST DISTRIBUTION PLEASE SELECT ONE.

Accrue (add) to my investment semi-annually.

Pay directly.

PLEASE SELECT ONE. Semi-annually Quarterly Monthly (for balances of \$10,000 or more)

PLEASE SELECT ONE. Pay by check. Direct deposit to bank account (attach voided check)

Bank Name: _____

Routing #: _____ Account #: _____

ELECTRONIC DELIVERY AGREEMENT FOR OFFERING CIRCULAR PLEASE CHECK BOX.

In lieu of receiving a mailed copy of the United Church of Christ Cornerstone Fund, Inc. Offering Circular, I request the Cornerstone Fund to send to my household, via email, notification that the Offering Circular is available for review on the Cornerstone Fund's website. I understand that I may revoke this request at any time or change the delivery address by contacting the Cornerstone Fund.

FOR FLEXIBLE DEMAND PLUS NOTES, ONLY. PLEASE PRINT CLEARLY.

I authorize the United Church of Christ Cornerstone Fund, Inc. and the respective Bank to initiate a monthly withdrawal in the amount of \$ _____ (a required minimum \$100 per month) on the (CIRCLE ONE) 1st or 15th of each month. I also authorize the United Church of Christ Cornerstone Fund, Inc. and the respective Bank to initiate credit and/or necessary credit entries or adjustments for any debit/credit in error to my account listed below.

ACCOUNT TYPE PLEASE SELECT ONE.

Checking Account (Attach voided check)

Savings Account (Attach deposit slip)

ACCOUNT INFORMATION PLEASE PRINT CLEARLY.

Bank Name: _____

Routing #: _____ Account #: _____

FOR BUILDER BONUS 60-MONTH TERM NOTES, ONLY. PLEASE PRINT

You are instructed to forward \$ _____ (a minimum of 10% of the note amount) to the following United Church of Christ church, Association, Conference, or related organization or entity as a gift.

Name of Church or Entity: _____

Purpose or Designation: _____ Contact Name: _____

Street Address: _____ City/State/Zip: _____

CERTIFICATIONS

I hereby acknowledge receipt of the Offering Circular of the United Church of Christ Cornerstone Fund, Inc. (Cornerstone Fund) and further represent that I/we are members of, contributors to (including investors), or participants in the United Church of Christ or the Cornerstone Fund or in any program, activity or organization which constitutes a part of the United Church of Christ or Cornerstone Fund, Inc. or in any other protestant church organizations which have a programmatic relationship with the United Church of Christ or the Cornerstone Fund, Inc.

Further, under penalties of perjury, I certify (1) that the number shown on the forms is my correct taxpayer identification number, and (2) that I am not subject to backup withholding because (a) I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (b) the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

EVERY PENNSYLVANIA PURCHASER OF THE SECURITIES DESCRIBED IN THIS APPLICATION HAS THE RIGHT TO WITHDRAW FROM THE PURCHASE WITHIN TWO BUSINESS DAYS. SEE PAGES iii AND iv OF THE OFFERING CIRCULAR FOR MORE INFORMATION AND INSTRUCTIONS.

MAKE ALL CHECKS PAYABLE TO UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC. To confirm acceptance, the Cornerstone Fund, Inc. will mail to the person to whom interest on the Note is payable an executed copy of the Note purchased.

1300 East 9th Street, Suite 1605, Cleveland, Ohio 44114
888-UCC-FUND(822-3863) • www.cornerstonefund.org

The United Church of Christ Cornerstone Fund, Inc.



APPLICANT INFORMATION PLEASE PRINT CLEARLY.

Church/Organization Name: _____

Street Address: _____

City/State/Zip: _____

Phone: _____ Email: _____

Tax ID/EIN #: _____

Signer Name 1: _____ Signer Name 2: _____

Contact Name: _____

INVESTMENT SELECTION PLEASE SELECT ONE.

