OFFERING CIRCULAR

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Church Extension Plan

PARTNERS *in* MINISTRY®

$250,000,000
VISION UNSECURED PROMISSORY NOTES

Church Extension Plan ("**CEP**") is hereby offering a total of $250,000,000 of unsecured debt securities known as Vision Unsecured Promissory Notes ("**Notes**"), which are available to members of, contributors to, investors in, or participants in the Assemblies of God, CEP, or any program, activity or organization which constitutes a part of the Assemblies of God, CEP, or other religious organizations that have a programmatic relationship with the Assemblies of God or CEP.

NOTES – CEP's Notes include both Fixed Rate Notes, which generally have terms from 90-days to five years and are subject to early redemption penalties, and Variable Rate Notes, which may be redeemed by investors at any time, without penalty, upon 30-day advance written notice. Unless redeemed at maturity, and subject to limitations in certain states (see "State Specific Information" beginning on page ii), Fixed Rate Notes automatically renew at maturity for another term of the same duration. Each investor will be notified of the maturity and proposed renewal at least 30 days prior to maturity. Fixed Rate Notes may be subject to a redemption penalty if allowed to be redeemed prior to maturity. The minimum investment in a Note is generally $250. Some Notes offered by CEP may have different rates or be subject to other terms depending on the type of investor and the amount invested. See "Vision Unsecured Promissory Notes" beginning on page 10 for more information.

INTEREST RATES – Fixed Rate Notes earn interest at a fixed rate for a specified term set at the time of issuance, and upon each renewal at maturity. Variable Rate Notes earn interest at a variable rate that is determined by CEP periodically. Investors may elect for interest to compound or to be paid monthly, quarterly, semi-annually, or annually. Direct deposit of interest payments is required. Interest rates are subject to change from time to time. The current interest rates are set forth on CEP's interest rate chart ("**Rate Chart**"), which is available on CEP's website (www.cepnet.com) or by calling the above telephone number, and is incorporated into this Offering Circular by reference. Investors should call CEP or visit the CEP website for a current Rate Chart before investing.

OFFERING EXPENSES AND USE OF PROCEEDS – CEP offers and sells the Notes through its employees. It does not use underwriters or outside selling agents to sell the Notes and will not pay commissions or underwriting expenses in connection with this offering. After paying offering expenses, which are expected to be less than 1% of the total offering amount, CEP will receive 100% of the proceeds from the sale of the Notes. The proceeds will be used primarily to make loans to Assemblies of God churches and organizations and to pay CEP's operational and financing expenses, including interest and principal on the Notes and CEP's other debt obligations. To the extent the proceeds are not immediately needed for these purposes, CEP may also use the proceeds to make investments.

This Offering Circular contains important information about CEP and the Notes. Investors are advised to read this Offering Circular carefully prior to making an investment decision. **The Notes are unsecured debt securities subject to the terms, conditions, eligibility criteria, and risks described in this Offering Circular. See "Risk Factors" beginning on page 2.**

This Offering Circular is dated June 1, 2025

CEP MAY AMEND OR SUPPLEMENT THIS OFFERING CIRCULAR FROM TIME TO TIME. ALL REFERENCES TO THE NOTES SHALL BE DEEMED TO REFER TO THE NOTES AS DESCRIBED IN SUCH AMENDED OR SUPPLEMENTED OFFERING CIRCULAR. REFERENCES TO "THIS OFFERING" OR THIS "OFFERING PERIOD" ARE TO THE PERIODS OF TIME AUTHORIZED BY REGISTRATION OR EXEMPTION IN THE VARIOUS STATES WHERE CEP OFFERS THE NOTES, WHICH ARE TYPICALLY 12 MONTHS FROM THE DATE OF EFFECTIVENESS OF SUCH REGISTRATION OR EXEMPTION IN THE APPLICABLE STATE.

THESE SECURITIES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK. THESE SECURITIES ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ("FDIC"), THE SECURITIES INVESTOR PROTECTION CORPORATION ("SIPC"), ANY STATE BANK INSURANCE FUND, OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IS DEPENDENT UPON CEP'S FINANCIAL CONDITION. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW CEP'S AUDITED FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST.

THESE SECURITIES ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY THE ASSEMBLIES OF GOD, OR BY ANY CHURCH, CONFERENCE, INSTITUTION OR AGENCY AFFILIATED WITH THE ASSEMBLIES OF GOD.

THESE SECURITIES ARE NOT REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC"). THESE SECURITIES ARE ISSUED UNDER A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 3(A)(4) OF THE SECURITIES ACT OF 1933, AS AMENDED. 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 SUCH FILING FOR REGISTRATION OR EXEMPTION.

NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS APPROVED, ENDORSED, OR DISAPPROVED THESE SECURITIES, PASSED UPON THE ADEQUACY, ACCURACY, TRUTHFULNESS, OR COMPLETENESS OF THIS OFFERING CIRCULAR, OR PASSED UPON THE MERIT OR VALUE OF THESE SECURITIES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF SECURITIES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR, INCLUDING THE TERMS OF THE OFFERING AND THE MERITS AND RISKS INVOLVED.

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

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

STATE SPECIFIC INFORMATION

The information in this section applies to offers and sales of Notes to the extent offered and sold in the following states during this offering period. These states give investors certain legal rights with regard to investments, require CEP to disclose certain information to investors, or limit the features of the Notes it can offer in the state. If the Notes are not offered or sold in one or more of these states at any time during this offering period, this information will not apply to investors in those states during that time.

ALABAMA

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

CEP will provide California investors with at least 30 days prior written notice of the maturity date of maturing Notes, accompanied by a current Rate Chart and Offering Circular (if different than this Offering Circular). Automatic renewal upon maturity of a Note is not available to California investors. Notes purchased in California will be redeemed at maturity unless the investor notifies CEP prior to maturity that the investor elects to reinvest the proceeds. Notes purchased in California are subject to the following restrictions on transfer imposed under California law: 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 FINANCIAL PROTECTION AND INNOVATION OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES.

By order of the Commissioner of the Department of Financial Protection and Innovation issued in connection with the qualification of the Issuer to offer, issue, and sell the securities in California pursuant to this prospectus, the exemption from Corporations Code section 25130 provided by Corporations Code section 25104(h) is withheld with respect to any resale or transfer of the securities and all outstanding securities of the same class.

Investors must have either (i) a minimum net worth of at least $70,000 and had a minimum gross income of $70,000 during the last tax year and will have (based on a good faith estimate) a minimum gross income of $70,000 during the current tax year, or in the alternative (ii) a minimum net worth of $250,000. In either case, the investment shall not exceed 10 percent of the net worth of the investor. A "small investor" who, including this offering has not purchased more than $2,500 worth of CEP's securities in the past 12 months may also purchase the Notes (up to a maximum of $2,500). Net worth shall be determined exclusive of homes, home furnishings and automobiles.

FLORIDA

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

KENTUCKY

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. CEP's audited financial statements shall be mailed (or otherwise delivered) to Kentucky investors within 120 days of its fiscal year end.

LOUISIANA

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 UNDER SECTION 51-705(B) OF THE LOUISIANA REVISED STATUTES. THE SECURITIES COMMISSIONER, BY ACCEPTING REGISTRATION, DOES NOT IN ANY WAY ENDORSE OR RECOMMEND THE PURCHASE OF THESE SECURITIES.

MICHIGAN

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER MCL 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

THE MISSOURI SECURITIES DIVISION HAS NOT IN ANY WAY PASSED UPON THE MERITS OR QUALIFICATIONS OF THE SECURITIES HEREBY OFFERED, OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE MISSOURI SECURITIES ACT UNDER THE EXEMPTION PROVIDED BY SECTION 409.2-201(7)(B) OF THE REVISED STATUTES OF MISSOURI. NO APPROVAL HAS BEEN GIVEN TO THE ISSUER, THESE SECURITIES, OR THE OFFER OR SALE THEREOF IN CONNECTION TO ANY MISSOURI RESIDENTS.

OREGON

CEP will provide Oregon investors with at least 30 days prior written notice of the maturity date of maturing Notes, accompanied by a current Rate Chart and Offering Circular (if different than this Offering Circular). Automatic renewal of a Note upon maturity is available to Oregon investors only under limited circumstances. Oregon investors may elect to not renew a Note by providing CEP with written notice prior to the Note's maturity date. If CEP receives that notice, it will pay the investor the funds due on the Note upon its maturity. If CEP does not receive that notice, the Note will be automatically renewed for the same term as the original Note or for a term of six (6) months, whichever is shorter. The interest rate in effect at the time of renewal may be higher or lower than the maturing Note's previous interest rate.

SOUTH CAROLINA

South Carolina investors who purchase a Note in this offering pursuant to this offering circular may declare an "event of default" on such Note if one of the following occurs: (1) CEP does not pay overdue principal and interest on your Note within 60 days after CEP receives written notice from you that CEP failed to make the payment when due; or (2) a South Carolina investor who owns a Note of the same type, term, and issuance date as your Note (the "same issue") has rightfully declared an event of default as to their Note.

To declare an event of default, you must submit a written declaration to CEP, including identifying your Note and submitting proof that you are a South Carolina purchaser of such Note. Upon a rightful declaration of an event of default on your Note: (1) you have the right upon written request to receive the name and address of the record holder of each Note of the same issue as your Note; and (2) if you individually or together with other South Carolina investors own 25% or more of the total principal amount of such issue outstanding, then you and such South Carolina investors have the right to declare such entire issue in South Carolina due and payable. The foregoing is a binding obligation of CEP enforceable by each South Carolina investor.

SOUTH DAKOTA

These securities are offered pursuant to a claim of exemption from registration under SDCL 47-31b-201(7)(b) of the South Dakota Securities Act. Neither the South Dakota Division of Insurance 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

CEP's audited financial statements shall be mailed to Tennessee investors as soon as reasonably practicable after they are available.

VIRGINIA

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.

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SUMMARY OF OFFERING

This summary is provided for the convenience of investors and should be read in conjunction with the more complete statements made in this Offering Circular, including the audited financial statements included at the end of this Offering Circular beginning on page 18.

Church Extension Plan: CEP is an Oregon 501(c)(3) non-profit corporation, organized and operated by member districts of the Assemblies of God, for the purpose of assisting Assemblies of God churches and organizations throughout the United States with church expansion activities. CEP's primary activity is making loans to Assemblies of God churches and affiliated organizations for the purchase, refinance, construction and renovation of physical facilities.

Vision Unsecured Promissory Notes: CEP is offering Notes in the principal amount of up to $250,000,000 pursuant to this Offering Circular. CEP offers both Fixed Rate Notes and Variable Rate Notes. Fixed Rate Notes have terms ranging from 90-days to five (5) years and automatically renew at maturity for another term of the same duration unless redeemed at maturity (subject to limitations in certain states, see "State Specific Information" beginning on page ii). Variable Rate Notes may be redeemed by the investor at any time, without penalty, upon 30-day advance written notice. All Notes are subject to the following terms:

– Minimum Investment – $250 minimum investment, except that a minimum investment of $100 may be permitted if the investor establishes a recurring monthly addition of at least $10 via electronic funds transfer at the time of issuance that continues until the Note balance reaches $250.

– Interest Rates – Interest rates are subject to change from time to time. The current interest rates are set forth on CEP's Rate Chart, which is available on CEP's website (www.cepnet.com) or by calling CEP at (800) 821-1112. Investors should obtain a current Rate Chart before investing in a Note.

– Redemption – Fixed Rate Notes are intended to be held to maturity. Investors may request early redemption prior to maturity, subject to an early redemption penalty. Variable Rate Notes may be redeemed at any time, without penalty. In both instances, a 30-day written request is required. CEP may redeem any Note, at any time, upon notice to the investor and payment of principal and accrued but unpaid interest.

CEP also allows investments in the Notes through Individual Retirement Accounts (IRA) or by participants in the 403(b) plan for CEP employees and Assemblies of God pastors and ministry staff, which are subject to different terms and requirements. See "Vision Unsecured Promissory Notes – Types of Notes" beginning on page 10 for more information.

Limited Class of Investors: Only persons who were, prior to the receipt of this Offering Circular, members of, contributors to, investors in, or participants in the Assemblies of God, CEP, or any program, activity, or organization which is affiliated with the Assemblies of God or CEP, or other religious organizations that affiliate with or have a programmatic relationship with the Assemblies of God or CEP, may invest in the Notes.

Use of Proceeds: The proceeds from the sale of the Notes will be added to CEP's general fund, which is used primarily to make loans to Assemblies of God churches and organizations and to pay CEP's operational expenses, including (i) the expenses of this offering, (ii) interest and principal on the Notes, and (iii) CEP's other debt obligations. To the extent the proceeds are not immediately needed for these purposes, CEP may also use the proceeds to make investments.

Risk Factors: Investors should carefully read the Risk Factors, beginning on page 2, prior to making an investment decision. The risks described in the Risk Factors section of this Offering Circular are not the only risks that CEP may face. Additional risks and uncertainties not currently known, or that are currently expected to be immaterial, may become material and adversely affect CEP's financial condition. Past financial performance may not be a reliable indicator of future performance.

Date of Information: Unless another time is specified, the information in this Offering Circular is current as of June 1, 2025. You should not assume that the information in this Offering Circular is accurate as of any later date.

Right to Change Policies: This Offering Circular describes CEP's policies, such as its loan policies and its cash reserve investing strategy. These descriptions are intended to help you understand CEP's current operations. CEP reserves the right to change its policies and procedures in the future.

Forward-Looking Statements: This Offering Circular may contain forward-looking statements about future events or occurrences. These forward-looking statements are identifiable by words or phrases indicating that particular events "may" or "will" occur or that CEP "expects," "anticipates," "projects," or "intends" or other words of similar import 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 above Risk Factors and the other information contained in this Offering Circular that could cause actual results to differ materially from the stated expectations. CEP undertakes no obligation to update or revise any forward-looking statements to reflect developments or information obtained after the date of this Offering Circular.

RISK FACTORS

Investment in the Notes involves a number of risks. Investors are encouraged to review and carefully consider the following risk factors, and the other information contained in this Offering Circular prior to investment.

NOTE AND OFFERING RISKS

The Notes are unsecured general obligations of CEP. CEP has not pledged any assets as collateral to secure repayment of the Notes. Repayment of principal and interest is dependent solely upon the financial condition and operations of CEP at the time payment is due. Any negative changes or trends in the financial condition of CEP may adversely affect its ability to make payments of principal and interest on the Notes when due.

No sinking fund or trust indenture has been or will be established to ensure or secure the repayment of Notes. CEP does not set aside funds specifically for payment of principal and interest on the Notes and offering proceeds are not segregated from other assets of CEP. CEP's ability to pay principal and interest on the Notes is dependent on CEP's financial condition and liquidity at the time the Notes are due. CEP has not and does not plan to establish a trust indenture, so investors in the Notes do not have the protections afforded by trust indentures.

