# Home Mission Council of the Eastern Regional Conference of the Churches of God, General Conference

Financial Statements and Report

December 31, 2025 and 2024

# Contents

Boyer & Ritter LLC

# Independent Auditor's Report

Board of Trustees
Home Mission Council of the Eastern Regional Conference of Churches of God, General Conference
Wormleysburg, Pennsylvania

## Opinion

We have audited the financial statements of Home Mission of the Eastern Regional Conference of the Churches of God, General Conference (the Home Mission Council), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Home Mission Council as of December 31, 2025 and 2024, and the results of its changes in 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 (GAAS). 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 the Home Mission Council 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.

## 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 the Home Mission Council'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 GAAS 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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Home Mission Council'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 the Home Mission Council'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.

Boyer & Ritter

Camp Hill, Pennsylvania
May 19, 2026

**Home Mission of the Eastern Regional Conference of the Churches of God, General Conference**
Statements of Financial Position
December 31, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | $ 5,204,307 | $ 4,881,570 |
| Mortgages and notes receivable - current portion | 45,533 | 115,650 |
| Accrued interest receivable | 4,940 | 3,384 |
| Prepaid expenses | 450 | 450 |
| **Total current assets** | 5,255,230 | 5,001,054 |
| **Other assets** | | |
| Investments | 1,484,183 | 1,580,010 |
| Mortgages and notes receivable - net of current portion | 596,515 | 857,353 |
| **Total other assets** | 2,080,698 | 2,437,363 |
| **Total assets** | $ 7,335,928 | $ 7,438,417 |
| **Liabilities and net assets** | | |
| **Current liabilities** | | |
| Certificates of investment - maturing within one year | $ 1,363,654 | $ 2,295,036 |
| Accounts payable | 2,253 | 2,138 |
| Accrued expenses | 2,604 | 2,214 |
| Accrued interest payable | 29,345 | 28,843 |
| **Total current liabilities** | 1,397,856 | 2,328,231 |
| **Long-term liabilities** | | |
| Debt - noncurrent | 4,561,168 | 3,785,753 |
| **Total long-term liabilities** | 4,561,168 | 3,785,753 |
| **Total liabilities** | 5,959,024 | 6,113,984 |
| **Net assets** | | |
| Without donor restrictions | 1,376,904 | 1,324,433 |
| **Total net assets** | 1,376,904 | 1,324,433 |
| **Total liabilities and net assets** | $ 7,335,928 | $ 7,438,417 |

See accompanying notes to the financial statements.

**Home Mission of the Eastern Regional Conference of the Churches of God, General Conference**
Statements of Activities
For the years ended December 31, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| **Revenue and gains** | | |
| Interest on mortgages and note receivable | $ 58,305 | $ 66,154 |
| Investment income, net | 254,023 | 303,312 |
| Other revenue | - | 667 |
| **Total operating support and revenue** | 312,328 | 370,133 |
| **Operating expenses** | | |
| Interest expense | 263,105 | 232,748 |
| Registration expenses | 2,000 | 2,000 |
| Administrative and other expenses | 76,262 | 73,779 |
| **Total operating expenses** | 341,367 | 308,527 |
| Net changes from operations | (29,039) | 61,606 |
| **Non-operating Income** | | |
| Unrealized gain on investments | 81,510 | 11,463 |
| **Total non-operating income** | 81,510 | 11,463 |
| Changes in net assets | 52,471 | 73,069 |
| Net assets: | | |
| Beginning | 1,324,433 | 1,251,364 |
| Ending | $ 1,376,904 | $ 1,324,433 |

See accompanying notes to the financial statements

**Home Mission of the Eastern Regional Conference of the Churches of God, General Conference**
Statement of Functional Expenses
For the year ended December 31, 2025

| | Program Services | General and Administration | Total |
|---|---|---|---|
| Legal and professional | $ - | $ 47,544 | $ 47,544 |
| Occupancy | - | 140 | 140 |
| Information technology | - | 850 | 850 |
| Registration expenses | - | 2,000 | 2,000 |
| Interest expense | 263,105 | - | 263,105 |
| Trustee fees | 26,945 | - | 26,945 |
| Other | 684 | 99 | 783 |
| **Total expenses** | $ 290,734 | $ 50,633 | $ 341,367 |

See accompanying notes to the financial statements.