Flexible Demand Note
Minimum \$50 investment

12-Month Term Note
Minimum \$500 investment

60-Month Term Note
Minimum \$500 investment

Flexible Demand Plus Note
Minimum \$100 monthly ACH deposit

24-Month Term Note
Minimum \$500 investment

**60-Month Term Note
with Builder Bonus**
Minimum \$10,000 investment

6-Month Term Note
Minimum \$500 investment

36-Month Term Note
Minimum \$500 investment

36-Month Creation Care Term Note
Minimum \$500 investment at 1.000% per annum

INVESTMENT SOURCE PLEASE SELECT ONE.

New Investment: \$ _____
Check enclosed. All checks payable to United Church of Christ Cornerstone Fund, Inc.

Reinvestment of Matured Note (#: _____)
PLEASE SELECT ONE. Entire Balance Principal Only Portion of Note (\$ _____)

Transfer from Note (#: _____)

INTEREST DISTRIBUTION PLEASE SELECT ONE.

Accrue (add) to our investment semi-annually.

Pay directly.
PLEASE SELECT ONE. Semi-annually Quarterly Monthly (for balances of \$10,000 or more)

PLEASE SELECT ONE. Pay by check. Direct deposit to bank account (attach voided check)

Bank Name: _____

Routing #: _____ Account #: _____

ELECTRONIC DELIVERY AGREEMENT FOR OFFERING CIRCULAR PLEASE CHECK BOX.

In lieu of receiving a mailed copy of the United Church of Christ Cornerstone Fund, Inc. Offering Circular, we request the Cornerstone Fund to send to our organization, via email, notification that the Offering Circular is available for review on the Cornerstone Fund's website. We understand that we may revoke this request at any time or change the delivery address by contacting the Cornerstone Fund.

SIGNATURES

By signing this application, I agree to the certification statements on page two of this application.

Authorized Signature Date

Authorized Signature Date

FOR FLEXIBLE DEMAND PLUS NOTES, ONLY. PLEASE PRINT CLEARLY.

We authorize the United Church of Christ Cornerstone Fund, Inc. and the respective Bank to initiate a monthly withdrawal in the amount of \$ _____ (a required minimum \$100 per month) on the (CIRCLE ONE) 1st or 15th of each month. We also authorize the United Church of Christ Cornerstone Fund, Inc. and the respective Bank to initiate credit and/or necessary credit entries or adjustments for any debit/credit in error to our account listed below.

ACCOUNT TYPE PLEASE SELECT ONE.

Checking Account (*Attach voided check*)

Savings Account (*Attach deposit slip*)

ACCOUNT INFORMATION PLEASE PRINT CLEARLY.

Bank Name: _____

Routing #: _____ Account #: _____

FOR BUILDER BONUS 60-MONTH TERM NOTES, ONLY. PLEASE PRINT

You are instructed to forward \$ _____ (a minimum of 10% of the note amount) to the following United Church of Christ church, Association, Conference, or related organization or entity as a gift.

Name of Church or Entity: _____

Purpose or Designation: _____ Contact Name: _____

Street Address: _____ City/State/Zip: _____

CERTIFICATIONS

We hereby acknowledge receipt of the Offering Circular of the United Church of Christ Cornerstone Fund, Inc. (Cornerstone Fund) and further represent that we are a church or other organization affiliated or associated with the United Church of Christ or the Cornerstone Fund or in any program, activity or organization which constitutes a part of the United Church of Christ or Cornerstone Fund, Inc. or in any other protestant church organizations which have a programmatic relationship with the United Church of Christ or the Cornerstone Fund, Inc.

Further, under penalties of perjury, we certify that the name, mailing address, and Federal Identification Number show on this form are true, correct, and complete.

EVERY PENNSYLVANIA PURCHASER OF THE SECURITIES DESCRIBED IN THIS APPLICATION
HAS THE RIGHT TO WITHDRAW FROM THE PURCHASE WITHIN TWO BUSINESS DAYS.
SEE PAGES iii AND iv OF THE OFFERING CIRCULAR FOR MORE INFORMATION AND INSTRUCTIONS.

MAKE ALL CHECKS PAYABLE TO UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC.
To con firm acceptance, the Cornerstone Fund, Inc. will mail to the Church or Organization at the address listed.