The Notes are not FDIC insured, protected by SIPC, or bank instruments. CEP is not a bank, and its Notes are not bank deposits. The Notes are not insured or protected by any governmental agency, including the FDIC or SIPC. The Notes are not afforded the protections available to bank deposits and brokerage accounts. Repayment of principal and interest is dependent solely upon the financial condition and operations of CEP at the time payment is due.

The Notes may be subordinated to senior secured indebtedness. Investors in the Notes will be subordinate to CEP's secured creditors and will generally not have any priority over any other of CEP's unsecured creditors, including holders of Partners Plus Church Certificates issued pursuant to an unrelated offering that was discontinued in 2021 (see Note 11 to the audited financial statements for more information on these Partners Plus Church Certificates). CEP maintains a secured $12 million line of credit with Umpqua Bank. No amounts were drawn on the line as of December 31, 2024, 2023, or 2022. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding, CEP's secured creditors will have priority over investors in Notes and will be entitled to recover from the collateral securing such indebtedness prior to any payment being made to investors in Notes. CEP's assets may be insufficient to fully satisfy CEP's obligations to repay the Notes, so the relative risk level is higher for the Notes than for CEP's secured indebtedness. It is CEP's policy to limit senior secured indebtedness to no more than 10% of tangible assets.

Investors may not transfer Notes. The Notes are non-transferable without CEP's prior written approval, except by gift or upon the death of the investor. There is no established market for the trading of the Notes, and it is not likely that such a market may develop in the future. Investors should assume that the Notes will be held to maturity.

CEP is not required to redeem a Fixed Rate Note prior to maturity . CEP may permit an investor to redeem a Fixed Rate Note prior to maturity, subject to the availability of funds and upon at least 30 days' advance written notice to CEP, but it is not required to do so. CEP reserves the right to not permit the early redemption of a Fixed Rate Note at any time and for any reason. If permitted, the redemption of a Fixed Rate Note prior to maturity may be subject to a penalty that is determined by CEP from time to time. See "Vision Unsecured Promissory Notes – Redemption Rights" on page 11 for more information.

CEP may redeem any outstanding Notes at any time . CEP reserves the right to redeem some or all of any Note at any time, and from time to time, by paying the principal balance plus interest earned up to the date of redemption (less any interest already paid to you). See "Vision Unsecured Promissory Notes – Redemption Rights" on page 11 for more information.

Upon automatic renewal of a Note, the interest rate may change. Fixed Rate Notes automatically renew at maturity if not redeemed (except in certain states where investors must affirmatively elect to renew, as provided in "State Specific Information" beginning on page ii). If a Fixed Rate Note automatically renews at maturity, it will renew for the same term and at the interest rate then in effect for that type of Fixed Rate Note. The renewal interest rate may be less than that of the original investment.

CEP expects to sell Notes in this and other offerings. The total amount of $250,000,000 in Notes to be sold in this offering is not a limitation on the amount of Notes CEP may sell in this and other offerings it may conduct at any time. CEP has sold the Notes in prior years, and it anticipates continuing to sell additional Notes as part of a continuous offering process.

There are tax consequences associated with an investment in the Notes. Interest paid or payable on the Notes will normally be taxable as ordinary income to the investor regardless of whether interest is paid or allowed to accumulate unless the investor is a tax-exempt organization. Investors generally cannot claim a charitable tax deduction for the purchase of a Note. CEP may be subject to certain reporting and withholding requirements, as are other interest payers. Investors are urged to consult with tax advisors prior to investment. Tax laws, rules, and procedures are extremely complex and subject to change, which in some cases may have a retroactive effect. See "Tax Aspects" on page 16 for more information.

Investments in a retirement account or benefit plan may have unique risks and other considerations. If an investment is made in an IRA or 403(b) plan, the investor should consider, at a minimum, (a) whether the investment is in accordance with the documents and instruments governing the IRA or 403(b) plan, (b) whether the investment satisfies the fiduciary requirements, if any, associated with the IRA or 403(b) plan, (c) the tax impact or ramifications applicable to an investment made in an IRA or 403(b) plan, (d) whether there is sufficient liquidity in the applicable investment holdings of the IRA or 403(b) plan, (e) the potential need to value the assets of the IRA or 403(b) plan annually or more frequently, and (f) whether the investment would constitute a non-exempt prohibited transaction under applicable law. See "Vision Unsecured Promissory Notes – Other Terms" on page 12 for more information on the IRA Notes and 403(b) Notes currently offered by CEP. Investors should consult with financial and tax advisors before making an investment in an IRA or 403(b) plan.

The failure to comply with applicable state securities laws could result in monetary penalties, damages or payments for rescission that could affect CEP's ability to make payments on the Notes. Securities issued by not-for-profit religious organizations are exempt from the registration requirements of the Securities Act of 1933, as amended. At the state level, the regulations vary on a state-by-state basis, and CEP is not authorized to offer and sell the Notes in some states. Although CEP is currently taking the necessary steps to comply with the securities laws of the states in which it offers and sells securities, there is no guarantee that it will do so in every state, and CEP makes no representation that all of its past or future sales of Notes comply with all applicable securities laws. The failure to comply with securities laws could expose CEP to potential penalties and civil liability, which could affect its ability to pay principal and interest on the Notes when due.

Changes in federal or state laws, policies, or practices may affect the offering. There is no guarantee that one or more federal or state laws may not be changed in a way that may affect CEP's ability to continue to sell Notes. Any such changes could have an adverse effect on CEP's financial condition and liquidity, which may in turn affect CEP's ability to pay principal and interest on the Notes when due.

LENDING RISKS

CEP's lending criteria are less stringent than those used by commercial lenders. CEP's loans are primarily made to Assemblies of God churches and organizations. Because of the relationship between CEP and its borrowers, its loan policies, including loan underwriting and enforcement of loan terms in the event of delinquency, may be less stringent than those of commercial lenders. CEP may accommodate partial, deferred, or late payments from some borrowers or forebear foreclosure upon real estate securing the loans. As a result, CEP's loans may involve a higher risk of loss than loans made by commercial lenders. See "Lending Activities" on page 7 for more information.

CEP's allowance for credit losses may be insufficient. CEP maintains an allowance for credit losses, which management reasonably determines based upon its periodic review of loans and consideration of various factors affecting anticipated collectability. The process for determining the allowance for credit losses is based on historical experience, current conditions, and reasonable and supportable forecasts, including estimates for prepayments. If the allowance turns out to be insufficient to cover losses actually realized, CEP's financial condition could be adversely affected, including its ability to pay principal and interest on the Notes when due.

The nature of CEP's borrowers could negatively affect its ability to repay Notes. CEP's loans are primarily made to Assemblies of God churches and organizations whose ability to repay the loans depends primarily on contributions that they receive from their members and friends. There are no assurances that individual church membership, attendance, or per capita contributions by members or friends of churches will increase or remain stable. Contributions may decline for a variety of reasons including, but not limited to, the general impact of a softening economy, increased job losses or other economic difficulties encountered by church members, and/or a decline in the business prospects of donors. A decrease in contributions to CEP's borrowers could adversely affect their ability to repay their loans to CEP, which may in turn adversely affect CEP's financial condition and its ability pay principal and interest on the Notes when due.

Foreclosure may not be an adequate remedy. If a borrower defaults on a loan, it is CEP's practice not to foreclose immediately, but instead to work with the borrower to try to resolve the delinquencies. As of December 31, 2024 and 2023, the percentage of loans receivable 90 days or more past due or on nonaccrual status was 3.6% and 4.1%, respectively. Additionally, because the church properties that collateralize CEP's loans are generally single or limited purpose properties, if CEP is required to foreclose on collateral, there may be a limited resale market. If a default occurs, there may be substantial periods of time during which CEP will receive no payments in satisfaction of the loan. CEP's ability to satisfactorily collect repayment of delinquent loans could negatively impact CEP's financial condition, including its ability to pay principal and interest on the Notes when due.

CEP may make loans that are unsecured or secured by a second mortgage. Although CEP generally requires its loans to be secured by a first mortgage, it may from time to time make loans that are unsecured by collateral or are secured by a second mortgage. Those loans generally involve a higher degree of risk of loss because CEP may be limited in its ability to collect in the event of default. As of December 31, 2024, 2023, and 2022, CEP had $0, $0, and $542,031 unsecured loans, respectively.

The geographic concentration of CEP's borrowers could negatively affect its ability to repay Notes. As of December 31, 2024, borrowers in California and Florida represented approximately 22% and 11%, respectively, of the outstanding principal balance of CEP's total loans (mortgages) receivable. Concentrations of borrowers in particular geographic regions may result in higher impaired or delinquent loans if those regions are disproportionately impacted by significant adverse economic conditions, extreme weather events, or other conditions, including wildfires, hurricanes, drought, and flooding.

The value of the collateral securing CEP's loans could be reduced by environmental liability. CEP does not typically require an environmental assessment of the church property or other collateral securing a loan as a condition to making the loan. Therefore, there is potential environmental liability associated with CEP's loans. CEP's security for a loan could be impaired if the collateral turns out to have environmental pollution or other contamination problems. 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 CEP.

CEP's borrowers may be subject to risks associated with construction. CEP's borrowers often use loan proceeds to construct new facilities or to improve existing facilities. If any of the following risks or other 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:

- The borrower and its contractor may not sign a fixed-price construction contract.
- The contractor may fail to pay subcontractors resulting in construction liens being filed.
- Completion may be delayed due to, among other things, shortages of materials, unavailability of labor, strikes, acts of nature, delays in obtaining necessary building permits or architectural certificates, environmental regulations, increased costs due to taxes and tariffs, and fuel or energy shortages.
- The contractor may not post a completion bond.

FINANCIAL AND OPERATIONAL RISKS

Future requests to redeem Notes could exceed CEP's available funds. Variable Rate Notes may be redeemed by the investor at any time, and Fixed Rate Notes may be redeemed upon request and subject to an early redemption penalty. If numerous investors make such a request at the same time, or in a short period of time, CEP may not be able to pay all requests to redeem the Notes. As of December 31, 2024, $381,324,189 of the Notes outstanding were due on demand or will mature during 2025. Historically, a substantial number of CEP's investors renew their Notes at the maturity date, but there is no guarantee that this practice will continue.

CEP's capital adequacy may adversely affect its ability to make payments of principal and interest. The North American Securities Administrators Association, Inc. (NASAA) has published a Statement of Policy for Church Extension Fund Securities. Adherence to the benchmarks in the Statement of Policy varies from state to state, and can be subject to policy, administrative rule or order, or the discretion of individual state securities examiners. The benchmark for capital adequacy calls for a church extension fund's net assets to be positive and equal to 5% or more of its total assets, and CEP's net assets represented 2.6%, 2.2%, and 2.2%, respectively, of CEP's total assets as of December 31, 2024, 2023, and 2022. If CEP experiences a significant loss or other adverse financial result, CEP's capital may not be adequate to absorb those unexpected losses, which may adversely affect CEP's financial condition and its ability pay principal and interest on the Notes when due, its ability to make loans and investments, or its ability to obtain (or the costs associated with obtaining) capital from the sale of Notes, secured borrowings, or other sources.

CEP's cash reserves are subject to market risks. CEP's liquid assets that are invested in readily marketable securities are subject to losses if the market value of such investments decline. A decline in CEP's cash reserves could have a material adverse impact upon liquidity, which could affect CEP's ability to pay interest and principal on the Notes when due. In addition, changes in market conditions and interest rates could contribute to a decrease in the market value of CEP's cash reserve portfolio. In order to meet anticipated cash needs, it is CEP's practice to maintain cash, cash equivalents, readily marketable securities, and available lines of credit (not exceeding 2% of the principal balance of outstanding Notes) of at least 8% of the principal balance of total outstanding Notes. See "Investing Activities" beginning on page 9 for more information.

CEP may face concentration of credit risks. CEP maintains its cash in bank deposit accounts, which at times may exceed FDIC insured limits. To the extent any such account or accounts exceed insured limits, the excess would not be covered by insurance and, therefore, would not be recoverable in the event of a bank failure. CEP has implemented an insured cash sweep program to mitigate this risk. As of December 31, 2024, 2023, and 2022, all cash in CEP's bank deposit accounts was federally insured.

CEP's operations are dependent upon technology and related services, some of which are provided by third party vendors. Most of CEP's business records are stored and processed electronically, including records related to CEP's loans and Notes. CEP relies on third party vendors for providing hardware, software, and services for processing, storing, and delivering information. Electronic processing, storage, and delivery of documents and records is subject to inherent risks such as the potential for hardware failure, virus or malware infection, input or programming errors, inability to access data when needed, permanent loss of data, unauthorized access to data or theft of data. While CEP and its vendors take measures to protect against these risks, it is possible that these measures will not be 100% effective or that new or different risks emerge in the future. If CEP experiences the inability to access data for an extended time period, permanent loss of data, data breach, or other significant issues regarding data, it could adversely affect all aspects of CEP's operations. In addition, CEP can offer no assurances and makes no warranty as to the accuracy and availability of online services available through CEP's website, and the use of such services is subject to the terms, conditions and limitations set forth in applicable usage agreements.

HISTORY & OPERATIONS

CEP began as a ministry of the Assemblies of God Oregon District in 1950. CEP was incorporated as an Oregon non-profit corporation on February 11, 1952, and is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("**Code**"). CEP is located at 4070 27th Court SE, Suite 210, Salem, Oregon 97302 and its telephone number is (503) 399-0552, or toll free at (800) 821-1112.

CEP was founded for the purpose of assisting Assemblies of God churches to extend and expand their ministry and outreach by providing financing for the purchase, refinance, construction and renovation of physical facilities.

CEP's members consist of 59 of the 67 District Councils of the Assemblies of God. Each member District is a separate non-profit organization which oversees the various individual Assemblies of God ministers in its District. The Assemblies of God Fellowship consists of individual, independent churches voluntarily associating together as members of District Councils. In most cases, District boundaries correspond to state boundaries. The various District Councils are members of the General Council of the Assemblies of God located in Springfield, Missouri. The Assemblies of God has more than three million members and adherents in the United States.

CEP is managed by its board of directors which consists of representatives of qualifying Districts of the Assemblies of God. The board meets twice a year, and its Executive Committee meets quarterly. CEP's President and other officers manage the organization's day-to-day operations.

SELECTED FINANCIAL DATA

The below tables include selected financial data as of and for the years ended December 31, 2020 through 2024. See the audited financial statements at the end of this Offering Circular for more detailed information.

