



where *faith* & *finance* meet

October 2025

Fellow Investors and Friends of Orchard Alliance,

As a faithful and integral participant in the ministry of Orchard Alliance, you are receiving this annual **Offering Circular**, which includes information about the investments offered by Orchard Alliance, required disclosures, and the annual Orchard Alliance Audit Report.

Securities laws in your state require that you receive this Offering Circular

on an annual basis. But the Circular is much more than a regulatory document. It provides significant details about the operations of Orchard Alliance. I encourage you to review it carefully.

Thank you for your ongoing partnership in the important ministry of Orchard Alliance. Your investments are supporting Alliance ministries and advancing Christ's Kingdom in our neighborhoods and the nations. As we close out the year, consider putting your savings to work through Orchard Alliance to help U.S. Alliance churches broaden their ministry impact. For more information, contact our Customer Care team at 833.672.4255 or service@orchardalliance.org.

We delight in serving you *where faith & finance meet*.

In His Service,

A handwritten signature in black ink that reads 'Scott Kubie'.

Scott R. Kubie, CFA
President

If you have questions about anything in this Circular, please contact one of our Customer Care Representatives at 833.672.4255 or service@orchardalliance.org. We are always eager to assist you.

a supporting organization of THE ALLIANCE



where faith & finance meet

Orchard Alliance
8595 Explorer Drive
Colorado Springs, CO 80920
Phone: 833.672.4255
Fax: 719.323.6218

Email: service@orchardalliance.org

2025 OFFERING CIRCULAR

\$100,000,000 UNSECURED DEBT INSTRUMENTS

This Offering Circular relates to the offering by Orchard Alliance ("Orchard" or the "Issuer") of up to an aggregate principal amount of \$100,000,000 of unsecured debt securities, consisting of \$60,000,000 aggregate principal amount of Investment Certificates ("Certificates"), \$20,000,000 aggregate principal amount of Agreements, \$10,000,000 aggregate principal amount of Retirement Agreements, and \$10,000,000 aggregate principal amount of 403(b) Agreements and, collectively with the Certificates, Agreements, Retirement Agreements and 403(b) Agreements, the ("Securities"). The minimum purchase amount of Certificates is \$1,000. The minimum purchase amount of Agreements and 403(b) Agreements is \$1,000. The minimum purchase amount of Retirement Agreements is \$1,000. **THIS OFFERING IS SUBJECT TO CERTAIN RISKS. SEE PAGES 9 THROUGH 13 OF THIS OFFERING CIRCULAR FOR A DISCUSSION OF THESE RISKS.** There is no public market for the Securities and it is not anticipated that one will develop.

Instrument	Term	*Interest Rates	Offering Price	Minimum Investment Amount	Commissions and Underwriting Expenses	Net Proceeds To Issuer
Investment Certificates	6 months to 120 months	0.00% to 7.00%	100% of Principal Amount	\$1,000.00	None	\$60,000,000
Agreements	30 Days	0.00% to 7.00%	100% of Principal Amount	\$1,000.00	None	\$20,000,000
Retirement Agreements	30 Days	0.00% to 7.00%	100% of Principal Amount	\$1,000.00	None	\$10,000,000
403(b) Agreements	30 Days	0.00% to 7.00%	100% of Principal Amount	\$1,000.00	None	\$10,000,000

*Interest rates may vary. Please see Orchard’s website, www.orchardalliance.org, for the most current investment rates. Please see "Description of Securities" in this Offering Circular. The Securities will be sold by Orchard without the payment of any commission, with all expenses of such offering being borne by Orchard. Orchard estimates its nationwide cost of offering Securities to be \$195,500.

Orchard is organized and operated not for private profit but exclusively for religious purposes.

The date of this Offering Circular is **October 28, 2025 for Pennsylvania Residents**

THIS OFFERING IS SUBJECT TO CERTAIN RISKS. SEE "RISK FACTORS" Pages 9 through 13.

