

**20 ANNUAL
22 REPORT**

IC XC NIKA





IC XC NIKA

The Battle of The Milvian Bridge



August 2022

Dear Friends,

During the first 300+ years of the early church, Christians were often beaten and killed for their belief in Christ. Just north of Rome, on the river Tiber, there was a bridge that changed everything.

The Battle of the Milvian Bridge was between Maxentius, a paganist Roman Emperor, and Constantine, a Roman Emperor who was sympathetic to Christianity. Prior to the battle on October 28, A.D. 312, Constantine and his army saw a great cross in the sky and the Greek letters IC XC NIKA ("Jesus Christ Conquers"). On the day of the battle, Constantine and his men put the Greek letters on all their shields. Shortly thereafter, Maxentius and his men were quickly crushed by Constantine's army.

After the battle, Constantine used his new power, as the sole Emperor of the Roman Empire, to restore stability and security to the Roman world. More importantly, he stopped the persecution of Christians, built churches for worship, designated Christianity as the main religion of Rome, and devoted himself to God. What a great example of how Jesus Christ conquers.

At the Baptist Church Loan Corporation (BCLC), we are blessed to be able to serve His churches on a daily basis. Despite many heartbreaks, we have seen how Jesus Christ conquers in the battles of His church. Some of these battles are in the hearts of our pastors, the stability of the church congregation, and the lack of growth. Our sole purpose is to provide wisdom, knowledge, and encouragement to His churches. In the end, all that matters is IC XC NIKA.

Thank you to the many men and women who have volunteered their time and skills to serve on the BCLC Board of Directors.

To God Be The Glory,

Gerald R. James, Jr.
President / CEO



Our Mission.

BCLC exists to assist churches in their efforts to spread the gospel by providing affordable real estate related loans.

In fulfilling this mission, our priorities are to:

- Focus on the long term spiritual and financial health of each church we consult.
- Provide our churches with straightforward terms, rate options, and underwriting guidelines.
- Serve as many churches as feasible, regardless of their size, longevity, or ethnicity.

Our Leadership.

Board of Directors

Russell Shelton

*BCLC, Chairman of the Board
Orlando, Florida*

Bryan Rogers

*BCLC, Vice Chairman
Richardson, Texas*

Michael Mason

Dallas, Texas

Ryan Gibson

Abilene, Texas

Jamye Cappadonna

San Antonio, Texas

Lynne Meers

Dallas, Texas

Philip Price

Dallas, Texas

Barbara Jane Kaplan

Dallas, Texas

Ralph Ramsey

Denton, Texas

Glenn Gaines

Plano, Texas

Kelly McBrayer

Richardson, Texas

Jan Cason

Waco, Texas

Corporate Officers

Gerald James, Jr.

President/CEO

Landon Yeager

Senior Vice President/CFO

Bob Gage

Senior Vice President

Brand New Construction

Make Christ the bedrock of your new construction.



Jesus Christ Conquers.

Conquering with Christ

Throughout history and Scripture, we see that our God conquers. Christ came ultimately to conquer sin and death, but He also came to conquer the daily battles and challenges in our lives and churches.

For Constantine, that meant an overwhelming victory at the Milvian Bridge after he marked his army's shields with a cross. For us today, victory might look like securing the funds for

No, in all these things we are more than conquerors through him who loved us.

Romans 8:37

needed construction or remodeling, refinancing a high interest loan that's stifling your church, or successfully navigating a new property purchase.

These are all opportunities the Baptist Church Loan Corporation (BCLC) comes alongside you with our mission-driven ministry of support to help you conquer.

Envision Victory with BCLC

As ministry-focused church financing, we put 100% of our net profits toward helping churches all around the nation spread the Gospel. And we provide generous terms, personal relationships, and a wealth of financial expertise. That way, your next renovation, roof replacement, or any other project can be a victory both for your church and Christ's Church as a whole.

Think of it this way - working with BCLC is how you mark your church's financial shields with the cross, and we will conquer together, despite any obstacles, as surely as Constantine did.

In the last few years, we've seen Christ conquering in amazing ways through the churches we work with. Read on for real-life examples of how Christ is conquering with His churches today, and how BCLC provided a vision for victory in Christ.