	2024	2023	2022	2021	2020
Cash and Cash Equivalents	$ 11,387,547	$ 11,697,832	$ 24,897,346	$ 20,357,424	$ 14,550,398
Investments	$ 37,201,805	$ 45,334,609	$ 12,369,000	$ 37,759,037	$ 50,056,271
Loans Receivable, net[(1)]	$ 532,589,149	$ 527,352,564	$ 515,361,227	$ 474,500,136	$ 461,136,105
Other Rental Property, net[(2)]	$ 3,813,668	$ 3,914,602	$ 4,341,619	$ 4,688,922	$ 4,811,306
Other Real Estate Owned, net[(3)]	$ 8,589,367	$ 9,190,768	$ 5,685,812	$ 15,472,557	$ 16,096,999
Notes Payable, Unsecured	$ 563,208,214	$ 566,326,327	$ 531,452,630	$ 519,390,050	$ 510,729,842
Certificates Payable, Unsecured	$ 21,730,212	$ 23,620,849	$ 25,148,916	$ 28,441,912	$ 31,606,3333
Total Assets	$ 603,211,601	$ 605,989,492	$ 575,309,463	$ 567,376,905	$ 556,726,179
Total Liabilities	$ 587,647,065	$ 592,502,401	$ 562,933,485	$ 555,451,961	$ 545,374,983
Net Assets	$ 15,564,536	$ 13,487,091	$ 12,376,0005	$ 11,924,944	$ 11,351,196
Change in Net Assets	$ 2,077,455	$ 1,111,086	$ 451,061	$ 573,748	$ 683,934
Unsecured Loans	$ 0	$ 0	$ 542,031	$ 2,202,213	$ 941,248
Total Loans	$ 539,152,224	$ 533,914,711	$ 523,110,044	$ 482,528,841	$ 474,655,864
% Unsecured Loans	0%	0%	.10%	.46%	.20%
Delinquent Loans	$ 19,432,108	$ 21,686,500	$ 28,422,458	$ 32,081,803	$ 72,590,523
% Delinquent Loans	3.60%	4.06%	5.43%	6.65%	15.29
Note Redemptions	$ 93,959,859	$ 76,025,702	$ 65,446,451	$ 54,883,927	$ 60,393,953

(1) Reflects CEP's total loans (mortgages) receivable, less the allowance for credit losses. CEP's total loans (mortgages) receivable as of December 31, 2024, 2023, 2022, 2021, and 2020 was $539,152,224, $533,914,744, $522,568,013, $480,326,628, and $473,714,616, respectively. See Note 4 of the audited financial statements for more information.

(2) Other rental property is reported net of accumulated depreciation. CEP's total other rental property as of December 31, 2024, 2023, 2022, 2021, and 2020 was $5,029,229, $5,029,229, $5,383,392, $5,701,195, and $5,711,195, respectively. See Note 6 of the audited financial statements for more information.

(3) Oher real estate owned (OREO) is reported net of accumulated depreciation of allowance for loss. CEP's total OREO as of December 31, 2024, 2023, 2022, 2021, and 2020 was $10,166,668, $10,863,744, $6,718,744, $18,513,447, and $19,245,930, respectively. See Note 7 of the audited financial statements for more information.

FINANCING & OPERATIONAL ACTIVITIES

Outstanding Notes

CEP's primary source of funds is from the sale of Notes. As of December 31, 2024, CEP had a total of $563,208,214 in outstanding Notes. The stated maturity dates of all Notes as of December 31, 2024 are as follows:

Year	Note Principal
2025*	$ 381,324,189
2026	79,680,675
2027	51,865,339
2028	20,884,223
2029	29,453,788
Total	$ 563,208,214

*Includes all Variable Rate Notes.

The average interest rates for the Notes payable were 4.09% in 2024, 3.86% in 2023, and 3.10% in 2022.

Note Proceeds and Redemptions

Subject to certain limitations, Notes may be redeemed by the investor prior to maturity. For more information, see "Vision Unsecured Promissory Notes – Redemption Rights" beginning on page 11. The following table shows CEP's proceeds from sales of Notes, the amount of Note redemptions and Notes renewed or reinvested, and outstanding Notes payable for the years ended December 31, 2024, 2023, and 2022:

		2024		2023		2022
Proceeds from Note Sales	$	73,654,798	$	97,272,962	$	66,941,580
Renewed/Reinvested	$	316,353,215	$	200,911,765	$	116,591,788
Note Redemptions	$	93,959,859	$	76,025,702	$	65,446,451
Total Notes Payable	$	563,208,214	$	566,326,327	$	531,452,630

Partners Plus Church Certificates

CEP previously offered debt securities called Partners Plus Church Certificates ("**Certificates**") pursuant to a separate offering. That offering was discontinued on January 1, 2021. The Certificates were offered to persons who were members, friends, or attendees of a particular church or other religious organization affiliated with the Assemblies of God seeking a loan from CEP. The Certificates were sold to such persons in connection with that specific loan. The Certificates are pledged as collateral security for the specific church loan which they support.

The Certificates have a 20-year term and are payable at 150% of the original principal amount upon maturity. The Certificates are unsecured, general obligations of CEP and may not be redeemed by CEP or the Certificate holder prior to maturity except at CEP's discretion or upon death of the Certificate holder.

As of December 31, 2024, $27,077,700 of Certificates remained outstanding. The stated maturity dates of all Certificates as of December 31, 2024, are as follows:

Year	Certificate Principal
2025	$ 6,087,750
2026	3,311,250
2027	2,217,750
2028	4,214,250
2029	8,695,200
Total	$ 27,077,700

Other Debt

CEP maintains a $12 million line of credit with Umpqua Bank. The line of credit is secured by certain CEP loans receivable totaling $25,492,522. No amounts were drawn on the line as of December 31, 2024, 2023, and 2022.

Other Real Estate Owned (OREO)

Other real estate owned (OREO) consists of land and church facilities acquired by CEP through foreclosure or in a deed in lieu of foreclosure. As of December 31, 2024, CEP owned six (6) OREO properties. As of December 31, 2024 and 2023, CEP had OREO (net of accumulated depreciation and allowance for losses) of $8,589,367 and $9,190,768, respectively. CEP's OREO expense was $478,622, $624,949, and $1,213,045 for the years that ended December 31, 2024, 2023, and 2022, respectively. These expenses consist of the holding costs of the OREOs including property tax, insurance, utilities, repairs, maintenance, and depreciation. See Note 7 to the audited financial statements for more information.

CEP generally attempts to sell the OREO or temporarily lease the property back to the defaulting church with the intention that the church will be able to repurchase the property in the future. As of December 31, 2024, of the total $10,166,668 of OREO, CEP was attempting to sell $8,475,000 (83.4%) and leasing the remaining $1,691,668 (16.6%) back to churches.

Other Rental Property

CEP has acquired certain rental properties through donation or CEP's purchase of the property with donated dollars. As of December 31, 2024, CEP owned one (1) such rental property. As of December 31, 2024 and 2023, CEP had other rental property (net of accumulated depreciation) of $3,813,668 and $3,914,602, respectively.

CEP leases these properties to churches or other ministries on a month-to-month basis. Lease income related to these rental properties was $45,701 in 2024, $45,701 in 2023, and $41,893 in 2022. See Note 6 to the audited financial statements for more information.

Planned Giving Agreements

CEP serves as trustee of charitable remainder unitrusts ("**CRTs**"). CEP is sometimes named as a remainder beneficiary of a CRT, but otherwise does not receive any compensation in connection with the CRTs. The assets of these CRTs are held by CEP as trustee for the benefit of the income and remainder beneficiaries of the CRTs. Unless CEP receives a distribution of assets from these CRTs as a named remainder beneficiary, the assets of these CRTs would not be available for payment of CEP's creditors, including investors in the Notes. As of December 31, 2024, CEP was the trustee for two (2) CRTs and held $288,129 in investments held for the benefit of trustors under those CRTs.

Additionally, CEP may from time to time enter into charitable gift annuity ("**CGA**") agreements with donors. As of December 31, 2024, CEP is obligated to make aggregate annuity payments of approximately $58,000 on an annual basis under these CGAs.

LENDING ACTIVITIES

Loan Portfolio

CEP makes loans to Assemblies of God churches and organizations primarily for the purpose of providing financing for the purchase, refinance, construction and renovation of physical facilities, and the acquisition of sites upon which new worship and education facilities can be constructed. The loans are generally repayable over a period ranging from 20 years to 40 years and are usually secured by a first priority mortgage or a deed of trust on the church's property. Interest rates are fixed for three (3) years and reviewed every three (3) years thereafter. CEP may increase, decrease, or maintain the existing interest rate for the next three (3) years of the loan's terms, at CEP's discretion. Current interest rates range from 3.0% to 10.0%. These loans are referred to as "Mortgages Receivable" in CEP's audited financial statements. See Note 4 to the audited financial statements for more information.

As of December 31, 2024, CEP had 753 loans outstanding in the aggregate principal amount of $539,152,224. In 2024, CEP reserved $6,563,075 of this total as an allowance for credit losses to cover any potential losses, leaving a net loan portfolio total of $532,589,149. As of December 31, 2024, the contractual maturity dates for CEP's loans receivable were as follows:

Year	Principal Amount
2025	$ 13,129,941
2026	14,555,417
2027	14,340,577
2028	14,862,703
2029	15,529,002
Thereafter	466,734,584
Total	$ 539,152,224

CEP has historically refinanced a substantial portion of its loans and has received substantial principal prepayments on a number of non-matured loans each year. Accordingly, the amount shown as maturing above may vary from the principal repayments it actually receives.

The average interest rate of CEP's loans as of December 31, 2024, 2023, and 2022 was 6.11%, 5.51%, and 5.23%, respectively. During the years ended December 31, 2024, 2023, and 2022, interest earned on these loans was $30,147,196, $27,427,303, and $25,948,06, respectively.

CEP had unfunded loan commitments of approximately $38,959,000, $30,451,000, and $53,044,000 as of December 31, 2024, 2023, and 2022, respectively.

It is CEP's policy not to permit unsecured loans to exceed 10% of its loan portfolio. As of December 31, 2024 and 2023, all of CEP's loans were secured. CEP had $542,031 of unsecured loans as of December 31, 2022. These unsecured loans are referred to as "Church Loans" in CEP's audited financial statements. See Note 3 to the audited financial statements for more information.

CEP may securitize up to 10% of its loan portfolio if all the following are met: (1) the loans are securitized and sold on a non-recourse basis predominantly to entities not affiliated with CEP; (2) the proceeds from the sale of the securitized loans will be used to make additional loans to churches and ministries within the Assemblies of God; and (3) the securitization will not hinder the ability of CEP to repay the principal and interest on the Notes when due. As of December 31, 2024, none of CEP's loans were securitized.

Allowance for Credit Losses

CEP has established an allowance for credit losses that is, in management's judgment, adequate for probable credit losses. The allowance is based on CEP's historical credit loss experience by each loan segment. Loans are charged against the allowance for credit losses when management believes the collectability of the principal is unlikely. Past due status is determined by the number of payments that are in arrears. Loans with three or more payments in arrears are considered delinquent. In accordance with CEP's plan and mission, CEP works diligently with its borrowers to find solutions for those who are having difficulty meeting their payment agreement. The allowance for credit losses is evaluated on a regular basis by the Ministry.

Effective January 1, 2023, CEP adopted Accounting Standards Update (ASU) No. 2016-13, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," which is referred to as the current expected credit loss (CECL) methodology. The CECL methodology requires the use of a forward-looking expected credit loss model for instruments within its scope, including loans (mortgages) receivable, and requires management to estimate current expected credit losses over the lifetime of the assets by considering all reasonable and supportable information, including historical experience, current conditions, and reasonable and supportable forecasts affecting collectability. CEP determined that there was no impact on its net assets as of January 1, 2023, due to the adoption of CECL. See Note 1 to the audited financial statements for more information.

As of December 31, 2024 and 2023, CEP's allowance for credit losses was $6,563,075 and $6,562,180, respectively, which represented 1.2% and 1.2% of CEP's total principal balance of loans receivable as of those respective dates. There is no assurance that CEP's allowance for credit losses will be sufficient to cover actual loan losses.

Loan Delinquencies and Credit Monitoring

The credit quality of CEP's loan portfolio is monitored by the Loan Committee and CEP management using an internal rating system that reflects CEP's risk assessment based on an analysis of the borrower's financial condition, the condition of the church, cash flows, and the delinquency status of the loan. CEP assigns one of the following four risk gradings to each loan based on this assessment: Pass, Special Mention (or Watch), Substandard, and Impaired. See Note 4 to the audited financial statements for a description of the risk grading categories. As of December 31, 2024, 2023, and 2022, respectively, CEP's loans were classified as follows:

	2024	2023	2022
Pass	$ 515,668,831	$ 508,445,410	$ 469,053,629
Special Mention (Watch)	5,470,690	7,197,387	25,140,148
Substandard	7,950,092	8,139,991	13,877,178
Impaired	10,062,611	10,131,956	14,497,058
Total	$ 539,152,224	$ 533,914,744	$ 522,568,013

CEP considers loans to be delinquent if they are more than 90 days past due, including nonaccrual loans. CEP's delinquent and nonaccrual loans as of December 31, 2024, 2023, and 2022 were as follows:

	2024	2023	2022
91-120 Days	$ 2,502,057	$ 5,828,260	$ 2,565,789
120+ Days	2,061,897	1,634,624	2,966,375
Nonaccrual	14,868,154	14,223,616	22,890,294
Total Delinquent and Nonaccrual	$ 19,432,108	$ 21,686,500	$ 28,422,458
Total Loans	$ 539,152,224	$ 533,914,744	$ 522,568,013
% Delinquent and Nonaccrual	3.60%	4.06%	5.44%

Because of the relationship between CEP and its borrowing churches, CEP's loan policies may be less stringent than those of commercial lenders, and, in the event of borrower delinquency or default, CEP may accommodate partial, deferred or late payments from some borrowers or forebear foreclosure upon the real estate securing the loans.

Loan Policies

Loan applications are reviewed by CEP's Loan Committee, which is comprised of CEP's Controller, Chief Financial Officer, President, and lending staff. After evaluation of all underwriting criteria, final determination of whether to make a loan is made by CEP's Chief Financial Officer and President. The CEP Loan Committee relies upon financial statements, bank statements, annual budgets, income and expense reports, and attendance records as submitted by the borrower when evaluating a loan application. CEP may charge each borrower a fee at the time of loan origination or renewal, which is remitted in cash to CEP or may be added to the principal of the loan at the discretion of the CEP Loan Committee.

CEP's loan policies generally require the amount of the loan to not be more than 70% of the estimated value of the church property being pledged as security. If a loan is secured by a second, rather than a first, mortgage or deed of trust, the total amount of the first and second mortgages or deeds of trust combined generally may not exceed 50% of the estimated value of the church property pledged as security. Additionally, CEP's policy is to require the loan payment to not exceed 30% of the borrower's annualized general fund income.