**Home Mission of the Eastern Regional Conference of the Churches of God, General Conference**
Statement of Functional Expenses
For the year ended December 31, 2024

| | Program Services | General and Administration | Total |
|---|---|---|---|
| Legal and professional | $ - | $ 46,668 | $ 46,668 |
| Occupancy | - | 152 | 152 |
| Information technology | - | 812 | 812 |
| Registration expenses | - | 2,000 | 2,000 |
| Interest | 232,748 | - | 232,748 |
| Trustee fees | 25,498 | - | 25,498 |
| Other | 554 | 95 | 649 |
| **Total expenses** | $ 258,800 | $ 49,727 | $ 308,527 |

See accompanying notes to the financial statements.

**Home Mission of the Eastern Regional Conference of the Churches of God, General Conference**
Statements of Cash Flows
For the years ended December 31, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Changes in net assets | $ 52,471 | $ 73,069 |
| **Adjustments to reconcile changes in net assets to net cash provided by operating activities** | | |
| Net realized and unrealized (gain) loss on investments | (82,268) | (26,847) |
| **(Increase) decrease in assets:** | | |
| Accrued interest receivable | (1,556) | (1,372) |
| Prepaid expenses | - | (38) |
| **(Decrease) increase in liabilities:** | | |
| Accounts payable | 115 | (1,045) |
| Accrued expenses | 390 | 447 |
| Accrued interest payable | 502 | 7,412 |
| **Net cash (used in) provided by operating activities** | (30,346) | 51,626 |
| **Cash flows from investing activities** | | |
| Net (purchases) sales of investments | 178,095 | 416,000 |
| Issuance of mortgages and notes receivable | (139,717) | (44,365) |
| Proceeds from collections of mortgages and notes receivable | 470,672 | 466,077 |
| **Net cash provided by investing activities** | 509,050 | 837,712 |
| **Cash flows from financing activities** | | |
| Redemptions of certificates of investment | (466,905) | (253,075) |
| Proceeds from issuance of new certificates of investment | 147,484 | 472,504 |
| Increase in accumulated interest on certificates of investment | 163,454 | 138,831 |
| **Net cash (used in) provided by financing activities** | (155,967) | 358,260 |
| **Net increase in cash and cash equivalents** | 322,737 | 1,247,598 |
| Cash and cash equivalents at beginning of year | 4,881,570 | 3,633,972 |
| Cash and cash equivalents at end of year | $ 5,204,307 | $ 4,881,570 |

See accompanying notes to the financial statements.

## 1. Nature of Activities and Summary of Significant Accounting Policies

### Nature of Activities

The Home Mission Council of the Eastern Regional Conference of the Churches of God, General Conference (the Home Mission Council) is a Pennsylvania nonprofit corporation. The basic purpose of the Home Mission Council is to assist the Eastern Regional Conference of the Churches of God, General Conference in missionary and evangelistic work by loaning funds to existing church congregations and new mission groups for the acquisition, construction, and improvement of churches and church related activities.

### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, revenue and support are recognized when earned and expenses are recognized when incurred.

### Basis of Presentation

The Organization presents its financial statements in accordance with current accounting guidance, under which the Organization is required to report information regarding its financial position and activities according to classes of net assets as follows:

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 organization. These net assets may be used at the discretion of Organization's management and the Board of Directors.

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 Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

### Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, cash includes uninvested cash in bank checking and trust accounts. The Home Mission Council considers all highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents.

### Mortgage and Loan Receivables

Loans are stated at the amount of unpaid principal, reduced by an allowance for loan losses. Interest on loans is recognized over the term of the loan and is calculated using the simple interest method on principal amounts outstanding. The allowance for loan losses is established through a provision for loan losses charged to expense. Loans are charged against the allowance for loan losses when management believes that the collectability of the principal is unlikely. The allowance is an amount that management believes will be adequate to absorb possible losses on existing loans that may become uncollectible, which is adjusted monthly based on evaluations of the collectability of loans and prior loan loss experience. The evaluations take into consideration such factors as changes in the nature and volume of the loan portfolio, overall portfolio quality, review of specific problem loans, and current economic conditions that may affect the borrowers' ability to pay. Accrual of interest is discontinued on a loan when management believes, after considering economics, business conditions, and collection efforts, that the borrowers' financial condition is such that collection of interest is doubtful. There was no allowance for loan losses at December 31, 2025 and 2024.