Remodeling Projects

Build your remodeling project around Christ.



New Life at the Cross Church

Robstown, Texas

Senior Pastor Raul Elizondo

“This church will be a memorial of God’s love, power and greatness to present and future generations. It’s a reminder that if God can provide for us as a church, he can provide for our personal needs as well.”

When Pastor Raul expanded the name of his church to New Life at the Cross, he wanted to remind people of the very thing Constantine learned at the Milvian Bridge: there is victory in the cross.

“Jesus conquered death on the cross so we could be forgiven, and God wants us to experience that victory in our daily lives. We don’t have to wait until heaven. We can be victorious here. Our churches don’t experience victory enough because we’ve stopped believing in the great things God can do right now,” said Pastor Raul.

That’s exactly the message their Robstown community needed to hear in March 2020. They had sold their old church on the same day COVID was declared a pandemic. They had big plans to build a new one, but lockdowns, materials shortages, and price hikes turned their joy to tears. Somehow, in the midst of that cross, they would find new life.

“We believed with all our heart God wanted us to go forward. Because then everyone would know, if we can pick the hardest times to do the best things, we can do anything. I’m hoping what God is doing here will encourage every church that times might be tough, but our God is stronger.”

Just what is God doing? A 14,000 square-foot, multi-purpose worship facility with a sanctuary that will seat 600. The new church will have a large stage, high ceilings, state-of-the-art sound system, and professionally designed interior.

Their current services are divided between several portable buildings. The new church will allow them to come together and worship as one church body for the first time in over two years, with enough space for newcomers. That’s why the project means so much to them and why Pastor Raul is so grateful to BCLC.

“BCLC has been with us since day one when we bought our first church. I’ve never shopped around because I trust them to give us the best rate and do whatever they can to help us. This is a calling for them. Not a business opportunity, but a ministry opportunity,” said Pastor Raul.

The grand opening is scheduled for their 25th anniversary in November.

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Two Cities Church

Winston-Salem, North Carolina
Executive Pastor David Vogel



“When God’s involved, anything is possible.”

The story of Two Cities Church is one of stepping out in faith where God is leading and watching Him provide for His Church in incredible ways. Thirty people from The Summit Church in Durham, NC, uprooted their lives in 2016 to start a new church in Winston-Salem.

They found a growing city with college students, young families and diverse people hungry for the Word of God. After growing to 100 people on the launch team in one summer, they knew God wanted to do something amazing in Winston-Salem.

Their congregation doubled; then it doubled again. Two Cities secured a larger, permanent location in 2018. But with over 500 weekly worship attendees at the time, they were already praying for more space to make disciples and do it in an environment of worship and prayer.

“It felt like a true partnership with BCLC because our goals were their goals. They’re all invested in the Kingdom of God and really love the Lord. We love that they put Christ first in the financial world and give churches as many advantages as possible that they won’t get anywhere else.”

By the end of 2020, weekly attendance had swelled to over 1,300. Two Cities had helped plant several churches, baptized hundreds, and engaged the community in volunteer efforts. Even amid the difficulties of a pandemic, God was conquering through Two Cities and reaching the lost with the good news of the Gospel.

Then the Lord provided again – a vacant 9.3-acre property came on the market in what is becoming Winston-Salem’s cultural epicenter. BCLC happened to reach out around this time hoping to help Two Cities keep growing.

“It felt like a true partnership with BCLC because our goals were their goals,” said Pastor Vogel. “They’re all invested in the Kingdom of God and really love the Lord. We love that they put Christ first in the financial world and give churches as many advantages as possible that they won’t get anywhere else.”

Two Cities’ new 50,000 square-foot worship facility will triple their current seating capacity and double the size of their kids’ space. It will be a home and a hub for deeper discipleship and wider mission as they send people out locally, nationally and globally. And it will permanently establish the Gospel in the fabric of the city right where people live, learn, work and play.

Two Cities now engages about 1,700 people in person a weekend with several hundred more online. Pastor Vogel continued, “God leads His Church by His Spirit and through His Word. He will make a way for His Church. None of this would have happened apart from the grace of God. It’s been grace upon grace upon grace.”