INVESTING ACTIVITIES

CEP may invest its cash reserves in short-term instruments or marketable securities pending utilization for its lending activities or in connection with maintaining sufficient liquidity for repayment of the Notes and other amounts in accordance with CEP's liquidity policy. CEP's primary investment objective is to preserve and protect its cash reserves by earning a total return appropriate to its time horizons, liquidity needs, and risk tolerance.

Cash Reserve Investing Strategy

CEP's board of directors has adopted a strategy for its cash reserves and delegated decision-making authority with respect to investing its cash reserves to the President. The President reports on CEP's investing strategy to the board of directors and its Executive Committee at least once annually. Material deviations from the cash reserve investing strategy must be approved by the board.

CEP's cash reserve investing strategy requires all investments to be in FDIC insured certificates of deposit, fixed income securities rated "A" or better, or US Government securities or US Government Agency securities. CEP's portfolio of fixed income securities may only be invested in traditional principal and interest obligations. No more than 10% of CEP's total investment portfolio may be invested in any one company and no more than 35% may be invested in the securities of any one sector. Additionally, no more than 25% of CEP's total investment portfolio may be invested in any single institution (other than the US Government and its agencies), and at least 50% of such funds must be invested in US Government and agency securities. CEP generally does not invest in securities with a maturity of more than 10 years, except for variable rate securities with periodic rate adjustments and callable securities with a high likelihood of being called before maturity. CEP emphasizes liquidity and safety of the principal invested over the yield on investment. CEP may at any time adjust, amend, waive, deviate from or allow exceptions to its investment policy with respect to any particular investment decision.

CEP's cash reserves were allocated as follows for the years ended December 31, 2024 and 2023:

	2024		2023	
Investment Type	Amount	%	Amount	%
US Government Securities	$ 18,973,450	51%	$ 41,116,961	91%
Mutual Funds	$ 18,228,355	49%	$ 4,217,648	9%
Total	$ 37,201,805	100%	$ 45,334,609	100%

CEP had investment income (loss) of $1,937,565, $1,720,843, and $(430,800) for the years ended December 31, 2024, 2023, and 2022, respectively.

The CGA and CRT assets held by CEP are invested separately and are subject to a separate investment policy, adopted by CEP's board of directors, which permits a broader range of investments. These funds are referred to as "Planned Giving Investments" in CEP's audited financial statements. As of December 31, 2024 and 2023, respectively, CEP had planned giving investments of $1,015,676 and $1,014,385, respectively.

Liquidity

CEP maintains liquid reserves in the form of cash, cash equivalents, and investments in order to meet future anticipated cash requirements including the funding of new loans, the repayment of Notes, other debt obligations, and operating expenses. CEP's cash and cash equivalents consist of checking and savings accounts in banks, highly liquid investments with original maturities of three months or less, money market funds, and certificates of deposit with original maturities of 12 months or less.

CEP's policy is to maintain liquid assets equal to at least 8% of its total outstanding Notes as of the end of each fiscal year. CEP's cash, cash equivalents, investments, and available line of credit (limited to 2% of outstanding Notes payable) as a percentage of its total Notes outstanding was 10.6%, 12.1%, and 9.0% as of December 31, 2024, 2023, and 2022, respectively.

The table below sets forth the calculations for CEP's cash coverage ratios for the years ending December 31, 2024, 2023, and 2022. The ratio measures the amount of Available Cash to Redemptions. CEP's goal is to maintain a ratio of at least 1:1. "Available Cash" is the proceeds from CEP's normal operating activities, plus the amount of liquid assets at the beginning of the year, plus the proceeds from the sale of Notes, plus loan principal repayments, less loan disbursements. "Redemptions" are the amount of Notes redeemed in the applicable year.

	2024	2023	2022
Available Cash			
Net Cash from Operating Activities	$ 18,482,690	$ 14,833,479	$ 13,692,966
Cash, Cash Equivalents and Investments, Beginning of Year	57,032,441	37,266,346	58,116,461
Proceeds from Issuance of Notes, less Denominational Accounts	63,213,501	81,334,521	60,100,607
Loan Principal Collected, Less Loan Fundings	(4,230,048)	(15,307,591)	(32,606,220)
Available Line of Credit	12,000,000	12,000,000	12,000,000
Total	$ 146,498,584	$ 130,126,755	$ 111,303,814
Redemptions of Notes, less Denominational Accounts	$ 83,379,795	$ 69,714,690	$ 58,182,620
Ratio	1.76	1.87	1.91

VISION UNSECURED PROMISSORY NOTES

Types of Notes

CEP's Notes are generally categorized as either **Fixed Rate Notes** or **Variable Rate Notes**. Fixed Rate Notes have a fixed interest rate and terms ranging from 90-days to five (5) years, set at the time of issuance and upon each renewal at maturity. Variable Rate Notes do not have a fixed rate or term and may be redeemed by the investor at any time, without penalty, upon 30-day advance written notice. All Fixed Rate Notes and Variable Rate Notes are subject to the terms and conditions described below.

General Note Terms

Only persons who were, prior to the receipt of this Offering Circular, members of, contributors to, investors in, or participants in the Assemblies of God, CEP, or any program, activity, or organization which is affiliated with the Assemblies of God or CEP, or other religious organizations that affiliate with or have a programmatic relationship with the Assemblies of God or CEP, may invest in the Notes. CEP will determine, in its sole discretion, whether an investor is in this limited class of investors. CEP reserves the right to refuse to offer or sell any Note to any investor.

The minimum investment to open and maintain a Note is $250. CEP may accept a minimum investment of $100, at its discretion, if the investor establishes a recurring monthly addition to the principal of the Note of at least $10 per month via electronic funds transfer at the time the Note is issued. The monthly additions cannot be terminated until the Note balance reaches the standard minimum balance of $250.

The purchase price of a Note is 100% of the principal amount of the Note. CEP will accept the following forms of payment for the purchase price of a Note: personal check, certified bank check, electronic funds transfer (EFT/ACH) or wire transfer. Notes are available in any amount, subject to minimum investment requirements set forth in this Offering Circular.

CEP may accept additions to the principal balance of an outstanding Note upon request. Any such addition is subject to CEP's acceptance, evidenced by issuance of a transaction confirmation. Delivery of funds by an investor does not constitute CEP's acceptance of the additional principal investment. CEP reserves the right to not accept additions to the principal of any Note and will return an investor's funds if that occurs.

Interest Rates and Interest Accrual

Fixed Rate Notes earn interest at a fixed rate and term set at the time of issuance, and upon each renewal at maturity, depending on the term of the Note. Variable Rate Notes earn interest at a variable rate that is determined by CEP periodically.

Investors may elect for interest to compound monthly or be paid monthly, quarterly, semi-annually, or annually. Interest on each Note accrues daily beginning on the date of issuance. If an investor elects compounding interest, accrued interest will compound on each monthly anniversary of the issuance date during the term of the Note. If an investor elects to receive interest payments, accrued interest is paid in arrears, either on the date requested by the investor (which may be between the 1st and 28th of the month) or on each monthly, quarterly, semi-annual, or annual anniversary of the issuance date, depending on the investor's election.

Interest accrues daily on the basis of a 365-day year (or 366 days in a leap year). If an investor chooses not to renew a Note at its maturity, CEP will pay the investor an amount equal to the principal and accrued interest on the Note through the date of maturity, subject to the availability of funds.

Interest rates are subject to change from time to time depending on market conditions, the then-current interest rate environment, the term of the Note, and the size of the investment. Investors should call CEP or visit the CEP website for a current Rate Chart before investing in a Note. CEP's current Rate Chart is available on CEP's website (www.cepnet.com) or by calling CEP at (800) 821-1112.

Renewal at Maturity

CEP will provide each investor of a Fixed Rate Note a maturity notice at least 30 days in advance of the Note's maturity date, along with a copy of the current Offering Circular and Rate Chart. If an investor does not notify CEP in writing, on or before the maturity date, of their election not to renew the Note, the Note will be renewed for another term of the same duration (except in states where investors must affirmatively elect to renew, as provided in "State Specific Information" beginning on page ii). The interest rate on the renewed Note will be dictated by the then-current Rate Chart, which could be higher or lower than the interest rate in effect prior to the renewal. There is no limit on the number of times a Note may automatically renew at maturity.

Redemption Rights

Investors should count on holding Fixed Rate Notes until maturity. Investors in Fixed Rate Notes may request early redemption, subject to the availability of funds, upon at least 30 days' advance written notice to CEP. CEP reserves the right to not permit the early redemption of a Fixed Rate Note at any time and for any reason. If permitted, the redemption of a Fixed Rate Note prior to maturity may be subject to a penalty that is determined by CEP from time to time. Currently, the early redemption penalty for Fixed Rate Notes is as follows: (i) if the term is six (6) months or less, the penalty is an amount equal to all accrued but unpaid interest on that Note as of the date of redemption; and (ii) if the term is longer than six (6) months, the penalty is an amount equal to six (6) months of accrued interest on the principal balance of the Note, calculated as of the date of redemption.

Variable Rate Notes may be redeemed by the investor at any time, without penalty, upon 30 days' advance written notice to CEP.

CEP may redeem any Note at any time upon 30 days' advance written notice to the investor. If CEP exercises this redemption right, it will pay the applicable investor(s) the outstanding principal balance of the redeemed Note(s), plus all accrued but unpaid interest through the redemption date.

Transfer Restrictions

The Notes are generally not assignable or transferable except upon gift or death of the investor. CEP may, in its discretion, permit a Note to be transferred to another eligible investor upon verification that such investor meets the applicable investor qualifications and requirements. In connection with any permitted transfer, CEP may require the investor and transferee to execute and deliver appropriate transfer documentation. The transfer of a Note will be effective upon CEP's acceptance of such documentation.

No Physical Certificate

The Notes are registered as book entries only, and investors will not receive a physical certificate as evidence of the investment. The issuance and transfer of Notes will be accomplished exclusively on CEP's book-entry system for recording ownership of the Notes.

Other Terms

Instructions or requests related to Notes, including additions to principal, renewals, and redemptions, must be made in writing by the investor(s) of record or person(s) with proper authorization in CEP's records to act on behalf of such investor(s). Only changes to interest compounding or interest payments for an outstanding note can be made over the phone. Each proposed transaction related to a Note is subject to acceptance by CEP, evidenced by a transaction receipt or other confirmation of acceptance from CEP.

Investors may hold Notes as a custodian for a minor under the Oregon Uniform Transfers to Minors Act (the "**UTMA**") until the minor reaches from 21 to 25 years of age, as stated in the investment form. The decision to purchase, transfer, or gift a Note for or to a minor under the UTMA is irrevocable. The UTMA requires that the custodian transfer ownership of the Note(s) to the minor or the minor's estate upon the minor's death or reaching the age specified in the investment form, whichever occurs first.

Additionally, some Notes offered by CEP may have differing terms than CEP's standard Notes, including the following:

- IRA Notes – Investors may purchase Fixed Rate Notes to hold in an Individual Retirement Account ("**IRA**"). These Notes are designated IRA Notes. CEP has been granted non-bank custodial powers by the IRS, which enables CEP to operate as a non-bank custodian for the IRA Notes. CEP is the custodian of all IRA Notes and charges a $10 annual custodial fee, which is automatically deducted from each IRA. CEP reserves the right to appoint a third-party custodian and to change the custodian from time to time. CEP will provide investors with notice of any such appointment or change. If an investor desires to transfer an IRA Note to a new custodian prior to maturity, CEP may charge an early redemption penalty. See Vision Unsecured Promissory Notes – Redemption Rights beginning on page 11 for more information. There is no penalty or fee for transfers to a new custodian at maturity of an IRA Note. The Internal Revenue Code may impose limitations and penalties on early redemptions. There may be severe tax penalties for early redemptions that do not meet the criteria set forth in the Internal Revenue Code and its regulations. CEP may not accept an investment in a Note if it believes the investment is not permitted by the Internal Revenue Code or its regulations. You should consult your tax advisors prior to investment.
- 403(b) Notes – CEP offers a 403(b) retirement plan to CEP employees and Assemblies of God pastors and ministry staff. The 403(b) plan is a "church plan" as defined in Section 3(33)(A) of the Employee Retirement Income Security Act. The Notes are an investment option offered to participants in the 403(b) plan. CEP acts at the direction of the trustee(s) of the 403(b) plan with respect to the plan's investments in the Notes, including the type of Note (Fixed Rate Note vs Variable Rate Note) and any additional investments or redemptions of Notes. As of December 31, 2024, over 68% of all funds in the 403(b) plan were invested in the Notes.

Online Access

Investors may elect to receive CEP's Offering Circular and other offering documents electronically. By making this election, investors may:

- receive electronic copies of the Offering Circular and any supplements, the current Rate Chart, investor forms, and other offering documents;
- complete, execute, and submit an investor form and other forms and documents related to the Notes electronically;
- pay their initial investment by EFT/ACH;
- access statements, transaction history, and other investment-related information; and
- submit redemption requests, renewal requests, and other requests related to the Notes, including additions to principal and changes to interest payments.

These options available on CEP's website are made available to investors by CEP for convenience and are strictly voluntary. It is not a condition for investing in any Note, and there is no assurance these functionalities will continue. If an investor chooses to use CEP's website for any of the above purposes, they must strictly comply with the terms and conditions as posted on or made available through CEP's website. Certain functionalities may also be subject to specific or additional terms and conditions, which will be posted on or made available through CEP's website, and require acceptance prior to use. If there is any information on CEP's website that is contrary to information in this Offering Circular, investors should rely only on the information in this Offering Circular.

Investors should note that the clarity of text in this document may be affected by the size of the screen on which it is displayed when viewed online.

How to Invest

If, after reading this Offering Circular in its entirety (including CEP's audited financial statements), a potential investor desires to purchase Notes, and assuming they are in the limited class of permitted investors and are located in a state in which CEP is authorized to offer and sell the Notes, the investment may be made by contacting CEP:

– by mail at Church Extension Plan, Attn: Investments, PO Box 12629, Salem, Oregon 97309-0629;
– by telephone, toll free at (800) 821-1112; or
– via CEP's website at www.cepnet.com

Upon request, CEP will provide an investment form to be completed and submitted, or a potential investor may complete and submit the form online. Completed forms should be submitted with the initial investment amount, by personal check, certified bank check, electronic funds transfer (EFT/ACH) or wire transfer.

The purchase of a Note will be completed upon (i) CEP's receipt of a completed investment form or electronic submission of a completed investment form as described above, (ii) CEP's receipt of the funds for the investment, (iii) CEP's determination that the potential investor is an eligible member of CEP's limited class of investors, and (iv) CEP's delivery of its written acceptance of the investment (i.e. an investment confirmation). Submission and CEP's receipt of an investment form and funds alone does not constitute acceptance of investment. CEP reserves the right to not sell any Note to any person for any reason and will return funds if CEP decides not to sell a Note to such person.