1300 East 9th Street, Suite 1605, Cleveland, Ohio 44114
888-822-3863 • www.cornerstonefund.org



APPLICANT INFORMATION PLEASE PRINT CLEARLY.

Name: _____

Street Address: _____

City/State/Zip: _____

Phone: _____ Email: _____

Date of Birth: ____ / ____ / ____ Social Security #: _____

Name of Elementary School: _____

Full Name of Your Oldest Cousin: _____

Name of Local Church: _____

INVESTMENT SELECTION PLEASE SELECT ONE.

Flexible Demand Note
Minimum \$50 investment

6-Month Term Note
Minimum \$500 investment

36-Month Term Note
Minimum \$500 investment

Flexible Demand Plus Note
Minimum \$100 monthly ACH deposit

12-Month Term Note
Minimum \$500 investment

60-Month Term Note
Minimum \$500 investment

24-Month Term Note
Minimum \$500 investment

TYPE PLEASE SELECT ONE.

Traditional

Roth **SEP**

INVESTMENT SOURCE PLEASE SELECT ONE.

New investment: \$ _____
Check enclosed. All checks payable to Goldstar Trust Company.

Reinvestment of Matured Note (#: _____)

ELECTRONIC DELIVERY AGREEMENT FOR OFFERING CIRCULAR PLEASE CHECK BOX.

In lieu of receiving a mailed copy of the United Church of Christ Cornerstone Fund, Inc. Offering Circular, I request the Cornerstone Fund to send to my household, via email, notification that the Offering Circular is available for review on the Cornerstone Fund's website. I understand that I may revoke this request at any time or change the delivery address by contacting the Cornerstone Fund.

FOR FLEXIBLE DEMAND PLUS NOTES, ONLY. PLEASE PRINT CLEARLY.

I authorize the United Church of Christ Cornerstone Fund, Inc. and the respective Bank to initiate a monthly withdrawal in the amount of \$ _____ (a required minimum \$100 per month) on the (CIRCLE ONE) 1st or 15th of each month. I also authorize the United Church of Christ Cornerstone Fund, Inc. and the respective Bank to initiate credit and/or necessary credit entries or adjustments for any debit/credit in error to my account listed below.

ACCOUNT TYPE PLEASE SELECT ONE.

Checking Account (*Attach voided check*)

Savings Account (*Attach deposit slip*)

ACCOUNT INFORMATION PLEASE PRINT CLEARLY.

Bank Name: _____

Routing #: _____ Account #: _____

SIGNATURES

By signing this application, I agree to the certification statements on page two of this application.

Signature of IRA Owner

Date

CERTIFICATIONS

I hereby acknowledge receipt of the Offering Circular of the United Church of Christ Cornerstone Fund, Inc. (Cornerstone Fund) and further represent that I am a member of, contributor to (including investor), or participant in the United Church of Christ or the Cornerstone Fund or in any program, activity or organization which constitutes a part of the United Church of Christ or Cornerstone Fund, Inc. or in any other protestant church organizations which have a programmatic relationship with the United Church of Christ or the Cornerstone Fund, Inc.

I direct GoldStar Trust Company to make this investment. I acknowledge I am solely responsible for evaluating and directing investments and for all tax consequences related to my IRA. GoldStar Trust has no responsibility to investigate, review or monitor investments and I am not relying on GoldStar Trust Company for tax, investment or legal advice.

EVERY PENNSYLVANIA PURCHASER OF THE SECURITIES DESCRIBED IN THIS APPLICATION
HAS THE RIGHT TO WITHDRAW FROM THE PURCHASE WITHIN TWO BUSINESS DAYS.
SEE PAGES iii AND iv OF THE OFFERING CIRCULAR FOR MORE INFORMATION AND
INSTRUCTIONS.

**MAKE ALL CHECKS PAYABLE TO GOLDSTAR TRUST COMPANY
AND WRITE THE YEAR OF THE CONTRIBUTION ON THE CHECK.**
The original Note will be held for the IRA by Goldstar Trust as Custodian.