“We were considering two other loan offers when we heard about BCLC at the last minute. Not only was their product financially favorable, but they structured it to grow as we grow and leave us with enough resources to do effective ministry. We couldn’t be more pleased.”

Center Church

Charlottesville, Virginia
Lead Pastor Josh Miller

Going All In

After six months of building relationships, praying, and serving the people of Charlottesville, VA, Pastor Josh Miller and 50 others who had upended their lives for the Gospel were ready for their first weekend service. They had sold their houses in Raleigh, NC, found new jobs, and placed their kids in new schools – all to plant the seeds of evangelism in a city where 91% of residents had no meaningful connection to a church.

They promoted their launch service far and wide. All their sacrifice and hard work was coming to fruition. And then it snowed, and didn’t stop snowing. They had to cancel their launch before it could get off the ground. Rather than give into frustration, Pastor Miller made a simple prayer of faith, trusting God had something better in store. And He did.

Center Church welcomed over 200 people the very next weekend and celebrated their first baptisms within a few months. During the pandemic, the people once again put the fight in God’s hands and persevered in faith. When Center Church resumed in-person services, they experienced exponential growth and quickly ran out of space.

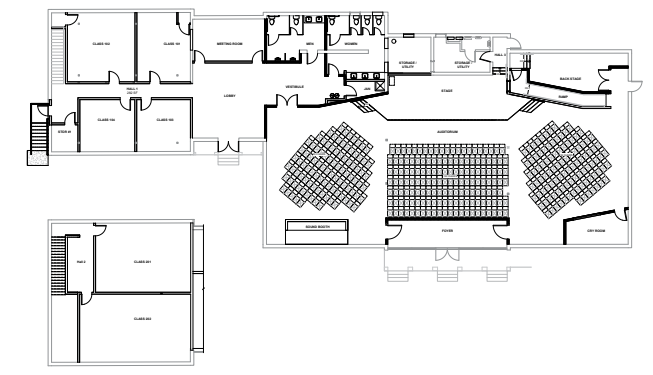
God’s Timing is Always Right

After months of searching, Pastor Miller found a promising property he was excited about, only to have it fall through at the last minute. In that moment of loss, he once again trusted in God’s better plan and prayed that they would find a home by their third anniversary.

That’s exactly what happened when an ideal building came on the market a few months later. With a seating capacity of 350, it’s located on the Highway 29 growth corridor just 3 miles from the University of Virginia.

“We were considering two other loan offers when we heard about BCLC at the last minute. Not only was their product financially favorable, but they structured it to grow as we grow and leave us with enough resources to do effective ministry. We couldn’t be more pleased,” said Pastor Miller. “Then through the generosity of our people, we more than doubled our fundraising goal.”

In Center Church’s young life, Jesus has already conquered in amazing ways. And this is just the beginning of the impact they will have in Charlottesville for generations. We’re honored to be a part of it. They’re on schedule to move into their renovated church this fall.



Property Purchases

Include Christ in your property search.