PLAN OF DISTRIBUTION

The offering of the Notes is made solely pursuant to this Offering Circular. Specific information about this offering will be provided upon request from potential investors.

CEP advertises promotional material related to the Notes for print in publications such as, but not limited to, Assemblies of God district publications and in direct mail. CEP's marketing and sales are directed to the limited class of investors identified in this Offering Circular.

CEP is offering Notes in the principal amount of up to $250,000,000 pursuant to this Offering Circular, which will be offered directly by CEP on a continuous basis without an expected termination date. No underwriting or selling agreements exist, and no direct or indirect commissions or other remuneration is, or will be, paid to any individual or organization in connection with the offer and sale of the Notes. All salespersons are salaried employees of CEP.

CEP will provide a copy of the Offering Circular to each prospective investor prior to their investment. Following receipt of the Offering Circular, prospective investors may purchase Notes by completing and signing an investment form and sending funds to CEP in the manner described above under "Vision Unsecured Promissory Notes – How to Invest." No minimum amount of the overall offering of $250,000,000 must be sold in order for CEP to accept investments. It is CEP's policy to send existing investors a new Offering Circular with each maturity notice, as well as copies of any supplements to the Offering Circular during the term.

USE OF PROCEEDS

Proceeds from the sale of the Notes will be added to CEP's general fund. CEP's general fund is used primarily to make loans to Assemblies of God churches and organizations and to pay CEP's operating expenses, including the expenses of this offering, and to pay interest and principal on the Notes and other debt obligations of CEP. CEP may make investments with proceeds from the sale of the Notes to the extent such proceeds are not immediately needed for these purposes.

The total anticipated expenses related to this offering are expected to be $196,000, which is less than 1% of the total offering amount.

MANAGEMENT

Organizational Structure

CEP is managed by its board of directors ("**Board**"). CEP's membership consists of 59 of the 67 member Districts of the Assemblies of God. Each District is entitled to have representation on the Board when its interest in CEP reaches a certain percentage, as determined by CEP's bylaws. In each such case, the Superintendent of such District is, by virtue of his office, a member of CEP's Board.

Each member of the Board of Directors serves for a term of five (5) years, with the exception of the President whose Board service continues for so long as he or she is the President. Decisions relating to day-to-day operations of CEP are made by its President and other officers. Such responsibilities include the processing and approving of church loans, loan disbursements, and collections on church loans.

Compensation of Directors and Officers

CEP's officers consist of a President, Senior Vice President and CFO, Secretary, two Assistant Secretaries, Treasurer, and Assistant Treasurer. Officer remuneration for 2024, which includes salaries and applicable fringe benefits such as housing allowances, health and other insurance benefits, retirement plan contributions, and bonuses, was as follows:

President:	$299,592
Senior Vice President/CFO:	$179,256
Assistant Secretaries and Assistant Treasurer:	$264,868

Officers who are directors but not employees of CEP (including the Secretary and Treasurer) receive no remuneration for their service. Board members receive no remuneration for their service as directors other than a $200 per diem allowance plus expenses incurred for attending Board meetings.

Total Board Expenses for 2024:	$84,723

EXECUTIVE OFFICERS

Mark Whitney. Mr. Whitney was elected as President of CEP in 2021 and serves on CEP's Executive Committee. He previously served as the Chief Financial Officer/Senior VP of CEP from 2016 – 2021. Mr. Whitney has been an employee of CEP since 1998. He holds a B.A. in Behavioral Science from Northwest University and an MBA from Phoenix University.

Dian McDonald. Mrs. McDonald currently serves as the Senior Vice President and CFO of CEP and has held that position since 2021. Previously, she served as the Chief Experience Officer of CEP from 2016 – 2021. Mrs. McDonald has been an employee of CEP since 1997. She holds a B.A. in Business Management from the University of Phoenix and an MBA from Corban University.

Jeremy Stamback. Rev. Jeremy Stamback currently serves as a Senior Vice President at CEP and has held that position since 2021. Previously, he served as a ministry consultant with CEP from 2006 -2021. Rev. Stamback holds a B.A. in Pastoral Ministry from Northwest University, has been ordained with the Assemblies of God since 1998, and is currently completing his MBA from Corban University.

BOARD OF DIRECTORS

Gene Roncone. Rev. Roncone began serving as a director in 2019 and was elected as Chairman of the Board in 2023. He is currently the Superintendent of the Rocky Mountain Ministry Network and has held that position since 2019. He was previously Lead Pastor of Highpoint Church from 2002-2019. Rev. Roncone holds a B.A. in Biblical Studies from Bethany Bible College. His current term as Chairman expires in 2029.

Abner Adorno. Rev. Adorno began serving as a director in 2020 and was elected as Secretary for the Board in 2023. He is currently the Superintendent of the Florida Multicultural District (FMD) and has held the position since 2020. Previously, he was the Assistant Superintendent of the FMD from 2018-2020. Rev. Adorno also serves as the Senior Pastor of Viva Church and has held the position since 1994. He has an Associate Degree in Leadership from Southeastern University. His current term expires in 2025.

Aaron Hlavin. Rev. Hlavin began serving as a director in 2021 and was elected as Treasurer for the Board in 2025. He is currently the Superintendent of the Michigan Ministry Network and has held the position since 2021. He was previously the Lead Pastor of Freedom Christian Church from 2008-2021. Rev. Hlavin has earned an A.A. from Macomb Community College, a B.A. of Bible and Theology from Global University and a Ministerial Studies Diploma (3 levels) from Berean University. His current term expires in 2026.

Dan Abbatiello. Rev. Abbatiello began serving as a director in 2022. He is currently the Superintendent of the Northern New England District Council (NNED) and has held that position since 2022. Previously, he was the Director of Church Development for the NNED from 2009-2022 and the Assistant Superintendent of the NNED from 2002-2022. Rev. Abbatiello holds a B.A. in Bible from Central Bible College and a Master of Arts in Christian Ministry from Assemblies of God Theological Seminary. His current term expires in 2027.

Bret L. Allen. Rev. Allen began serving as a director in 2016. He is currently the Superintendent of the Northern California/Nevada District Council and has held that position since 2016. Previously, he was the Senior Pastor of Bethel Church from 2005-2016. Rev. Allen holds an A.A. from Spokane Falls Community College and a B.A. in Communications from Eastern Washington University. His current term expires in 2026.

Manuel A. Alvarez. Rev. Alvarez began serving as a director in 2013. He is currently the Superintendent of the Spanish Eastern District Council and has held that position since 2013. Previously, he was the Senior Pastor of First Spanish Assembly of God from 1994-2013. Rev. Alvarez earned a B.A. in Music and a Master's in Counseling from Hunter College. His current term expires in 2028.

Jonathan Barthalow. Rev. Barthalow began serving as a director in 2024. He is currently the Superintendent of the Iowa Ministry Network and has held the position since 2024. Previously, he was a Church Planter for Crosspoint Church from 2014-2024. Rev. Barthalow earned a B.A. in Bible from Central Bible College and a Master of Organizational Leadership from Evangel University. His current term expires in 2029.

Todd W. Clair. Rev. Clair began serving as a director in 2024. He is currently the Superintendent of the Midwest Latin American District and has held the position since 2024. Previously, he was the District Secretary/Treasurer for the Midwest Latin American District from 2005-2020. He is also currently the founder and president of APEX Ministries & National Consultant and Facilitator for Acts 2 Journey of the Assemblies of God. Rev. Clair holds a B.S. in Cross-Cultural Ministries from North Central Bible College, an M.A. in Christian Ministries, and is currently working on his Doctorate in Intercultural Studies at the Assemblies of God Theological Seminary. His current term expires in 2029.

Jeremy Davis. Rev. Davis began serving as a director in 2024. He is currently the Superintendent of the Alaska Ministry Network and has held that position since 2024. He was previously the Senior Pastor of Jubilee Worship Center AG from 2012-2024. Rev. Davis attended the Global University Berean School of the Bible. His current term expires in 2029.

Mark Dean. Rev. Dean began serving as a director in 2017. He is currently the Superintendent of the Minnesota District Council and has held that position since 2017. Previously, he was the District Youth Director for the Minnesota District Council from 1989-2017. Rev. Dean is a graduate of North Central University. His current term expires in 2027.

Iván De la Torre. Rev. De la Torre began serving as a director in 2016. He is currently the Superintendent of the Puerto Rico District Council and has held that position since 2016. His current term expires in 2026.

Nicholas W. Fatato. Rev. Fatato began serving as a director in 2019. He is currently the Network Pastor/Superintendent of the Southern New England Ministry Network and has held that position since 2019. His current term expires in 2029.

Richard M. Guerra. Rev. Guerra began serving as a director in 2010. He is currently the Superintendent of the SoCal Network Assemblies of God and has held that position since 2010. Previously, he was the Assistant Superintendent of the SoCal Network Assemblies of God from 2007-2010. Rev. Guerra holds a B.A. and an M.A. in Religion from Vanguard University. His current term expires in 2025.

Klayton Ko. Rev. Ko began serving as a director in 2014. He is currently the Superintendent of the Assemblies of God Hawaii District and has held that position since 2014. He also serves as the Senior Pastor of First Assembly of God Hawaii and has been in that role since 1994. Rev. Ko attended the Global University Berean School of the Bible. His current term expires in 2029.

Rigoberto (Rigo) Magaña. Rev. Magaña began serving as a director in 2024. He is currently the Superintendent of the Central District and has held that position since 2024. He previously served as the Lead Pastor of New Hope Greeley from 1995-2024. Rev. Magaña holds a B.A in Christian Ministries from Southern Arizona Bible College. His current term expires in 2029.

Chad McAtee. Rev. McAtee began serving as a director in 2023. He is currently the Superintendent of the Indiana District Council and has held that position since 2023. Previously, he was the Executive Secretary of the Indiana District from 2018 to 2023 and the Senior Pastor of North Manchester Assembly of God from 2004-2018. Rev. McAtee holds a B.A. in Biblical Studies from Central Bible College. His current term expires in 2028.

Lee McCloud. Rev. McCloud began serving as a director in 2023. He is currently the Network Lead Pastor of the Oregon Ministry Network and has held that position since 2023. Previously, he was the Assistant Superintendent of the Oregon Ministry Network from 2007-2023. His current term expires in 2028.

Jeff Peterson. Rev. Peterson began serving as a director in 2024. He is currently the Network Superintendent of the Arizona Network of the Assemblies of God and has held the position since 2024. Previously, he was Lead Pastor of two churches: Red Mountain Christian Center from 1992-2010 and Central Assembly from 2010-2016. The past eight years he has served in the Arizona Ministry Network office. Rev. Peterson holds an M.A.C.M. from the Assemblies of God Theological Seminary and an M.S.P.C. from Grand Canyon University. His current term expires in 2029.

David Phillips. Rev. Phillips began serving as a director in 2019. He is currently the Superintendent of the Montana Ministry Network and has held that position since 2019. Previously, he worked in the Montana Ministry Network as the Assistant Superintendent from 2017-2019 and as the Secretary from 2012-2017. Rev. Phillips holds a B.A. from Northwest University. His current term expires in 2029.

Terrell R. Raburn. Rev. Raburn began serving as a director in 1996. He is currently the Superintendent of the Peninsular Florida District Council and has held the position since 1996. Rev. Raburn earned a B.A. in Sociology with a Minor in Political Science from the University of Alabama as well as an M.A.M.L. and a DMin from Southeastern University. His current term expires in 2026.

William Rodriguez. Rev. Rodriguez began serving as a director in 2022. He is currently the Superintendent of the Southern Pacific District and has held the position since 2022. Previously, he was the Assistant Superintendent of the Southern Pacific District from 2016-2022. Rev. Rodriguez has earned a Ministerial Degree in Biblical Studies from Latin American Bible College, a Master of Divinity from Fuller Theological Seminary, and is currently earning a PhD in Organizational Leadership from Liberty University. His current term expires in 2027.

Raul A. Sanchez, Jr. Dr. Sanchez began serving as a director in 2022. He is currently the Superintendent of the Central Pacific Ministry Network and has held that position since 2022. He previously worked for the Central Pacific Ministry Network in the positions of Secretary from 2020-2022 and Assistant Superintendent from 2010-2020. Rev. Sanchez has earned a Bachelor in Pastoral Ministries from Southern California College, a M.T.S. from Vanguard University, a Master of Divinity from American Baptist Seminary, and a DMin in Pastoral Care and Counseling from Assemblies of God Theological Seminary. His current term expires in 2027.

Phillip B. Schneider. Rev. Schneider began serving as a director in 2012. He is currently the Superintendent of the Illinois District Council and has held that position since 2012. Rev. Schneider holds a B.A. in Bible from Central Bible College. His current term expires in 2027.

Joel Wendland. Rev. Wendland began serving as a director in 2021. He is currently the Superintendent of the Southern Idaho Ministry Network and has held that position since 2021. Previously, he was pastor of River of Life Church from 2005-2021. Rev. Wendland holds a B.A. in Biblical Studies/Ministerial from Trinity Bible College. His current term expires in 2026.

Darryl E. Wootton. Dr. Wootton began serving as a director in 2021. He is currently the Superintendent of the Oklahoma Assemblies of God and has held that position since 2021. Previously, he was the Lead Pastor of SpiritCHURCH from 2003 until 2021. Dr. Wootton earned an A.A. in Music from Central Bible College, a B.A. in Bible from Central Bible College, a Masters in Theology from Oral Roberts University, and a DMin from Assemblies of God Theological Seminary. His current term expires in 2026.

TAX ASPECTS

Although CEP is a Code Section 501(c)(3) organization, investors are not entitled to a charitable deduction for investment in the Notes. Any interest on the Notes will be taxed as ordinary income in the year it is paid or credited to you, even if compounded or reinvested. You will not be taxed on the return of any principal amount of your Notes; however, if you experience an event that causes the basis in your Note or previously taxed interest to be reduced, you may have taxable income upon the return of principal or previously taxed interest.

CEP will provide investors with a Federal Income Tax Form 1099-INT or the comparable form by the required date of each year indicating the interest earned on your Notes during the previous year. The amount reported to you on Form 1099-INT is the amount of interest income that is taxable to you and should be included by you on your own personal tax return. In some cases, CEP is required to withhold a percentage of the interest payable to investors including when investors fail to provide their correct Social Security or Federal Tax Identification Number and when CEP is notified by the Internal Revenue Service that an investor is subject to “backup 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 CEP and other charitable organizations that control, are controlled by or under common control with CEP, 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 Code requires be included in certain loan transactions. In that situation, the IRS may impute income up to that applicable federal rate. If you believe this applies to you, you should consult your tax advisor.

If the 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. CEP has no obligation to notify you of any such changes. Accordingly, this summary may not accurately reflect the tax consequences of an investment in the Notes after the date of this Offering Circular.