1300 East 9th Street, Suite 1605, Cleveland, Ohio 44114
888-822-3863 • www.cornerstonefund.org

PLEASE NOTE:

You will need to complete an secondary IRA application (Part II) with Goldstar Trust Company, the IRA Custodian of your Cornerstone Fund investment. Goldstar Trust Company administers and manages Cornerstone Fund IRA investments.



APPLICANT INFORMATION PLEASE PRINT CLEARLY.

Name: _____

Street Address: _____

City/State/Zip: _____

Phone: _____ Email: _____

Date of Birth: ____ / ____ / ____ Social Security #: _____

Name of Elementary School: _____

Full Name of Your Oldest Cousin: _____

Name of Local Church: _____

INVESTMENT SELECTION PLEASE SELECT ONE.

Flexible Demand Note
Minimum \$50 investment

6-Month Term Note
Minimum \$500 investment

36-Month Term Note
Minimum \$500 investment

Flexible Demand Plus Note
Minimum \$100 monthly ACH deposit

12-Month Term Note
Minimum \$500 investment

60-Month Term Note
Minimum \$500 investment

24-Month Term Note
Minimum \$500 investment

INVESTMENT SOURCE PLEASE SELECT ONE.

New investment: \$ _____
Check enclosed. All checks payable to Goldstar Trust Company.

Reinvestment of Matured Note (#: _____)

ELECTRONIC DELIVERY AGREEMENT FOR OFFERING CIRCULAR PLEASE CHECK BOX.

In lieu of receiving a mailed copy of the United Church of Christ Cornerstone Fund, Inc. Offering Circular, I request the Cornerstone Fund to send to my household, via email, notification that the Offering Circular is available for review on the Cornerstone Fund's website. I understand that I may revoke this request at any time or change the delivery address by contacting the Cornerstone Fund.

FOR FLEXIBLE DEMAND PLUS NOTES, ONLY. PLEASE PRINT CLEARLY.

I authorize the United Church of Christ Cornerstone Fund, Inc. and the respective Bank to initiate a monthly withdrawal in the amount of \$ _____ (a required minimum \$100 per month) on the (CIRCLE ONE) 1st or 15th of each month. I also authorize the United Church of Christ Cornerstone Fund, Inc. and the respective Bank to initiate credit and/or necessary credit entries or adjustments for any debit/credit in error to my account listed below.

ACCOUNT TYPE PLEASE SELECT ONE.

Checking Account (*Attach voided check*)

Savings Account (*Attach deposit slip*)

ACCOUNT INFORMATION PLEASE PRINT CLEARLY.

Bank Name: _____

Routing #: _____ Account #: _____

SIGNATURES

By signing this application, I agree to the certification statements on page two of this application.

Signature of ESA Owner

Date

CERTIFICATIONS

I hereby acknowledge receipt of the Offering Circular of the United Church of Christ Cornerstone Fund, Inc. (Cornerstone Fund) and further represent that I am a member of, contributor to (including investor), or participant in the United Church of Christ or the Cornerstone Fund or in any program, activity or organization which constitutes a part of the United Church of Christ or Cornerstone Fund, Inc. or in any other protestant church organizations which have a programmatic relationship with the United Church of Christ or the Cornerstone Fund, Inc.

I direct GoldStar Trust Company to make this investment. I acknowledge I am solely responsible for evaluating and directing investments and for all tax consequences related to my ESA. GoldStar Trust has no responsibility to investigate, review or monitor investments and I am not relying on GoldStar Trust Company for tax, investment or legal advice.

EVERY PENNSYLVANIA PURCHASER OF THE SECURITIES DESCRIBED IN THIS APPLICATION
HAS THE RIGHT TO WITHDRAW FROM THE PURCHASE WITHIN TWO BUSINESS DAYS.
SEE PAGES iii AND iv OF THE OFFERING CIRCULAR FOR MORE INFORMATION AND
INSTRUCTIONS.

**MAKE ALL CHECKS PAYABLE TO GOLDSTAR TRUST COMPANY
AND WRITE THE YEAR OF THE CONTRIBUTION ON THE CHECK.**

The original Note will be held for the Coverdell ESA by Goldstar Trust as Custodian.