## 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

### Investments and Fair Value

Management determines the appropriate classifications of investments when the investments are acquired and evaluates the appropriateness of the classifications at each balance sheet date.

The Home Mission Council follows the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements*, for fair value measurements of financial assets and liabilities and for fair value measurements of non-financial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. This Standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Standard also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Gains and losses on the sale of securities are recognized when sold. Interest and dividends are recognized as income when received.

### Revenue Recognition

The sources of revenue for the Home Mission Council are interest income from mortgages and notes receivables and investments. Revenue is recognized as earned based on contractual terms, or as transactions occur. The following is further detail of the various types of revenue the Home Mission Council earns and when it is recognized:

### Interest Income

Interest income is recognized on an accrual basis according to mortgage and note agreements, or other such written contracts.

### Advertising

The Home Mission Council expenses advertising costs as they are incurred. There was no advertising expense for the years ended December 31, 2025 and 2024.

### Functional Expense Classification

The costs of program and supporting services activities have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present the natural classification and detail of expenses by function. Accordingly, certain costs have been allocated among program and supporting services benefited.

### Use of Estimates

Preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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.

## 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

### Income Taxes

The Internal Revenue Service has determined that the Home Mission Council is an exempt organization under Section 501 (c)(3) of the U.S. Internal Revenue Code and is exempt from Federal income tax on all activities related to its exempt purpose. If income is generated from activities not related to its exempt purpose, the Home Mission Council becomes subject to unrelated-business income tax. The Home Mission Council follows the provisions of FASB's *Income Tax* Topic of the ASC, which requires an assessment of the Organization's exposure to income taxes at the entity level due to uncertain tax positions taken in current and previously filed tax returns. Examples of tax positions taken at the entity level include continued qualification as a tax-exempt organization and the existence of unrelated-business, taxable income arising from the conduct of unrelated-business activities. Any tax benefits associated with uncertain tax positions that exceed a realization threshold must be recorded as a liability for unrecognized tax benefits in the financial statements, including any associated interest and penalties. Presently, management believes that it is more likely than not that its tax positions will be sustained upon examination, including any appeals and litigation and, therefore, management believes the Home Mission Council has no exposure to income taxes arising from uncertain tax positions.

### Subsequent Events

In preparing these financial statements, the Home Mission Council has evaluated events and transactions for potential recognition or disclosure through May 19, 2026, the date the financial statements were available to be issued.

## 2. Concentrations

### Credit Risk

The Home Mission Council maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Home Mission Council has not experienced any losses in such accounts. The Home Mission Council believes it is not exposed to any significant credit risk on cash and cash equivalents.

### Mortgage and Notes Receivable

The geographic footprint of the Eastern Regional Conference covers Pennsylvania, Maryland, New York, and Virginia, but is substantially concentrated in Pennsylvania. Accordingly, if economic conditions in these states worsen, particularly in Pennsylvania, the contributions received by borrowing churches may decline, which would adversely affect their ability to repay their mortgages and notes receivable. At December 31, 2025, three churches' outstanding mortgage and notes accounted for 76% of the total mortgages and notes receivable. At December 31, 2024, two churches' outstanding mortgage and notes accounted for 57% of the total mortgages and notes receivable.

### 3. Liquidity and Availability

The following table reflects the Organization's financial assets as of December 31, 2025 and 2024, respectively, reduced by amounts that are not available to meet general expenditures within one year of the Statements of Financial Position due to contractual restrictions or internal Board designations. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

| | 2025 | 2024 |
|---|---|---|
| **Financial assets at end of year:** | | |
| Cash and cash equivalents | $ 5,204,307 | $ 4,881,570 |
| Investments | 1,484,183 | 1,580,010 |
| Mortgages and notes receivable, current portion | 45,533 | 115,650 |
| Accrued interest receivable | 4,940 | 3,384 |
| **Total Financial Assets:** | 6,738,963 | 6,580,614 |
| **Financial assets available to meet general expenditures over the next twelve months** | $ 6,738,963 | $ 6,580,614 |

Mission Council maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Home Mission Council manages its cash available to meet general expenditures following these guiding principles:

- Operating with a prudent range of financial soundness and stability; and
- Sustaining adequate liquid assets, including cash and cash equivalents.