In addition, 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. It also does not address Notes purchased through an IRA, SEP, 403(b) plan, or other retirement or benefit plan. Nor does it address any aspect of state or local tax law that may apply to you. This summary was written to support the promotion or marketing of the Notes, and is not intended to be used, and cannot be used, by any person for the purpose of avoiding penalties that may be imposed by the Internal Revenue Service.

All investors should consult with a tax advisor to determine the federal, state, local or foreign income or other tax consequences of an investment in the Notes.

LITIGATION & OTHER MATERIAL TRANSACTIONS

As of the date of this Offering Circular, there are no suits, actions, or other legal proceedings or claims against CEP, or any individual in his or her capacity as a director or executive officer of CEP, or against its property that, individually or in the aggregate, is probable or reasonably possible to result in a material adverse effect upon CEP or its operations. To CEP's knowledge, no director or officer has been convicted of any criminal proceeding during the past 10 years, or been the subject of any order, judgment, or decree of any court, enjoining such individual from any activities associated with the offer or sale of securities.

INVESTMENTS BY OFFICERS & DIRECTORS

As of December 31, 2024, Officers and Directors of CEP held Notes totaling $2,648,825 and member and non-member districts of the Assemblies of God had Notes totaling $52,871,025. These Notes were issued and sold on substantially similar terms and conditions as comparable Notes sold to unaffiliated third parties.

FINANCIAL STATEMENTS

CEP's audited financial statements as of and for the years ending December 31, 2024, 2023, and 2022 are found beginning at page 18 of this Offering Circular. These financial statements have been audited by Aldrich CPAs & Advisors LLP, and their report thereon is dated March 24, 2025.

CEP's policy is to make available its audited financial statements to current investors each year within 120 days of its fiscal year end, either upon request or at www.cepnet.com.

AUDITED FINANCIAL STATEMENTS

Church Extension Plan

FINANCIAL STATEMENTS

Years Ended December 31, 2024, 2023, and 2022

Aldrich.

Church Extension Plan

PARTNERS *in* MINISTRY®

CHURCH EXTENSION PLAN

Financial Statements

Years Ended December 31, 2024, 2023, and 2022

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Aldrich CPAs + Advisors LLP
680 Hawthorne Avenue SE, #140
Salem, OR 97301

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Church Extension Plan
Salem, Oregon

Opinion

We have audited the accompanying financial statements of Church Extension Plan (the Ministry), a nonprofit organization, which comprises the statements of financial position as of December 31, 2024, 2023, and 2022, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Church Extension Plan as of December 31, 2024, 2023, and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Church Extension Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

NASAA Statement of Policy Guidelines

As discussed in Note 20 to the financial statements, at December 31, 2024, 2023, and 2022, the Ministry did not meet one of the guidelines established by the North American Securities Administrators Association, Inc. (NASAA). The Ministry does not anticipate significant changes to its ability to sell or renew notes in the applicable states.

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 Church Extension Plan's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for 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.

Auditor's Responsibilities for the Audit of the Financial Statements, continued

In performing an audit in accordance with generally accepted auditing standards, 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 Church Extension Plan'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 Church Extension Plan'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.

Aldrich CPAs + Advisors LLP

Salem, Oregon
March 24, 2025

Statements of Financial Position

December 31, 2024, 2023, and 2022

	2024	2023	2022
Assets			
Cash and cash equivalents	$ 11,387,547	$ 11,697,832	$ 24,897,346
Investments	37,201,805	45,334,609	12,369,000
Planned giving investments	1,015,676	1,014,385	962,516
Investments held for others	-	-	3,923,959
Receivables:			
Mortgages receivable	539,152,224	533,914,744	522,568,013
Church loans unsecured	-	-	542,031
Interest receivable	3,639,209	3,045,542	3,258,067
Allowance for credit losses	(6,563,075)	(6,562,180)	(7,748,817)
Total receivables, net	536,228,358	530,398,106	518,619,294
Other assets	232,989	175,018	82,069
Property and equipment, net	4,742,191	4,264,172	4,427,848
Other rental property, net	3,813,668	3,914,602	4,341,619
Other real estate owned, net	8,589,367	9,190,768	5,685,812
Total assets	$ 603,211,601	$ 605,989,492	$ 575,309,463
Liabilities			
Accounts, interest, and other payables	$ 1,996,657	$ 1,828,191	$ 1,789,560
Notes payable, unsecured	563,208,214	566,326,327	531,452,630
Certificates payable, unsecured	21,730,212	23,620,849	25,148,916
Planned giving agreements	711,982	727,034	618,393
Funds held for others	-	-	3,923,959
Total liabilities	587,647,065	592,502,401	562,933,458
Net Assets			
Assets without donor restrictions	15,236,310	13,158,865	12,047,779
Assets with donor restrictions	328,226	328,226	328,226
Total net assets	15,564,536	13,487,091	12,376,005
	$ 603,211,601	$ 605,989,492	$ 575,309,463

Statements of Activities

For the Years Ended December 31, 2024, 2023, and 2022

	2024	
	Amount	%
Changes in Assets without Donor Restrictions:		
Interest Income:		
Interest revenue, loans	$ 30,147,196	100.00%
Less interest expense	23,013,717	76.34%
Net interest income	7,133,479	23.66%
Credit Loss Expense	-	-
Interest income after credit loss expense	7,133,479	23.66%
Other Operating Income:		
Investment income (loss)	1,937,565	6.43%
Contributions	24,085	0.08%
Other revenue	1,429,551	4.74%
Total other operating income	3,391,201	11.25%
Operating Expenses:		
Salaries	3,621,059	12.01%
Payroll taxes and personnel expenses	1,534,304	5.09%
Occupancy expense and supplies	946,845	3.14%
Professional fees	929,940	3.08%
Travel, lodging, and related expenses	328,863	1.09%
Advertising and promotion	292,106	0.97%
OREO expenses	478,622	1.59%
Directors' expenses	84,723	0.28%
Insurance, licenses, taxes, and other	230,773	0.77%
Total operating expenses	8,447,235	28.02%
Increase in assets without donor restrictions	2,077,445	6.89%
Changes in Assets with Donor Restrictions		
Contributions	-	
Increase in assets with donor restrictions	-	
Increase in net assets	2,077,445	
Net assets, beginning	13,487,091	
Net assets, ending	$ 15,564,536	

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

Statements of Activities *(continued...)*

For the Years Ended December 31, 2024, 2023, and 2022

2023		2022	
Amount	%	Amount	%
$ 27,427,303	100.00%	$ 25,948,406	100.00%
20,397,573	74.37%	17,158,091	66.12%
7,029,730	25.63%	8,790,315	33.88%
45,295	0.17%	803,000	3.09%
6,984,435	25.46%	7,987,315	30.79%
1,720,843	6.27%	(430,800)	-1.66%
39,366	0.14%	102,435	0.39%
1,208,524	4.41%	1,830,317	7.05%
2,968,733	10.82%	1,501,952	5.78%
3,465,739	12.64%	3,345,413	12.89%
1,393,444	5.08%	1,213,491	4.68%
885,833	3.23%	996,840	3.84%
933,117	3.40%	931,939	3.59%
279,814	1.02%	498,269	1.92%
391,367	1.43%	306,502	1.18%
1,217,096	4.44%	1,393,045	5.37%
72,370	0.26%	90,244	0.35%
203,302	0.74%	264,324	1.02%
8,842,082	32.24%	9,040,067	34.84%
1,111,086	4.04%	449,200	1.73%
-		1,861	
-		1,861	
1,111,086		451,061	
12,376,005		11,924,944	
$ 13,487,091		$ 12,376,005	

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

Statements of Cash Flows

For the Years Ended December 31, 2024, 2023, and 2022

	2024	2023	2022
Cash flows from operating activities:			
Increase in net assets	$ 2,077,445	$ 1,111,086	$ 451,061
Adjustments to reconcile increase in net assets to net cash provided by operating activities:			
Depreciation	377,504	382,806	547,391
Credit loss expense	-	45,295	803,000
Certificate amortization	1,384,328	1,564,404	1,759,150
Gain on redemption of certificates	(2,610)	(322,315)	(506,227)
Compounded interest	17,186,946	13,626,438	10,567,450
Net realized and unrealized (gain) loss on investments	(1,107,830)	(1,335,372)	859,517
Contribution from planned giving agreements	-	(8,904)	(164,659)
Change in value of planned giving agreements	20,309	129,511	173,605
(Gain) loss on disposal of property and equipment	-	(4,029)	42,132
Adjustments to OREOs	-	592,147	200,774
Gain on sale of OREO	(44,531)	-	-
Changes in operating assets and liabilities:			
Receivables	(1,341,098)	(661,516)	(1,100,047)
Other assets	(57,075)	(92,951)	307,382
Payables	(10,698)	(193,121)	(247,563)
Total adjustments	16,405,245	13,722,393	13,241,905
Net cash provided by operating activities	18,482,690	14,833,479	13,692,966
Cash flows from investing activities:			
Purchase of property and equipment	(612,994)	(78,184)	(265,380)
Improvements to other rental property	-	-	(21,568)
Cash received from sale of other rental property	-	329,000	323,225
Improvements to OREOs	-	-	(436,564)
Cash received from sale of OREOs	350,000	-	1,951,837
Mortgage fundings	(47,970,905)	(44,966,097)	(70,714,764)
Principal collected on mortgages	43,740,857	29,658,506	38,108,544
Purchase of investments	(248,263,444)	(238,301,717)	(60,161,410)
Proceeds from sale of investments	257,467,426	206,607,645	84,815,326
Net cash provided (used) by investing activities	4,710,940	(46,750,847)	(6,400,754)

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

Statements of Cash Flows *(continued...)*

For the Years Ended December 31, 2024, 2023, and 2022

	2024	2023	2022
Cash flows from financing activities:			
Proceeds from borrowings	$ 73,654,798	$ 97,272,962	$ 66,941,580
Principal payments on borrowings	(93,959,859)	(76,025,702)	(65,446,451)
Payments on certificates payable	(3,198,854)	(2,529,406)	(4,247,419)
Net cash provided (used) by financing activities	(23,503,915)	18,717,854	(2,752,290)
Net increase (decrease) in cash	(310,285)	(13,199,514)	4,539,922
Cash and cash equivalents, beginning	11,697,832	24,897,346	20,357,424
Cash and cash equivalents, ending	$ 11,387,547	$ 11,697,832	$ 24,897,346
Cash paid during year for interest	$ 4,442,443	$ 5,206,731	$ 4,831,491

Notes to Financial Statements

December 31, 2024, 2023, and 2022

(1) Summary of Significant Accounting Policies

Organization and Nature of Activities

Church Extension Plan (the Ministry) was founded in 1950 and incorporated in 1952 as a nonprofit corporation in the state of Oregon. The Ministry's primary purpose is to provide financial and administrative services to churches, districts, members, and friends of the Assemblies of God across the United States of America and Puerto Rico.

The Ministry's primary source of revenue is interest income generated from its mortgage lending program. The mortgage lending program is available to Assemblies of God districts, churches, and related organizations throughout the United States of America. Funding for the mortgage lending program comes from the sale of promissory notes (see Note 10), and prior to 2021 from 20-year church certificates as well (see Note 11).

Church Extension Plan has successfully assisted more than 3,000 Assemblies of God ministries.

Cash and Cash Equivalents

The Ministry considers all short-term, highly liquid investments to be cash equivalents, including money market accounts and short-term certificates of deposit with original maturities of one year or less. Short-term certificates of deposit are recorded at cost.

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

The Ministry maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Ministry implemented an insured cash sweep program to reduce the possibility of this occurring. As a result, at December 31, 2024, 2023, and 2022 all cash in bank deposit accounts was federally insured.

Certificate Program

The Ministry discontinued the Partners Plus Church Certificate securities offering effective January 1, 2021. The Ministry will continue to meet its ongoing obligation with regard to certificates payable at maturity for all certificates purchased prior to January 1, 2021 (see Note 11).

Certificates mature in 20 years at 150% of the original purchase price. At the time of sale, the maturity value is discounted to an estimated present value which is recorded as a liability.

The difference between (a) the present value of the certificate payable and (b) the maturity value of the certificate payable is called the certificate discount. It is amortized to expense using the effective interest method over the life of the certificate, 20 years.

Mortgages Receivable

Mortgages are stated at the amount of unpaid principal. Interest is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding. Accrual of interest is discontinued on a loan when management believes the borrower's financial condition is such that collection of interest is doubtful. Management makes this decision after considering economics, business conditions and collection efforts. Recognition of interest income is resumed when the loan holder demonstrates it can make regular payments.

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(1) Summary of Significant Accounting Policies (continued)

Allowance for Credit Losses – Mortgages Receivable

The allowance for credit losses is established through a charge to the credit loss expense. Mortgages are charged against the allowance for credit losses when management believes the collectability of the principal is unlikely. Past due status is determined by the number of payments that are in arrears. Mortgages with three or more payments in arrears are considered delinquent. In accordance with the Ministry's plan and mission, the Ministry diligently works with its mortgage holders to find solutions for those who are having difficulty meeting their payment agreement.

The allowance for credit losses is evaluated on a regular basis by the Ministry.

Groups of loans with similar risk characteristics are collectively evaluated. Loans that do not share risk characteristics are evaluated on an individual basis. Loans with similar risk characteristics are grouped into homogenous segments, or pools, for analysis.

The Weighted-Average-Remaining-Maturity (WARM) model is used for each loan pool, and the results are aggregated at the pool level. Using the WARM model, historical losses, as adjusted for reasonable and supportable forecast expectations, are applied to the effective term of the loan portfolio. The Ministry determined the most reasonable and efficient way to pool loans by similar risk characteristics is to do so by credit quality, which include the following segments: Pass, Special Mention (or Watch), and Substandard.

In determining the proper level of the allowance for credit losses, the Ministry determined that the historical loss experience provides the best basis for the assessment of expected credit losses. The Ministry therefore used historical credit loss experience by each loan segment over an economic cycle.

The Ministry qualitatively adjusts model results for risk factors that are not considered within the modeling processes but are nonetheless relevant in assessing the expected credit losses within the loan pools. These qualitative factors and other qualitative adjustments may increase or decrease the Ministry's estimate of expected credit losses by a calculated percentage or amount based upon the estimated level of risk. The various risks that may be considered in making qualitative adjustments include, among other things, the impact of:

- Changes in lending policy and procedures, including changes in underwriting standards and collections, charge-offs and recovery practices
- Actual and expected changes in national, regional, and local economic conditions that affect the collectibility of the loan pools
- Changes in the nature and volume of the loan pools and in the terms of the underlying loans
- Changes in the experience, ability, and depth of our lending management and staff
- Changes in the quality of the loan review function
- The existence, growth, and effect of any concentrations of credit
- Other factors such as the regulatory, legal and technological environments; competition; and events such as natural disasters or health pandemics

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(1) Summary of Significant Accounting Policies (continued)

Allowance for Credit Losses – Mortgages Receivable (continued)

A loan is individually evaluated for allowance for credit losses when it is past due 6 months or more with insufficient collateral; loans with a workout agreement in place; and all loans in Puerto Rico. These loans will be allowed for on a collateral short-fall basis. The Ministry believes individually evaluated loans are largely collateral dependent, meaning repayment is expected to be provided substantially through the operation or sale of the collateral.