1300 East 9th Street, Suite 1605, Cleveland, Ohio 44114
888-822-3863 • www.cornerstonefund.org

PLEASE NOTE:

You will need to complete an secondary Coverdell ESA application (Part II) with Goldstar Trust Company, the ESA Custodian of your Cornerstone Fund investment. Goldstar Trust Company administers and manages Cornerstone Fund ESA investments.



MINOR APPLICANT INFORMATION PLEASE PRINT CLEARLY.

Name: _____

Street Address: _____

City/State/Zip: _____

Phone: _____ Email: _____

Date of Birth: ____ / ____ / ____ Social Security #: _____

CUSTODIAN APPLICANT INFORMATION PLEASE PRINT CLEARLY.

Name: _____

Street Address: _____

City/State/Zip: _____

Phone: _____ Email: _____

Date of Birth: ____ / ____ / ____ Social Security #: _____

Name of Elementary School: _____

Full Name of Your Oldest Cousin: _____

Name of Local Church: _____

Interest is reported to the IRS using the minor's Social Security number. As a Custodial Certificate for Minor, the initial and all subsequent investments are irrevocable and will be subject to the Uniform Gift to Minors Act or Uniform Transfer to Minors Act under the state designated in the minor's mailing address. Accounts will be titled in the names of [minor name/custodian name] CUGMA.

INVESTMENT SELECTION PLEASE SELECT ONE.

Flexible Demand Note
Minimum \$50 investment

6-Month Term Note
Minimum \$500 investment

36-Month Term Note
Minimum \$500 investment

Flexible Demand Plus Note
Minimum \$100 monthly ACH deposit

12-Month Term Note
Minimum \$500 investment

60-Month Term Note
Minimum \$500 investment

3-Month Term Note
Minimum \$500 investment

24-Month Term Note
Minimum \$500 investment

INVESTMENT AMOUNT:

\$ _____

INTEREST DISTRIBUTION METHOD PLEASE SELECT ONE.

Accrue/add to my investment
(semi-annually).

Pay directly by mailed check
(semi-annually).

SIGNATURES

By signing this application, I agree to the certification statements on page two of this application.

Custodian's Signature

Date



FOR FLEXIBLE DEMAND PLUS NOTES ONLY

PLEASE PRINT CLEARLY.

I authorize the United Church of Christ Cornerstone Fund, Inc. and the respective Bank to initiate a monthly withdrawal in the amount of \$ _____ (a required minimum \$50 per month) on the (CIRCLE ONE) 1st or 15th of each month. I also authorize the United Church of Christ Cornerstone Fund, Inc. and the respective Bank to initiate credit and/or necessary credit entries or adjustments for any debit/credit in error to my account listed below.

Custodian's Signature

Date

ACCOUNT TYPE PLEASE SELECT ONE.

Checking Account
Attach voided **check**

Savings Account
Attach deposit slip

ACCOUNT INFORMATION PLEASE PRINT CLEARLY.

Bank Name: _____

Routing #: _____ Account #: _____

ELECTRONIC DELIVERY AGREEMENT FOR OFFERING CIRCULAR

PLEASE CHECK BOX.

In lieu of receiving a mailed copy of the United Church of Christ Cornerstone Fund, Inc. Offering Circular, I request the Cornerstone Fund to send to my household, via email, notification that the Offering Circular is available for review on the Cornerstone Fund's website. I understand that I may revoke this request at any time or change the delivery address by contacting the Cornerstone Fund.

CERTIFICATIONS

I hereby acknowledge receipt of the Offering Circular of the United Church of Christ Cornerstone Fund, Inc. (Cornerstone Fund) and further represent that I/we are members of, contributors to (including investors), or participants in the United Church of Christ or the Cornerstone Fund or in any program, activity or organization which constitutes a part of the United Church of Christ or Cornerstone Fund, Inc. or in any other protestant church organizations which have a programmatic relationship with the United Church of Christ or the Cornerstone Fund, Inc.