### 4. Investments and Fair Value Measurements

Prior to being utilized for loans, the proceeds available for that purpose are required to be invested by the Home Mission Council. The proceeds are invested with a local bank. In accordance with policies of the Board of Trustees, such investments are allocated between mutual funds, corporate bonds and notes, and certificates of deposit.

The target range for investment is as follows:

| Asset Allocation Range | Target | Upper Limit |
|---|---|---|
| Cash and cash equivalents | 5% | 0-5% |
| Fixed income | 95% | 90-100% |

**4. Investments and Fair Value Measurements (Continued)**

FASB's *Fair Value Measurements Topic* of the ASC establishes a framework for measuring fair value. That framework provides a fair value hierarchy that 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 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under the standard are described below:

| | |
|---|---|
| Level 1 | Inputs to the valuation methodology are unadjusted, quoted prices for identical assets or liabilities in active markets which the Home Mission Council can access. |
| Level 2 | Inputs to the valuation methodology include:<br>· Quoted prices for similar assets or liabilities in active markets;<br>· Quoted prices for identical or similar assets or liabilities in inactive markets;<br>· Inputs other than quoted prices that are observable for the asset or liability;<br>· Inputs that are derived principally from or corroborated by observable, market data by correlation or other means.<br><br>If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

Following 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, 2025 and 2024.

<u>Certificates of Deposit</u>: The carrying amount approximates fair value because of the short-term nature of these investments.

<u>Corporate Bonds and Notes and U.S. Treasury Bonds and Notes</u>: Fair value is determined by reference to quoted market prices and other relevant information generated by market transactions.

<u>Mutual Funds</u>: Valued at the daily closing price as reported by the fund. Mutual funds held by Home Mission Council are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Home Mission Council are deemed to be actively traded.

## 4. Investments and Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2025 and 2024. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

| **Assets at Fair Value as of December 31, 2025** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| Certificates of deposit | $ 5,000 | $ - | $ - | $ 5,000 |
| Corporate bonds and notes | 1,422,764 | - | - | 1,422,764 |
| Mutual funds - fixed income | 46,440 | - | - | 46,440 |
| Negotiable certificate of deposit | 9,979 | - | - | 9,979 |
| **Total assets at fair value** | $ 1,484,183 | $ - | $ - | $ 1,484,183 |

| **Assets at Fair Value as of December 31, 2024** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| Certificates of deposit | $ 5,000 | $ - | $ - | $ 5,000 |
| Corporate bonds and notes | 1,517,997 | - | - | 1,517,997 |
| Mutual funds - fixed income | 47,130 | - | - | 47,130 |
| Negotiable certificate of deposit | 9,883 | - | - | 9,883 |
| **Total assets at fair value** | $ 1,580,010 | $ - | $ - | $ 1,580,010 |

## 5. Mortgages and Notes Receivable

Mortgages and notes receivable issued after October 2004 bear initial interest at the greater of 2.00% less than the prime rate or 7.00%, determined as of May 1st and November 1st of each year.

Mortgages and notes receivable issued between April 2003 and October 2004 bore interest at the greater of 2.00% less than the prime rate or 5.00%, determined as of May 1st and November 1st of each year.

Mortgages and notes receivable consist of the following:

| | **2025** | **2024** |
|---|---|---|
| Martinsburg Church of God, a $330,000, mortgage receivable, due monthly in the amount of $1,512, through February 2030. The loan was paid off in 2025. | $ - | $ 93,398 |