The Ministry makes loans to churches in certain areas that have experienced seismic activity, hurricanes, floods and other natural disasters in the past. Most churches do not carry casualty insurance on church buildings covering these perils because of limited availability, high premium cost and the large percentage of self-insurance required under those available policies.

Interest receivable balances are written off as a reduction of interest income when management determines no further payments will be received and collateral is insufficient for recovery. Management has evaluated the historical amounts recorded as a reduction of interest income and the current balance of interest receivable and determined no allowance for credit losses for interest receivable is required.

The allowance for credit losses on off-balance-sheet credit exposures is a liability account, representing expected credit losses over the contractual period for which the Ministry is exposed to credit risk resulting from a contractual obligation to extend credit. No allowance is recognized if the Ministry has the unconditional right to cancel the obligation. The allowance is reported as a component of allowance for credit losses in the Statements of Financial Position. Adjustments to the allowance are reported in the Statements of Activities as a component of credit loss expense.

Adoption of New Financial Accounting Standard

Effective January 1, 2023, the Ministry adopted Accounting Standards Update (ASU) No. 2016-13, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments". This update requires the use of a forward-looking expected credit loss model for instruments within its scope, including mortgages receivable, and replaces the previous incurred loss impairment model. The expected credit loss model requires management to estimate current expected credit losses over the lifetime of the assets by considering all reasonable and supportable information, including historical experience, current conditions, and reasonable and supportable forecasts affecting collectability.

The Ministry analyzed the provisions contained in Topic 326 and determined that there was no impact on net assets as of January 1, 2023, due to the adoption of the new policy.

Planned Giving Agreements

The Ministry holds assets under planned giving agreements consisting of charitable gift annuities and charitable remainder unitrusts for which the Ministry serves as the trustee. These agreements provide for the payment of lifetime distributions to the donors or their designated beneficiaries. Distributions to beneficiaries may be for a specific dollar amount or for a specified percentage of the fair market value as determined annually. Assets held under these agreements are recorded at fair value.

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(1) Summary of Significant Accounting Policies (continued)

Planned Giving Agreements (continued)

The present value of estimated future payments to beneficiaries is reported as a liability calculated using rates of return established at the time of the agreements. Rates range from 4.2% to 10.3%. At the death of the lifetime beneficiaries, the agreements provide for the distribution of assets to designated charitable organizations. Certain agreements contain provisions to distribute assets to charitable organizations other than the Ministry. The portion attributable to others is reflected as a component of planned giving agreements. Changes in the fair value of the investments are combined with the other changes in the estimated liability and are recorded in the Statements of Activities.

Funds Held for Others

Funds received for the benefit of others outside of the Ministry are recorded in investments held for others in the Statements of Financial Position with a corresponding liability for the same amount.

Other Assets

Other assets consist of miscellaneous receivables and prepaid items including insurance, property taxes, and software maintenance agreements.

Property and Equipment

Property and equipment are stated at historical cost. Maintenance and repairs are charged to expense as incurred; major improvements are capitalized. Upon retirement or sale of assets, the cost and accumulated depreciation of the assets disposed are removed from the accounts and resulting gains or losses are recognized as other income. Depreciation is computed using the straight-line method based on their estimated useful life. It is the Ministry's policy to capitalize property and equipment over $2,500. Lesser amounts are expensed.

Other Rental Property

The Ministry has acquired other rental property either through donation of the property on a noncash basis or by being purchased by the Ministry through donated dollars. The Ministry leases these properties to churches or other ministries on a month-to-month basis. The properties are recorded at historical cost or fair market value at the date of donation. Depreciation expense is charged to operations as incurred, and lease income is recorded as other revenue in the Statements of Activities.

Other Real Estate Owned and Allowance for Loss

Other real estate owned (OREO) consists of land and church facilities acquired by the Ministry in satisfaction or partial satisfaction of mortgages receivable. OREOs are recorded at the lower of the carrying value of the mortgage or the fair market value minus estimated costs to sell. Costs of holding foreclosed property are charged to expense in the current period; however, significant property improvements are capitalized to the extent the carrying value does not exceed the estimated fair market value of the property.

The allowance for losses is an amount management believes will be adequate to absorb possible losses on existing OREOs based on evaluations of the realizable value of the property. Management analyzes the adequacy of the allowance on an individual basis for each property. The allowance for losses is established through a charge to OREO expense and reported on the Statements of Activities.

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(1) Summary of Significant Accounting Policies (continued)

Other Real Estate Owned and Allowance for Loss (continued)

The Ministry records a gain or loss from the sale of OREO when control of the property transfers to the buyer, which generally occurs at the time of an executed deed. If the Ministry finances the sale of OREO to the buyer, the Ministry assesses whether the buyer is committed to perform their obligations under the contract and whether collectability of the transaction price is probable. Once these criteria are met, the OREO asset is derecognized and the gain or loss on the sale is recorded upon the transfer of control of the property to the buyer. In determining the gain or loss on the sale, the Ministry adjusts the transaction price and related gain (loss) on sale if a significant financing component is present.

Fair Value Measurements

Generally accepted accounting principles (GAAP) establish a framework for measuring fair value. That framework provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Ministry has the ability to access.

Level 2 inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Listed below are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024, 2023, and 2022.

Certificates of Deposit: Valued at fair value based on the quoted prices in the active market on which the certificates are sold.

US Government Securities: Valued at the closing price reported on the active market on which the securities are sold.

Corporate and State Bonds: Valued at fair value based on the quoted prices of similar securities in the active market on which the individual securities are sold.

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(1) Summary of Significant Accounting Policies (continued)

Fair Value Measurements (continued)

Mutual Funds: Valued at the closing price reported on the active market on which the securities are sold.

Receivables from Remainder Unitrusts: Valued at the net present value of the Ministry's interest in the underlying assets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Ministry believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Functional Allocation of Expenses

Functional expenses (see Note 12) present the natural classification detail of expenses by function. Certain costs have been allocated between the program and supporting services on usage and other methods.

Income Taxes and Uncertain Tax Position

The Ministry is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Exemptions from the State of Oregon corporation excise tax are provided by Oregon Revised Statutes 317.080. The Ministry's exemption from income taxes is based on continuing with its exempt purpose, and, if it failed to continue to comply with its exempt purpose, it could be subject to income taxes. The Ministry's management believes its current operations are in compliance with its exempt purpose and has received no notices or indications to indicate otherwise.

The Ministry follows accounting standards related to the recognition of uncertain tax positions. These standards provide detailed guidance for financial statement recognition, measurement and disclosure of uncertain tax positions taken or expected to be taken on the income tax returns. They require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained under examination. Management has determined that the Ministry does not have any uncertain tax positions as of December 31, 2024, 2023, and 2022.

Basis of Presentation

The financial statements of the Ministry have been prepared in accordance with GAAP, which require the Ministry to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Ministry. These net assets may be used at the discretion of the Ministry's management and the Board of Directors.

(1) Summary of Significant Accounting Policies (continued)

<u>Basis of Presentation (continued)</u>

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Ministry or by passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Ministry's assets with temporary restrictions are to be used for the future acquisition or improvements to church properties. The Ministry had no net asset funds held in perpetuity as of December 31, 2024, 2023, or 2022.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities.

<u>Estimates</u>

The preparation of financial statements in conformity with GAAP requires the Ministry's 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.

<u>Subsequent Events</u>

The Ministry has evaluated subsequent events through March 24, 2025, which is the date the financial statements were available to be issued.

(2) Cash and Cash Equivalents

The Ministry's cash and cash equivalents consist of checking and savings accounts in banks, highly liquid investments with original maturities of three months or less, money market funds, and certificates of deposit with original maturities of 12 months or less.

(3) Church Loans Unsecured

At December 31, 2024 and 2023, the Ministry had no unsecured church loans. At December 31, 2022 there was $542,031. The terms of the notes provide for varying repayment terms and interest rates.

In accordance with the Ministry's internal credit rating system (see Note 4), the classification of these loans at December 31, 2022 was Pass.

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(3) Church Loans Unsecured (continued)

The following table summarizes the aging of the Ministry's unsecured church loans as of December 31:

	2024	2023	2022
0-90 Days	$ -	$ -	$ 542,031
Greater than 90 days and still accruing	-	-	-
Nonaccrual	-	-	-
	$ -	$ -	$ 542,031

(4) Mortgages Receivable

The Ministry administers the funding and collection of mortgages receivable primarily for the purpose of providing financing for the purchase, construction and renovation of physical facilities, and the acquistion of sites upon which new worship and education facilities can be constructed. The funding for the mortgages is obtained largely through the sale of promissory notes (see Note 10) which are unsecured debt obligations of the Ministry.

Most church loans are secured by first mortgages or trust deeds on real property and are receivable over 20 to 40 years. Based on current lending rates, the fair value of these mortgage notes approximates their carrying amount.

The mortgages receivable represented 753 loans at December 31, 2024 (754 and 740 loans at December 31, 2023 and 2022, respectively). The average interest rates for mortgages receivable were 6.11% in 2024, 5.51% in 2023, and 5.23% in 2022.

Future maturities of mortgages receivable for each of the next five years are as follows:

2025	$ 13,129,941
2026	14,555,417
2027	14,340,577
2028	14,862,703
2029	15,529,002
2030 and thereafter	466,734,584
	$ 539,152,224

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(4) Mortgages Receivable (continued)

Credit Quality Information: The credit quality of the loan portfolio is monitored using an internal rating system that reflects management's risk assessment based on an analysis of the borrower's financial condition, the condition of the church, cash flows, and the delinquency status of the loan. The internal system assigns one of the following four risk gradings: Pass, Special Mention (or Watch), Substandard, and Impaired. A description of the risk grading categories is listed below:

Pass
Assigned to loans which reflect acceptable risk.

Special Mention (or Watch)
Assigned to loans where the borrower exhibits trends that, if left uncorrected, may threaten their capacity to perform.

Substandard
Assigned to loans which have been placed on nonaccrual status and the ultimate collectability of the loan is dependent upon the underlying collateral. No interest is recognized on loans categorized under this risk grading, and, accordingly, any cash payments received on these loans would be a reduction of principal.

Impaired
Assigned to loans that are in the process of foreclosure, or which have been placed on nonaccrual status and it has been determined that the Ministry will not be able to recover all amounts due. No interest is recognized on loans categorized under this risk grading, and, accordingly, any cash payments received on these loans would be a reduction of principal.

Management's classification of the loan portfolio in accordance with the Ministry's internal credit rating system is as follows at December 31:

	2024	2023	2022
Pass	$ 515,668,831	$ 508,445,410	$ 469,053,629
Special Mention (or Watch)	5,470,690	7,197,387	25,140,148
Substandard	7,950,092	8,139,991	13,877,178
Impaired	10,062,611	10,131,956	14,497,058
	$ 539,152,224	$ 533,914,744	$ 522,568,013

No interest income was recognized on loans graded as impaired during the years ended December 31, 2024, 2023, and 2022.

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(4) Mortgages Receivable (continued)

The following table summarizes the aging of the Ministry's mortgages receivable as of December 31:

	2024	2023	2022
0-90 Days	$ 519,720,116	$ 512,228,244	$ 494,145,555
91-120 Days	2,502,057	5,828,260	2,565,789
Greater than 120 and still accruing	2,061,897	1,634,624	2,966,375
Nonaccrual	14,868,154	14,223,616	22,890,294
	$ 539,152,224	$ 533,914,744	$ 522,568,013

The allowance for loan losses includes specific reserves related to individual exposures, as well as a general reserve for other receivables based on historical loss experience and expectations about future losses. Activity in the loan allowance for credit losses is as follows at December 31:

	2024	2023	2022
Beginning balance	$ 6,562,180	$ 7,748,817	$ 8,028,705
Additions charged to operations	-	45,295	803,000
Write-downs and adjustments to the allowance account	895	(1,231,932)	(1,082,888)
	$ 6,563,075	$ 6,562,180	$ 7,748,817

Loan Commitments

The Ministry had unfunded loan commitments of approximately $38,959,000, $30,451,000, and $53,044,000 at December 31, 2024, 2023, and 2022, respectively.

Loan Modifications

The Ministry will at times make certain modifications to loans as part of its ongoing operations that it does not consider to be troubled debt restructures. These modifications may include extending the term of the loan, temporarily changing the required payment to interest only, or capitalization of interest. The net present value of the estimated future cash flows on these loans is not expected to materially differ from the loan contract. During the year that ended December 31, 2024, $665,189 of interest was capitalized and added to mortgages receivable. In 2023 and 2022, $305,700 and $242,387 were capitalized, respectively.

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(4) Mortgages Receivable (continued)

Restructures

In order to assist in resolving delinquencies related to troubled debts, the Ministry may choose to restructure loans in a manner that provides a period of time with reduced payments to provide opportunity for the borrower to resolve issues causing the delinquencies. Typical restructures include establishing new terms for the loan, capitalizing delinquent interest to the loan, and temporarily placing a portion of the loan on non-accrual status. Any amounts placed on non-accrual status would incrementally start accruing interest at the pre-restructured rate from one to five years from the date of restructure, depending on the agreement. The mission of the Ministry and the relationship it maintains with its borrowers is unlike that of a traditional lender; accordingly, the Ministry may be more willing to accept partial, deferred, or late payments. In addition, the Ministry may agree to modify loan terms as part of a loan restructuring in lieu of exercising its right to foreclose.

During the years ended December 31, 2024 and 2023, the Ministry had no troubled debt restructures. In 2022 there was one mortgage receivable classified as troubled debt with an unpaid balance of $600,000 at the time of restructuring. No losses were recorded on the restructurings, as the underlying collateral value of the mortgages exceeded the recorded investment in the mortgages or the present value of the future benefit stream did not materially differ from the loan contract.

Concentration of Delinquencies

At December 31, 2024 and 2023, the Ministry had no loans in Puerto Rico on nonaccrual status. At December 31, 2022 there was $5,825,000.