Limited Class of Investors

The Securities will be offered and sold only to or for the benefit of persons or legal entities of The Christian and Missionary Alliance (the "C&MA" or the "Denomination"), who, at the time of receiving an Offering Circular and Purchase Application and Agreement, are members or constituents of, contributors to, or participants in the C&MA, Orchard, or in any church and/or their organizations, or in any program, activity or organization which constitutes a part of the C&MA denomination or Orchard or in other religious organizations that have a programmatic relationship with the C&MA or Orchard or who are ancestors or descendants of such persons. In addition, Certificates may be sold to individual retirement accounts ("IRAs") established for the benefit of such persons. The Retirement Agreements will only be offered and sold to IRAs established for the benefit of such persons. The 403(b) Agreements will only be offered and sold in connection with retirement plans established under Section 403(b) of the Internal Revenue Code of 1986, as amended (the "Code"), for the benefit of such persons.

Legends

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

THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 3(a)(4) OF THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC"). ORCHARD IS NOT A MUTUAL FUND OR INVESTMENT COMPANY REGISTERED AS SUCH UNDER THE FEDERAL INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

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

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

THE SECURITIES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ("FDIC"), ANY STATE BANK INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IN THE SECURITIES IS DEPENDENT UPON THE ISSUER'S FINANCIAL CONDITION. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW THE ISSUER'S FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED TO PROSPECTIVE INVESTORS AT ANY TIME DURING BUSINESS HOURS UPON REQUEST. THE SECURITIES ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY, THE CHRISTIAN AND MISSIONARY ALLIANCE, OR BY ANY CHURCH, CONFERENCE, INSTITUTION OR AGENCY AFFILIATED WITH THE CHRISTIAN AND MISSIONARY ALLIANCE, OR ITS AFFILIATES.

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

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.

Specific State Information

ALABAMA RESIDENTS:

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER THE ALABAMA SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS

NOT BEEN FILED WITH THE ALABAMA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR THE COMPLETENESS OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

ARIZONA RESIDENTS:

AUTOMATIC CERTIFICATE RENEWAL AT MATURITY AS DESCRIBED IN THIS OFFERING CIRCULAR IS NOT AVAILABLE IN ARIZONA. ORCHARD WILL NOTIFY EACH REGISTERED OWNER APPROXIMATELY SIXTY (60) DAYS BEFORE HIS OR HER CERTIFICATE MATURES, AT WHICH TIME THE HOLDER WILL HAVE THE OPPORTUNITY TO NOTIFY ORCHARD OF HIS OR HER INTENTION TO RENEW THE CERTIFICATE INVESTMENT.

ANY RENEWAL OF A CERTIFICATE IN ARIZONA CAN ONLY BE MADE IF THERE IS A CURRENTLY EFFECTIVE QUALIFICATION IN ARIZONA, WHICH MAY OR MAY NOT BE GRANTED.

ARKANSAS RESIDENTS:

SECURITIES, UPON MATURITY, MAY BE EXTENDED OR ROLLED OVER UNDER THE EXPRESSED TERMS AND CONDITIONS STATED IN THE OFFERING CIRCULAR, IF: 1) EACH INVESTOR IS PROVIDED WITH WRITTEN NOTIFICATION OF THE MATURITY AND THE PROPOSED EXTENSION OR rate OF THE SECURITIES AT LEAST THIRTY (30) DAYS PRIOR TO THE SECURITIES' MATURITY DATES AND ORCHARD RETAINS APPROPRIATE DOCUMENTATION AS MAY BE REQUIRED BY THE ARKANSAS SECURITIES DEPARTMENT TO DEMONSTRATE MAILING OR DELIVERY OF THE WRITTEN NOTIFICATION; AND 2) EACH INVESTOR IS OR HAS BEEN PROVIDED WITH ORCHARD'S MOST CURRENT OFFERING CIRCULAR.