**5. Mortgages and Notes Receivable (Continued)**

| | 2025 | 2024 |
|---|---|---|
| Mount Pleasant Church of God, a $52,640 mortgage receivable, due monthly in the amount of $571, all principal and interest payments shall be payable on or before March 2026, with an interest rate of 8.50%. | 52,842 | 58,397 |
| Brownsville Church of God, a $877,504 mortgage receivable, due monthly in the amount of $5,389, through April 2039. The interest rate is negotiated. If an agreed rate cannot be determined, the new interest rate will be the prime rate plus 2.00% and amortized over a twenty-five year period. The loan was paid off in 2025. | - | 42,745 |
| Westminster 1st Church of God, a $65,000 mortgage, due monthly in the amount of $383, through January 2034 The interest rate is 5.75% per annum for the first three years (through January 2017), after which the interest rate is negotiated. If an agreed rate cannot be determined, the new interest rate will be the prime rate plus 2.00% and amortized over a twenty year period. | 24,712 | 27,311 |
| Westminster 1st Church of God, a $25,000 mortgage, due monthly in the amount of $315, through April 2034. The interest rate is 8.50% per annum for the first three years (through April 2026), after which the interest rate is negotiated. If an agreed rate cannot be determined, the new interest rate will be the prime rate plus 2.00% and amortized over a 10 year period. As of December 31, 2025, the interest rate is 8.50%. | 20,067 | 22,048 |
| Exponential Church TV, a $175,417 mortgage, due monthly in the amount of $1,471, through June 2032. The interest rate was 6.25% per annum. The loan was paid off in 2025. | - | 106,446 |
| Exponential Church TV, a $150,000 mortgage, due monthly in the amount of $1,032, through November 2035. The interest rate was 5.50% per annum. The loan was paid off in 2025. | - | 102,286 |

**5. Mortgages and Notes Receivable (Continued)**

| | 2025 | 2024 |
|---|---|---|
| Exponential Church TV, a $20,000 mortgage, due monthly in the amount of $220, through August 2025. The interest rate was 5.75% per annum. The loan was paid off in 2025. | - | 16,445 |
| Fairmount Community Church, a $80,000 mortgage, monthly interest only payments are due for the first full year. Monthly interest and principal payments of $849 began September 2017 until August 2027. The interest rate is 5.50% per annum for the first five years (through August 2022), after which the interest rate will be negotiated. If an agreed rate cannot be determined, the new interest rate will be the prime rate plus 2.00%. At no time will the interest rate be less than 5.5%. | 13,519 | 24,279 |
| Parkway Community Church, a $105,000 construction loan, with a draw period of 6 months from the date of execution. During the construction phase, interest only will be billed and payable monthly, at 7.5%, based on the amount drawn. The first principal and interest payment will be due the first day of the month following the month the loan is converted from a Construction Loan to a Permanent Mortgage loan, but no later than six (6) months from the date of inception of the loan. Principal and interest shall be payable in monthly installments of not more than $1,246.37 for the first five (5) years. After the initial fixed rate period expires, the payment amount may be adjusted to reflect changes in the interest rate, if any, to maintain the ten (10) year amortization period. | 95,470 | 44,365 |
| The Bridge of Hope Church, a $250,000 mortgage, due monthly in the amount of $1,685 until March 2040. The interest rate is 5.25% per annum for the first five years (through April 2025), after which the interest rate will be negotiated. If an agreed rate cannot be determined, the new interest rate will be the prime rate plus 2.00% with a floor of 5.25%. | 204,953 | 212,598 |

**5. Mortgages and Notes Receivable (Continued)**

| | | |
|---|---|---|
| The Bridge of Hope Church, a $125,000 construction loan, due monthly in the amount of $825 starting February 2022 until January 2042. The interest rate is 5.00% per annum for the first five years (through June 2025), after which the interest rate will be negotiated. If an agreed rate cannot be determined the new interest rate will be the prime rate plus 2.00%. | 119,398 | 119,398 |
| Fourth Street Altoona First Church of God, a $55,000 mortgage, due monthly in the amount of $457 until June 2036. The interest rate is 5.75% per annum for the first five years (through March 2026), after which the interest rate will be negotiated. If an agreed rate cannot be determined, the new interest rate will be the prime rate plus 2%. | 12,361 | 23,318 |
| Iglesia Sanidad Divina Church, a $100,000 mortgage, due monthly in the amount of $600 until December 2037. The interest rate is 5.00% per annum for the first five years (through December 2022), after which the interest rate will be negotiated. If an agreed rate cannot be determined, the new interest rate will be the prime rate plus 2%. | 69,709 | 72,969 |
| New Life Church of God, an $8,000 mortgage, with a maturity date of December 2025. Monthly interest only payments are due at 7.00%. The loan was paid off in 2025. | - | 7,000 |
| Maytown Church of God, up to a $60,000 mortgage with a maturity date of November 2026. The interest rate is 7.5% per annum for the first 3 years after which the interest rate will be negotiated. If an agreed rate cannot be determined, the new interest rate will be the prime rate plus 2%. | 29,017 | - |
| **Total mortgages and notes receivable** | 642,048 | 973,003 |
| Less current portion: | (45,533) | (115,650) |
| | $ 596,515 | $ 857,353 |