(5) Property and Equipment

Property and equipment consist of the following at December 31:

	2024	2023	2022
Land	$ 730,770	$ 730,770	$ 730,770
Building and improvements	6,149,207	5,701,086	5,649,827
Equipment and furniture	892,187	824,184	837,573
Software	627,473	427,958	403,208
	8,399,637	7,683,998	7,621,378
Less accumulated depreciation	3,657,446	3,419,826	3,193,530
	$ 4,742,191	$ 4,264,172	$ 4,427,848

Depreciation expense was $240,638, $232,865, and $273,179 for the years that ended December 31, 2024, 2023, and 2022, respectively.

Lease income related to property and equipment was $331,181 in 2024, $273,214 in 2023, and $225,174 in 2022.

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(6) Other Rental Property

Other rental property consists of the following at December 31:

	2024	2023	2022
Land	$ 780,000	$ 780,000	$ 890,000
Building and improvements	4,249,229	4,249,229	4,493,392
	5,029,229	5,029,229	5,383,392
Less accumulated depreciation	1,215,561	1,114,627	1,041,773
	$ 3,813,668	$ 3,914,602	$ 4,341,619

Depreciation expense was $100,934, $102,045, and $107,755 for the years that ended December 31, 2024, 2023, and 2022, respectively.

Lease income related to other rental property was $45,701 in 2024, $45,701 in 2023, and $41,893 in 2022.

(7) Other Real Estate Owned (OREO)

As described in Note 1, the Ministry owns several parcels of property acquired through foreclosure or in a deed in lieu of foreclosure. The Ministry either attempts to sell the OREO or temporarily leases the property back to the churches with the intention that these churches will be able to repurchase the real estate in the future. The following schedule shows the breakdown between leasing and selling activities at December 31:

	2024	2023	2022
Actively selling	$ 8,475,000	$ 8,475,000	$ 4,330,000
Leasing back to churches	1,691,668	2,388,744	2,388,744
	10,166,668	10,863,744	6,718,744
Less accumulated depreciation	179,447	275,122	227,226
Less allowance for loss	1,397,854	1,397,854	805,706
	$ 8,589,367	$ 9,190,768	$ 5,685,812

OREO expense was $478,622, $624,949, and $1,213,045 for the years that ended December 31, 2024, 2023, and 2022, respectively. These expenses consist of the holding costs of the OREOs including property tax, insurance, utilities, repairs, maintenance, and depreciation. Depreciation expense was $35,932, $47,896, and $166,457 for the years ending December 31, 2024, 2023, and 2022, respectively. In 2024, no losses were recorded to reduce the value of OREOs to their estimated market values or known market value upon sale. In 2023 and 2022, losses of $592,147 and $180,000, respectively, were included in OREO expenses on the Statement of Activities.

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(8) Investments

The following tables set forth, by level, within the fair value hierarchy, the Ministry's investments at fair value:

Investments

	Assets at Fair Value as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
US Government Securities	$ 18,973,450	$ -	$ -	$ 18,973,450
Mutual Funds	18,228,355	-	-	18,228,355
	$ 37,201,805	$ -	$ -	$ 37,201,805

	Assets at Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
US Government Securities	$ 41,116,961	$ -	$ -	$ 41,116,961
Mutual Funds	4,217,648	-	-	4,217,648
	$ 45,334,609	$ -	$ -	$ 45,334,609

	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
US Government Securities	$ 12,195,000	$ -	$ -	$ 12,195,000
Mutual Funds	174,000	-	-	174,000
	$ 12,369,000	$ -	$ -	$ 12,369,000

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(8) Investments (continued)

Planned Giving Investments

	Assets at Fair Value as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 1,015,676	$ -	$ -	$ 1,015,676
	$ 1,015,676	$ -	$ -	$ 1,015,676

	Assets at Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 1,014,385	$ -	$ -	$ 1,014,385
	$ 1,014,385	$ -	$ -	$ 1,014,385

	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 962,516	$ -	$ -	$ 962,516
	$ 962,516	$ -	$ -	$ 962,516

Investments Held for Others

	Assets at Fair Value as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 3,923,959	$ -	$ -	$ 3,923,959
	$ 3,923,959	$ -	$ -	$ 3,923,959

(9) Bank Line of Credit

The Ministry has entered into a short-term line of credit agreement with Umpqua Bank in the amount of $12,000,000. The line bears a variable interest rate at the Wall Street Journal prime rate minus 0.50%. The interest rate on the line as of December 31, 2024, was 7.00%. The line is secured by certain mortgages receivable totaling $25,492,522. No amounts were drawn on the line as of December 31, 2024, 2023, and 2022. The line matures on June 5, 2025.

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(10) Notes Payable

Notes payable consist of the following at December 31:

	2024	2023	2022
Vision Notes			
Notes payable to various churches and individuals at variable and fixed interest rates ranging from 0.75% to 5.50%, unsecured	$ 416,323,542	$ 413,708,188	$ 376,774,928
Individual Retirement Account (IRA)			
Notes payable to various individual retirement accounts, fixed and variable interest rates ranging from 2.35% to 5.50%, unsecured	106,402,368	107,711,566	109,856,917
CEP 403(b) Retirement Plan			
403(b) Funds invested in Vision Notes, variable interest rate at 3.50%, unsecured	40,482,304	44,906,573	44,820,785
	$ 563,208,214	$ 566,326,327	$ 531,452,630

The average interest rates for the notes payable were 4.09% in 2024, 3.86% in 2023, and 3.10% in 2022. Purchasers of the notes may specify frequency of interest payments, or interest may be compounded and added monthly to the principal.

Maturities of notes payable for each of the next five years are as follows at December 31:

	403(b) Notes	IRA Notes	Vision Notes	Total
2025	$ 40,482,304	$ 60,621,214	$ 280,220,671	$ 381,324,189
2026	-	16,493,929	63,186,746	79,680,675
2027	-	10,650,356	41,214,983	51,865,339
2028	-	7,795,007	13,089,216	20,884,223
2029	-	10,841,862	18,611,926	29,453,788
	$ 40,482,304	$ 106,402,368	$ 416,323,542	$ 563,208,214

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(10) Notes Payable (continued)

CEP 403(b) Retirement Plan is offered to Church Extension Plan employees as well as Assemblies of God pastors and ministry staff. 403(b) Vision Notes are an investment option offered to plan participants and is shown as a current maturity because the 403(b) participants have the option to change their investment allocation within the plan at any time. Over 68% of all funds in the 403(b) plan were invested in 403(b) Vision Notes as of December 31, 2024.

The maturities of the IRA Notes are based on the length of the underlying note purchased with the IRA funds. At maturity and subject to certain legal restrictions and early withdrawal penalties, the investor has the option to have the proceeds from the note distributed to them or rolled to a different plan.

Upon maturity of the notes, note holders have the option to renew their notes at the current rates and terms offered by the Ministry or to take a distribution. In addition, at the Ministry's discretion, note holders may take early distributions on their notes subject to certain penalties. Distributions on the notes in relation to their maturities were as follows for the years ended:

	(in millions) 2024	2023	2022
Total notes matured	$ 313.8	$ 228.0	$ 200.7
Distribution on matured notes	49.9	44.2	35.1
Distribution on non-matured notes	44.1	31.8	30.3

(11) Certificates Payable

Certificates payable consist of the following at December 31:

	2024	2023	2022
Unsecured future maturity value of certificate payable	$ 27,077,700	$ 30,491,700	$ 33,745,200
Less certificate discount with rates ranging from 3.0% to 8.0%	(5,347,488)	(6,870,851)	(8,596,284)
	$ 21,730,212	$ 23,620,849	$ 25,148,916

Amortization expense of the certificate discount for the year that ended December 31, 2024, was $1,384,328 ($1,564,404 and $1,759,150, in 2023 and 2022, respectively). These amounts are included with interest expense on the Statements of Activities.

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(11) Certificates Payable (continued)

Maturities of certificates payable for each of the next five years are as follows at December 31:

2025	$ 6,087,750
2026	3,311,250
2027	2,217,750
2028	2,551,500
2029	4,214,250
Thereafter	8,695,200
	$ 27,077,700

As described in Note 1, the certificate program was discontinued effective January 1, 2021.

(12) Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to program and supporting services. The table below presents expenses by both their nature and their function.

	December 31, 2024			
		Supporting Services		
	Program	Management and General	Fundraising	Total
Interest Expense	$ 23,013,717	$ -	$ -	$ 23,013,717
Credit Loss Expense	-	-	-	-
Operating Expenses:				
Salaries	2,190,055	1,431,004	-	3,621,059
Payroll taxes and personnel expenses	936,828	597,476	-	1,534,304
Occupancy expense and supplies	337,350	609,495	-	946,845
Professional fees	662,819	267,121	-	929,940
Travel, lodging, and related expenses	225,108	103,755	-	328,863
Advertising and promotion	290,567	1,539	-	292,106
OREO expenses	478,622	-	-	478,622
Director's expenses	-	84,723	-	84,723
Insurance, licenses, taxes, and other	82,339	148,434	-	230,773
Total operating expenses	5,203,688	3,243,547	-	8,447,235
Total expenses	$ 28,217,405	$ 3,243,547	$ -	$ 31,460,952

Notes to Financial Statements *(continued...)*

December 31, 2024, 2023, and 2022

(12) Functional Allocation of Expenses (continued)

	December 31, 2023			
		Supporting Services		
	Program	Management and General	Fundraising	Total
Interest Expense	$ 20,397,573	$ -	$ -	$ 20,397,573
Credit Loss Expense	45,295	-	-	45,295
Operating Expenses:				
Salaries	2,298,684	1,167,055	-	3,465,739
Payroll taxes and personnel expenses	934,241	459,203	-	1,393,444
Occupancy expense and supplies	323,398	562,435	-	885,833
Professional fees	610,897	316,621	5,600	933,118
Travel, lodging, and related expenses	216,564	63,250	-	279,814
Advertising and promotion	389,754	1,613	-	391,367
OREO expenses	1,217,096	-	-	1,217,096
Director's expenses	-	72,370	-	72,370
Insurance, licenses, taxes, and other	84,056	119,245	-	203,301
Total operating expenses	6,074,690	2,761,792	5,600	8,842,082
Total expenses	$ 26,517,558	$ 2,761,792	$ 5,600	$ 29,284,950

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(12) Functional Allocation of Expenses (continued)

	December 31, 2022			
		Supporting Services		
	Program	Management and General	Fundraising	Total
Interest Expense	$ 17,158,091	$ -	$ -	$ 17,158,091
Credit Loss Expense	803,000	-	-	803,000
Operating Expenses:				
Salaries	2,233,719	1,088,009	23,685	3,345,413
Payroll taxes and personnel expenses	809,958	394,953	8,580	1,213,491
Occupancy expense and supplies	369,591	623,794	3,455	996,840
Professional fees	601,273	310,797	19,869	931,939
Travel, lodging, and related expenses	363,383	122,577	12,309	498,269
Advertising and promotion	299,802	3,237	3,463	306,502
OREO expenses	1,393,045	-	-	1,393,045
Director's expenses	-	90,244	-	90,244
Insurance, licenses, taxes, and other	108,663	155,661	-	264,324
Total operating expenses	6,179,434	2,789,272	71,361	9,040,067
Total expenses	$ 24,140,525	$ 2,789,272	$ 71,361	$ 27,001,158

Wherever possible, expenses are allocated directly to program or supporting services. However, certain categories of expenses are allocated based on estimates of time and effort or square footage. Salaries, payroll taxes and personnel expense, travel related expenses, and advertising and promotion are allocated based on estimates of time and effort. Insurance, licenses, taxes and other expenses are allocated based on square footage. Building related occupancy expenses are allocated based on square footage, while all other allocated occupancy expenses are based on time and effort.

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(13) Liquidity and Availability

Financial assets available for general expenditures within one year consist of the following at December 31:

	2024	2023	2022
Cash and cash equivalents	$ 11,387,547	$ 11,697,832	$ 24,897,346
Investments	37,201,805	45,334,609	12,369,000
Mortgage principal due in one year	13,129,941	13,751,718	13,234,342
Interest receivable	3,639,209	3,045,542	3,258,067
	$ 65,358,502	$ 73,829,701	$ 53,758,755

As part of the Ministry's liquidity management, it has a policy to ensure its financial assets are available for general expenditures, liabilities, and other obligations. Cash in excess of these daily requirements is invested (see Note 8). To help manage unanticipated liquidity needs, the Ministry has a committed line of credit in the amount of $12,000,000 which it can draw upon. The use of the line of credit is generally restricted to program related obligations (see Note 9).

(14) Pension Plan

The Ministry offers a tax-deferred defined contribution plan through CEP 403(b) Retirement Plan for all eligible employees. The Ministry makes a contribution of the first 3% of the eligible employee's salary. If an employee elects to defer a portion of their compensation, the Ministry may match up to an additional 3% of compensation at its discretion. The contributions to the plan were $186,617 in 2024, $180,053 in 2023, and $164,233 in 2022.

(15) Employee Medical Benefit Plan

The Ministry maintains a self-insured medical plan covering substantially all full-time active employees and their families. The Ministry limits their losses through the use of stop-loss insurance policies. Specific individual losses are limited to $50,000 per occurrence with an $824,563 combined limit for 2024. The liability recorded for incurred but not reported claims was $120,000 at December 31, 2024, 2023, and 2022.

(16) Distributions to Member Districts

Distributions are made to member districts from time to time as determined by the Board of Directors. No distributions were authorized in 2024, 2023, and 2022.

Notes to Financial Statements *(continued…)*

December 31, 2024, 2023, and 2022

(17) Noncash Activity

The Ministry had noncash transactions that resulted in the following changes in the financial statements for the years ended December 31:

	2024	2023	2022
Deeds in lieu of foreclosure	$ -	$ 4,537,159	$ -
OREOs transferred to mortgages	$ 260,000	$ 392,159	$ 7,800,000

(18) Related Party

CEP 403(b) Retirement Plan, a 403(b)(9) retirement income account plan (the Plan), is affiliated through common management of the Ministry. The Plan was created by the Ministry for the benefit of eligible Assemblies of God ministries. The Plan also covers all employees of the Ministry. Certain administrative functions are performed by officers and employees of the Ministry. No such officer or employee receives compensation from the Plan.

(19) Litigation

The Ministry is subject to legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to currently pending or threatened actions is not expected to materially affect the financial position or results of operations of the Ministry.

(20) NASAA Statement of Policy Guidelines

The North American Securities Administrators Association, Inc. (NASAA) sets benchmarks for church extension funds (CEF). Adherence to the benchmarks varies from state to state, and can be subject to policy, administrative rule or order, or the discretion of individual state securities examiners.

As of December 31, 2024, 2023, and 2022, the Ministry met four (4) of the NASAA benchmarks. However, during this same period of time, the Ministry did not meet the NASAA benchmark for capital adequacy, which calls for CEF's net assets to be positive and equal to 5% or more of its total assets. The Ministry's net assets were positive and were 2.58% of its total assets as of December 31, 2024 (2.23% and 2.15% in 2023 and 2022, respectively).