IF THE INVESTOR NOTIFIES ORCHARD IN WRITING ON OR PRIOR TO THE MATURITY DATE THE INVESTOR ELECTS NOT TO EXTEND OR ROLL-OVER THE SECURITIES, THEN AT MATURITY, ORCHARD SHALL PROMPTLY REPAY THE PRINCIPAL AND INTEREST ACCRUED THEREON.

CALIFORNIA RESIDENTS:

ANY RENEWAL OF A CERTIFICATE IN CALIFORNIA CAN ONLY BE MADE IF THERE IS A CURRENTLY EFFECTIVE QUALIFICATION IN CALIFORNIA, WHICH MAY OR MAY NOT BE GRANTED.

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.

CALIFORNIA AND LOUISIANA RESIDENTS:

AUTOMATIC CERTIFICATE RENEWAL AT MATURITY AS DESCRIBED IN THIS OFFERING CIRCULAR IS NOT AVAILABLE IN CALIFORNIA AND LOUISIANA. ORCHARD WILL NOTIFY EACH REGISTERED OWNER APPROXIMATELY SIXTY (60) DAYS BEFORE HIS OR HER CERTIFICATE MATURES, AT WHICH TIME THE HOLDER WILL HAVE THE OPPORTUNITY TO NOTIFY ORCHARD OF HIS OR HER INTENTION TO RENEW OR REINVEST THE CERTIFICATE INVESTMENT. UNLESS NOTICE OF INTENTION TO RENEW OR REINVEST THE AMOUNT DUE AT MATURITY UNDER THE CERTIFICATE IS RECEIVED, THE CERTIFICATE SHALL CEASE TO EARN INTEREST AFTER THE MATURITY DATE AND THE AMOUNT DUE UNDER THE CERTIFICATE WILL BE PAID IN FULL TO THE INVESTOR AND WILL NOT BE PAID IN INSTALLMENTS OR WITH OTHER DEBT INSTRUMENTS.

INDIANA RESIDENTS:

APPROXIMATELY SIXTY (60) DAYS PRIOR TO THE MATURITY DATE OF A CERTIFICATE, THE CERTIFICATE HOLDER WILL BE NOTIFIED THAT THE CERTIFICATE WILL BE AUTOMATICALLY RENEWED UNLESS ORCHARD IS OTHERWISE NOTIFIED IN WRITING BY THE HOLDER NOT LESS THAN THIRTY (30) DAYS PRIOR TO THE CERTIFICATE'S MATURITY.

KENTUCKY RESIDENTS:

THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION KRS 292.400(9) OF THE KENTUCKY SECURITIES ACT.

AUTOMATIC RENEWAL AT MATURITY AS DESCRIBED IN THIS OFFERING CIRCULAR IS NOT AVAILABLE FOR KENTUCKY. ORCHARD WILL NOTIFY EACH KENTUCKY INVESTOR APPROXIMATELY THIRTY (30) DAYS BEFORE THEIR TERM INVESTMENT CERTIFICATE MATURES, BY MEANS THAT EVIDENCES DELIVERY, AT

WHICH TIME THE INVESTOR SHALL HAVE THE OPPORTUNITY TO REQUEST REPAYMENT OR NOTIFY ORCHARD OF AN INTENTION TO RENEW THE INVESTMENT OR USE THE PROCEEDS TO INVEST IN ANOTHER INVESTMENT CERTIFICATE. RENEWAL IS NOT AUTOMATIC, BUT MAY OCCUR ONLY UPON AFFIRMATIVE ACTION OF THE INVESTOR. IF THE INVESTOR DOES NOT INDICATE AN INTENTION TO RENEW OR REDEEM THE INVESTMENT CERTIFICATE, THE PROCEEDS OF THE INVESTMENT CERTIFICATE WILL BE TREATED AND WILL EARN INTEREST AS IF THEY ARE INVESTED UPON MATURITY IN A DEMAND INVESTMENT CERTIFICATE. ANY RENEWAL OR REINVESTMENT CAN ONLY BE MADE IF THERE IS AN EFFECTIVE EXEMPTION IN KENTUCKY AT THE TIME OF RENEWAL AND REINVESTMENT.