## 6. Certificates of Investment

Certificates of investment outstanding, including accrued interest payable at December 31, 2025, have been classified between those that will mature within one year and those maturing after one year as scheduled below:

| Year of Maturity | Principal | Compounded Interest | Total |
|---|---|---|---|
| 2026 | $ 1,092,385 | $ 271,269 | $ 1,363,654 |
| 2027 | 553,908 | 250,126 | 804,034 |
| 2028 | 905,450 | 382,805 | 1,288,255 |
| 2029 | 1,102,461 | 152,815 | 1,255,276 |
| 2030 | 1,090,447 | 152,501 | 1,242,948 |
| | $ 4,744,651 | $ 1,209,516 | $ 5,954,167 |

Original certificates are paid interest at the rate of interest stated on the face of the certificate, which is determined by the rate in effect at issue date.

Interest rates are adjusted on the interest payment dates of May 1 and November 1 as changes occur in the prime interest rate. Certificate rates are also subject to minimum rates. Certificates that mature and are renewed bear interest based on the interest rate in effect at the date of renewal. This interest rate will remain in effect throughout the duration of the renewal period.

The interest rates and minimum rates in effect during 2025 for each denomination of certificate are as follows:

| | Rate as of | | | | |
|---|---|---|---|---|---|
| Type of Certificate | Interest Rate | May 1 | July 1 | November 1 | Minimum Rate |
| 1 Year | Prime less 4.00% | 3.50% | 3.00% | 2.50% | 1.00% |
| 2 Years | Prime less 3.75% | 3.75% | 3.25% | 2.75% | 1.25% |
| 3 Years | Prime less 3.50% | 4.00% | 3.50% | 3.00% | 1.50% |
| 4 Years | Prime less 3.00% | 4.50% | 4.00% | 3.50% | 2.00% |
| 5 Years | Prime less 2.75% | 4.75% | 4.25% | 3.75% | 2.25% |

The interest rates and minimum rates in effect during 2024 for each denomination of certificate are as follows:

| | Rate as of | | | |
|---|---|---|---|---|
| Type of Certificate | Interest Rate | May 1 | November 1 | Minimum Rate |
| 1 Year | Prime less 4.00% | 4.50% | 4.50% | 1.00% |
| 2 Years | Prime less 3.75% | 4.75% | 4.75% | 1.25% |
| 3 Years | Prime less 3.50% | 5.00% | 5.00% | 1.50% |
| 4 Years | Prime less 3.00% | 5.50% | 5.50% | 2.00% |
| 5 Years | Prime less 2.75% | 5.75% | 5.75% | 2.25% |

## 6. Certificates of Investment (Continued)

Effective in October 1989, any person investing $100,000 or more is entitled to an additional 0.5% of interest. Effective June 2013, the additional interest paid to any persons making a single investment of $100,000 or more is reduced to 0.25% of additional interest. This is applicable to new investments as well as existing investments that renew after this date.

The proceeds from the offering of certificates of investment are subject to a reserve requirement of 15%. The reserved proceeds may not be a part of funds loaned; however, the reserved proceeds are available to meet the Home Mission Council's operating expenses and may be used to meet the requirements of the current maturities of certificates of investment. The reserve requirement is subject to board action and may be increased or decreased as deemed appropriate by the Board of Trustees.

## 7. Annuities Payable

The Home Mission Council no longer offers the purchasing of new annuities. The annuities payable liability was calculated using present value annuity tables. The excess (or deficiency) in the face amount of annuities purchased over the liability determined was recorded as revenue (or expense) in the year of purchase. Subsequent to the year of purchase, the annuities payable liability was adjusted annually for the change in its present value. This change, increase (or decrease), was recognized as an item of revenue (or expense).

When held, interest on the face value of the annuity certificates was accrued monthly and paid-out either semi-annually or annually to the holders of annuity certificates.

## 8. Related Party Transactions

The Eastern Regional Conference, Churches of God is considered a related party to the Home Mission Council. The Home Mission Council is a wholly-owned subsidiary of the Eastern Regional Conference, Churches of God.

As of December 31, 2025 and 2024, the Eastern Regional Conference, Churches of God owned certificates of investment totaling $148,299 and $145,887, respectively. Total interest expense for the years ended December 31, 2025 and 2024 was $8,653 and $8,516, respectively.