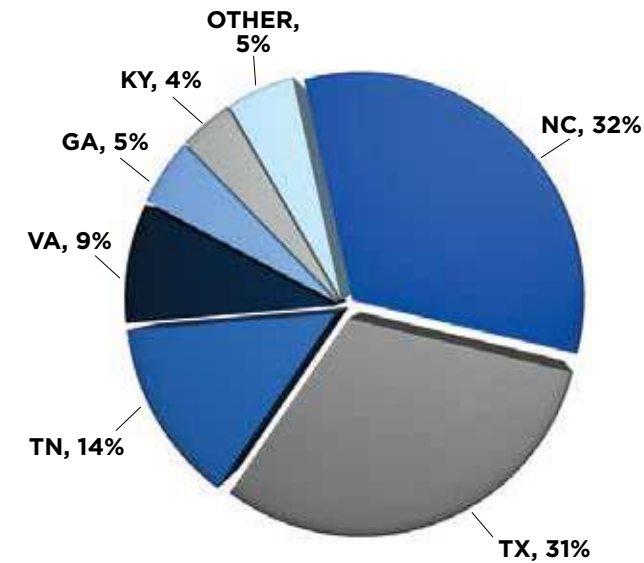


2022 Financial Highlights

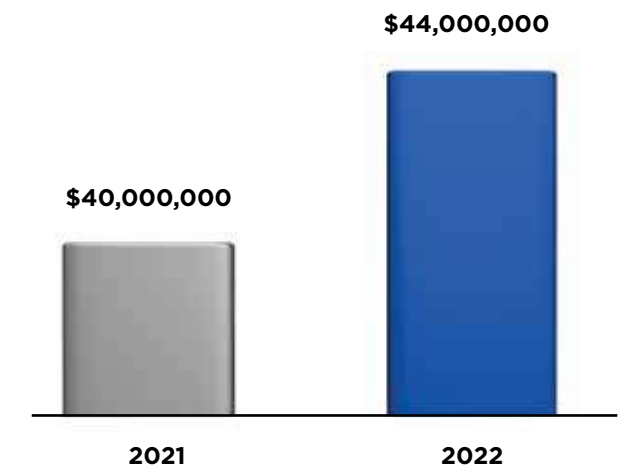
Church Loan Ministry

During fiscal year 2022, BCLC approved over \$44 million in loans to churches throughout the following states:

APPROVED LOANS FY 2022



LOANS APPROVED

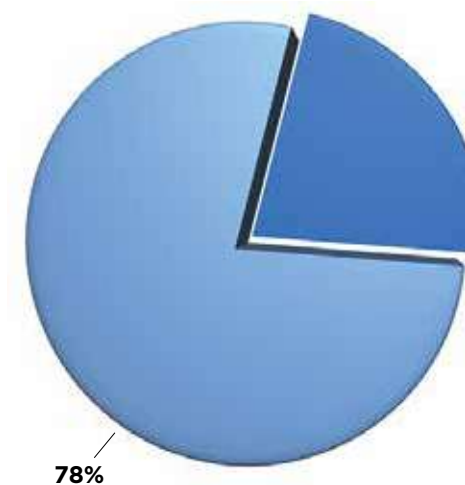


Capital Adequacy

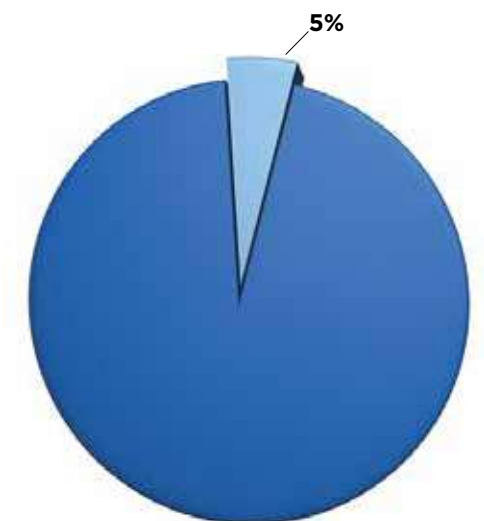
(Net Assets as a percent of Total Assets)

BCLC has 70 years of accumulated capital, totaling \$117.8 million. Our ministry is positioned to manage market uncertainty and deliver the overall lowest cost of borrowing to churches.

BCLC



INDUSTRY STANDARD*



*Financial Data based on BCLC 6/30/2022 Audited Financial Statements and The North American Securities Administrators Association, Inc. Statement of Policy Adopted April 17, 1994; Amended April 18, 2004.

Management's Discussion of Financial Activities

Fiscal Year Ended June 30, 2022 As Compared To Fiscal Year Ended June 30, 2021

During fiscal year ended June 30, 2022, interest revenues decreased approximately 13%, or \$889,179 over fiscal year ended June 30, 2021. Church mortgage loans decreased approximately 8% for the same period. The weighted average return on church mortgage loans outstanding increased slightly at fiscal year ended 2022 to 4.15%, compared to 4.13% at fiscal year ended 2021.

As a result of excess principal reduction on church mortgage loans, BCLC reduced its bank debt by \$11,196,472 over fiscal year 2022. The decrease in borrowed funds resulted in a decrease in interest expense of approximately 33%, or \$640,116. Total outstanding bank debt was \$33,426,746 for fiscal year ended 2022, compared to \$44,623,218 at June 30, 2021.