LOUISIANA RESIDENTS:

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

MISSOURI RESIDENTS:

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 OFFERING CIRCULAR. 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.

OHIO RESIDENTS:

AUTOMATIC CERTIFICATE RENEWAL AT MATURITY AS DESCRIBED IN THIS OFFERING CIRCULAR IS NOT AVAILABLE IN OHIO. ORCHARD WILL NOTIFY EACH REGISTERED OWNER APPROXIMATELY SIXTY (60) DAYS BEFORE HIS OR HER CERTIFICATE MATURES, AT WHICH TIME THE HOLDER WILL HAVE THE OPPORTUNITY TO NOTIFY ORCHARD OF HIS OR HER INTENTION TO RENEW THE CERTIFICATE INVESTMENT.

ANY RENEWAL OF A CERTIFICATE IN OHIO CAN ONLY BE MADE IF THERE IS A CURRENTLY EFFECTIVE QUALIFICATION IN OHIO, WHICH MAY OR MAY NOT BE GRANTED.

ALL INVESTORS RECEIVE PERIODIC STATEMENTS AND OTHER PIECES OF MAIL SENT BY ORCHARD PERTAINING TO A CERTIFICATE. WHEN MAIL IS RETURNED AS "UNDELIVERABLE" TWICE, THE CERTIFICATE STATUS IS CHANGED FROM ACTIVE TO DORMANT, AND ORCHARD IS REQUIRED TO TURN OVER DORMANT INVESTMENTS AFTER A SPECIFIED PERIOD OF TIME TO THE APPLICABLE STATE AGENCY, BOTH AS SPECIFIED IN OHIO REVISED CODE, CHAPTER 169.

OREGON RESIDENTS:

AUTOMATIC RENEWAL UPON MATURITY OF INVESTMENT CERTIFICATES, AS PROVIDED IN THIS OFFERING CIRCULAR, IS AVAILABLE TO OREGON RESIDENTS ONLY UNDER LIMITED CIRCUMSTANCES. NOTES MAY BE AUTOMATICALLY RENEWED FOR THE SAME TERM AS THE ORIGINAL INVESTMENT CERTIFICATE OR FOR A TERM OF SIX (6) MONTHS, WHICHEVER IS SHORTER. THE INTEREST RATE ON AN INVESTMENT CERTIFICATE RENEWED IN THIS MANNER WILL BE THE RATE IN EFFECT AT THE TIME OF RENEWAL, WHICH MAY BE HIGHER OR LOWER THAN THE PREVIOUS INVESTMENT CERTIFICATE'S RATE. IT IS OUR POLICY TO DELIVER TO ALL INVESTORS A MATURITY NOTICE AND CURRENT OFFERING CIRCULAR, TENDERED IN CONNECTION WITH AN OFFERING REGISTERED WITH THE OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES, A FULL THIRTY (30) DAYS IN ADVANCE OF THE MATURITY DATE OF THE ORIGINAL INVESTMENT CERTIFICATE. IF YOU DECIDE NOT TO RENEW, YOU MUST SEND US A NOTICE IN WRITING PRIOR TO THE MATURITY DATE OF YOUR INVESTMENT CERTIFICATE, ALONG WITH YOUR INVESTMENT CERTIFICATE (IF APPLICABLE), TO REDEEM YOUR FUNDS.

PENNSYLVANIA RESIDENTS:

(I) EVERY PURCHASER OF THE SECURITIES DESCRIBED IN THIS OFFERING CIRCULAR HAS THE RIGHT TO WITHDRAW FROM THE PURCHASE AS PROVIDED BY SECTION 207(M) OF THE PENNSYLVANIA SECURITIES ACT OF 1972. IF YOU ACCEPT AN OFFER TO PURCHASE THE SECURITIES DESCRIBED IN THIS OFFERING CIRCULAR YOU MAY ELECT, WITHIN TWO BUSINESS DAYS AFTER THE FIRST TIME YOU RECEIVE THIS OFFERING CIRCULAR, TO WITHDRAW FROM YOUR PURCHASE OR PURCHASE AGREEMENT AND RECEIVE A FULL REFUND OF ALL MONEYS PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED

ONLY SEND A LETTER OR TELEGRAM TO ORCHARD, INDICATING YOUR INTENTION TO WITHDRAW. SUCH LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED SECOND BUSINESS DAY. IF YOU ARE SENDING A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME WHEN IT WAS MAILED. SHOULD YOU MAKE THE REQUEST ORALLY, YOU SHOULD ASK FOR WRITTEN CONFIRMATION THAT YOUR REQUEST HAS BEEN RECEIVED.

(II) A REGISTRATION STATEMENT WITH RESPECT TO THE SECURITIES OFFERED BY THIS OFFERING CIRCULAR HAS BEEN FILED IN THE OFFICES OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES IN HARRISBURG, PENNSYLVANIA. THE REGISTRATION STATEMENT INCLUDES CERTAIN EXHIBITS ONLY SUMMARIZED OR ALLUDED TO IN THIS OFFERING CIRCULAR. THESE ADDITIONAL DOCUMENTS ARE AVAILABLE FOR INSPECTION AT THE OFFICES OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES 17 N. 2ND ST., SUITE 1500, HARRISBURG, PA 17101 DURING REGULAR BUSINESS HOURS (MONDAY THROUGH FRIDAY, 8:30 AM TO 5:00 PM EASTERN TIME). THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES MAY BE CONTACTED BY TELEPHONE AT (717) 787-8059.

IT IS THE POSITION OF THE PA DEPARTMENT OF BANKING AND SECURITIES THAT INDEMNIFICATION IN CONNECTION WITH VIOLATIONS OF THE SECURITIES LAWS IS AGAINST PUBLIC POLICY AND VOID.

SOUTH CAROLINA RESIDENTS:

A DEFAULT IN PAYMENT EITHER OF PRINCIPAL OR INTEREST ON ANY ONE SECURITY OF AN OFFERING SHALL CONSTITUTE A DEFAULT ON THE ENTIRE OFFERING AND THE SECURITY HOLDERS HAVE THE RIGHT TO A LIST OF NAMES AND ADDRESSES OF ALL HOLDERS OF AN OFFERING IN DEFAULT, AND THE HOLDERS OF 25% IN PRINCIPAL AMOUNT OF THE OFFERING OUTSTANDING HAVE THE RIGHT TO DECLARE THE ENTIRE ISSUE DUE AND PAYABLE.

SOUTH DAKOTA RESIDENTS:

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

TENNESSEE RESIDENTS:

AUTOMATIC CERTIFICATE RENEWAL AT MATURITY AS DESCRIBED IN THIS OFFERING CIRCULAR IS NOT AVAILABLE IN TENNESSEE. ORCHARD WILL NOTIFY EACH REGISTERED OWNER APPROXIMATELY SIXTY (60) DAYS BEFORE HIS OR HER CERTIFICATE MATURES, AT WHICH TIME THE HOLDER WILL HAVE THE OPPORTUNITY TO NOTIFY ORCHARD OF HIS OR HER INTENTION TO RENEW THE CERTIFICATE INVESTMENT.

AN INVESTOR RESIDING IN TENNESSEE WHO PURCHASES ANY OF THE SECURITIES DESCRIBED IN THIS OFFERING CIRCULAR SHALL BE DEEMED TO REPRESENT AND WARRANT TO ORCHARD THAT THE AGGREGATE PRINCIPAL AMOUNT OF SECURITIES PURCHASED DOES NOT EXCEED 10% OF THE INVESTOR'S LIQUID NET WORTH AS OF THE TIME OF PURCHASE.

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

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

WASHINGTON RESIDENTS:

ANY PROSPECTIVE PURCHASER IS ENTITLED TO REVIEW FINANCIAL STATEMENTS OF ORCHARD, WHICH ARE ATTACHED HERETO AS APPENDIX "A".