Further, under penalties of perjury, I certify (1) that the number shown on the forms is my correct taxpayer identification number, and (2) that I am not subject to backup withholding because (a) I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (b) the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

EVERY PENNSYLVANIA PURCHASER OF THE SECURITIES DESCRIBED IN THIS APPLICATION
HAS THE RIGHT TO WITHDRAW FROM THE PURCHASE WITHIN TWO BUSINESS DAYS.
SEE PAGES iii AND iv OF THE OFFERING CIRCULAR FOR MORE INFORMATION AND INSTRUCTIONS.

MAKE ALL CHECKS PAYABLE TO UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC.

To confirm acceptance, the Cornerstone Fund, Inc. will mail to the person to whom interest on the Note is payable an executed copy of the Note purchased.

UCC Cornerstone Fund
1300 East 9th Street, Suite 1605
Cleveland, Ohio 44114

888-UCC-FUND (822-3863)
www.cornerstonefund.org

Exhibit C – Rate Sheet

Rates as of April 01, 2024

NOTE TYPE	RATE	YIELD
Demand Note <i>Requires a minimum investment of \$50.00</i>	0.875%	0.877%
Demand+ Note <i>Minimum \$100.00 monthly ACH deposit</i>	1.000%	1.002%

Term Investment Notes <i>Requires a minimum investment of \$500.00 unless otherwise noted.</i>			
TERM LENGTH	INVESTMENT AMOUNT	RATE	YIELD
3-Months	\$500 - \$24,999	1.000%	1.004%
	\$25,000 - \$99,999	1.500%	1.508%
	\$100,000 - \$999,999*	2.000%	2.010%
6-Months	\$500 - \$24,999	2.125%	2.136%
	\$25,000 - \$99,999	2.225%	2.237%
	\$100,000 - \$999,999*	3.500%	3.531%
7-Months	\$10,000+	5.000%	5.062%
12-Months	\$500 - \$24,999	3.625%	3.657%
	\$25,000 - \$99,999	3.750%	3.785%
	\$100,000 - \$999,999*	4.250%	4.295%
24-Months	\$500 - \$24,999	4.025%	4.065%
	\$25,000 - \$99,999	4.150%	4.193%
	\$100,000 - \$999,999*	4.500%	4.551%
36-Months Creation Care	\$500+	3.000%	3.042%
36-Months	\$500 - \$24,999	4.275%	4.320%
	\$25,000 - \$99,999	4.525%	4.567%
	\$100,000 - \$999,999*	4.755%	4.811%
60-Months	\$500 - \$24,999	3.750%	3.785%
	\$25,000 - \$99,999	3.975%	4.014%
	\$100,000 - \$999,999*	4.500%	4.551%
	LGBTQIA+ Giving Bonus (\$2,500+)	4.625%	4.678%
	Racial Equity Giving Bonus (\$2,500+)	4.625%	4.678%
	Church Giving Bonus (\$10,000+)	4.750%	4.806%
	Mission Giving Bonus (\$25,000+)	4.975%	5.036%

* Call 888-822-3863 for Rates on Investments over \$1,000,000.00

Participate in the Giving Bonus Program

Earn a bonus rate with the Giving Bonus! Invest the minimum for the Racial Equity, Church, or Mission Giving Bonus 60-month term investment, and designate a “give back” gift of at least 10% to any UCC ministry or organization, and enjoy the bonus on the balance of your investment for the entire term! Plus, your 10% gift is made in your name, so you enjoy any tax deduction for which you are eligible.

CURRENT SPECIAL:
7 Month Notes – 5.00%*
*\$10,000 minimum

Participate in the Creation Care Program

Invest in a 36-month term note at 3.000% interest that will support 36-month adjustable-rate loans at 5.000% interest. Contact the Cornerstone Fund at info@cornerstonefund.org for additional information on these special term notes and the loans.

CURRENT FEATURE:
36 Month Notes
please call 888-822-3863

This is not an offer to sell you our securities and we are not soliciting you to buy our securities. The offering is made solely by the Offering Circular. The purchase of our securities is subject to risks, which are described in our Offering Circular. We will offer and sell our securities only in states where authorized. Not FDIC or SIPC insured. Not a bank deposit. Not guaranteed by the United Church of Christ. Past performance is no guarantee of future results.