Lower outstanding loan volume and a decrease in market interest rates contributed to a lower yield on earning assets, 3.90% for fiscal year 2022, compared to 4.08% for fiscal year 2021. Lower outstanding bank debt contributed to a lower cost of funding earning assets, 0.89% for fiscal 2022 compared to 1.19% for fiscal 2021. The decrease in cost of funding earning assets contributed to an improved net interest margin for fiscal year 2022, 3.02%, compared to 2.89% for fiscal year 2021.

BCLC originated 26 church mortgage loans, in the amount of \$41,004,749 during fiscal year ended 2022, compared to 29 church mortgage loans, in the amount of \$21,390,406 during fiscal year ended 2021. The average dollar amount of each new church mortgage loan originated and closed during fiscal year ended 2022 increased from \$737,600 per loan to \$1,577,106. BCLC had 0.14% past due loans for fiscal year ended June 30, 2022 and 0.28% for fiscal year ended June 30, 2021.

At fiscal year ended June 30, 2022, net earnings increased \$460,299 to \$3,107,197 compared to \$2,646,898 at fiscal year ended June 30, 2021. Due to the continued stability of the loan portfolio and decrease in outstanding loan volume, BCLC reduced its allowance for loan losses from \$4,167,872 to \$3,167,872 during fiscal year ended 2022. The change in allowance for loan losses, along with the decrease in interest expense of \$640,116, were the primary factors that led to BCLC's increase in net earnings for fiscal year ended June 30, 2022. Operating expenses increased \$326,837 to \$2,421,770 during fiscal year 2022, compared to \$2,094,933 during fiscal year 2021. The primary reasons for the increase in operating expenses during fiscal year 2022 were ministry development expenses returning to pre-pandemic levels and an increase in facilities expenses.

Fiscal Year Ended June 30, 2021 As Compared To Fiscal Year Ended June 30, 2020

During fiscal year ended June 30, 2021, interest revenues decreased 16.27%, or \$1,301,073 over fiscal year ended June 30, 2020. Church mortgage loans decreased approximately 14% for the same period. The weighted average return on church mortgage loans outstanding decreased at fiscal year ended 2021 to 4.13%, compared to 4.38% at fiscal year ended 2020.

As a result of excess principal reduction on church mortgage loans, BCLC reduced its bank debt by \$18,690,433 over fiscal year 2021. The decrease in borrowed funds resulted in a decrease in interest expense of 28.66%, or \$786,543. Total outstanding bank debt was \$44,623,218 for fiscal year ended 2021, compared to \$63,313,651 at June 30, 2020.

Lower outstanding loan volume and a decrease in market interest rates contributed to a lower yield on earning assets, 4.08% for fiscal year 2021, compared to 4.58% for fiscal year 2020. Lower outstanding bank debt contributed to a lower cost of funding earning assets, 1.19% for fiscal 2021, compared to 1.58% for fiscal 2020. The decrease in yield on earning assets exceeded the decrease in the cost of funding earning assets, resulting in a slightly lower net interest margin for the fiscal year 2021, 2.89%, compared to 3.01% for fiscal year 2020.

BCLC originated 29 church mortgage loans, in the amount of \$21,390,406 during fiscal year ended 2021, compared to 33 church mortgage loans, in the amount of \$20,373,918 during fiscal year ended 2020. The average dollar amount of each new church mortgage loan originated and closed during fiscal year ended 2021 increased from \$617,391 per loan to \$737,600. BCLC had 0.28% past due loans for fiscal year ended June 30, 2021, and 0.29% for fiscal year ended June 30, 2020.

At fiscal year ended June 30, 2021, net earnings increased \$48,074 to \$2,646,898, compared to \$2,598,824 at fiscal year ended June 30, 2020. Due to stability of the loan portfolio, BCLC did not make provisions for loan losses during fiscal year ended 2021. The lack of provision for loan losses, along with the decrease in interest expense of \$786,692, were the primary factors that led to BCLC's increase in net earnings for fiscal year ended June 30, 2021. Operating expenses remained relatively flat for fiscal year ended June 30, 2021, decreasing approximately \$74,000 to \$2,094,933.

Loan Refinancing

Center your refinance on the cross.



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