AUTOMATIC CERTIFICATE RENEWAL AT MATURITY AS DESCRIBED IN THIS OFFERING CIRCULAR IS NOT AVAILABLE IN WASHINGTON. ORCHARD WILL NOTIFY EACH REGISTERED OWNER APPROXIMATELY SIXTY (60) DAYS BEFORE HIS OR HER CERTIFICATE MATURES, AT WHICH TIME THE HOLDER WILL HAVE THE OPPORTUNITY TO NOTIFY ORCHARD OF HIS OR HER INTENTION TO RENEW OR REINVEST THE CERTIFICATE INVESTMENT. UNLESS NOTICE OF INTENTION TO RENEW OR REINVEST THE AMOUNT DUE AT MATURITY UNDER THE CERTIFICATE IS RECEIVED, THE CERTIFICATE SHALL CEASE TO EARN INTEREST AFTER THE MATURITY DATE AND THE AMOUNT DUE UNDER THE CERTIFICATE WILL BE PAID IN FULL TO THE INVESTOR AND WILL NOT BE PAID IN INSTALLMENTS OR WITH OTHER DEBT INSTRUMENTS.

Legal Matters

The law firm of Spencer Fane LLP, 1 North Brentwood Boulevard, Suite 1000, St. Louis, Missouri, 63105, has given its opinion that the Securities, when issued by Orchard, will be legally issued and binding obligations of Orchard.

Audited annual financial statements of Orchard will be made available to investors upon written request and will be sent to each owner of a Security within 120 days after June 30th of each year.

Various states' securities offices may have additional information regarding Orchard that is not included in this Offering Circular and such information may be examined by any person during normal working hours at those sites.

Certain capitalized terms are defined and used in this Offering Circular to assist you in understanding the terms of the Securities and this Offering. The capitalized terms used in this Offering Circular are defined under the caption "Index of Defined Terms".

Forward-Looking Statements

Investment in the Securities to be issued by Orchard involves certain risks. Prospective investors are encouraged to review all the materials contained in this Offering Circular and to consult their own attorneys and financial advisors.

This Offering Circular includes "forward-looking statements" within the meaning of the federal and state securities laws. Statements about Orchard and its expected financial position, business and financing plans are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seeks," "pro forma," "anticipates," "intends," "projects," or other variations or comparable terminology, or by discussions of strategy or intentions. Although Orchard believes that the expectations reflected in its forward-looking statements are reasonable, Orchard cannot assure any investor that Orchard's expectations will prove to be correct. Forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks, uncertainties and other factors. Accordingly, prospective investors should not consider Orchard's forward-looking statements as predictions of future events or circumstances. A number of factors could cause Orchard's actual results, performance, achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by Orchard's forward-looking statements. These factors include, but are not limited to: changes in economic conditions in general and in Orchard's business; changes in prevailing interest rates and the availability of and terms of financing to fund Orchard's business; changes in Orchard's capital expenditure plans; and other factors discussed in this Offering Circular. Given these uncertainties, prospective investors should not rely on Orchard's forward-looking statements in making an investment decision. Orchard disclaims any obligation to update investors on any factors that may affect the likelihood of realization of Orchard's expectations. All written and oral forward-looking statements attributable to Orchard, including statements before and after the date of this Offering Circular, are deemed to be supplements to this Offering Circular and are incorporated herein and are expressly qualified by these cautionary statements.

Although Orchard believes that the forward-looking statements are reasonable, prospective investors should not place undue reliance on any forward-looking statements, which speak only as of the date made. Prospective investors should understand that the factors discussed under "RISK FACTORS" could affect Orchard's future results and performance. This could cause those results to differ materially from those expressed in the forward-looking statements.

INDEX OF DEFINED TERMS

AM	Division of Alliance Missions of The Christian and Missionary Alliance	21
ADF	The Alliance Development Fund, Inc.	15
C&MA	The Christian and Missionary Alliance	2
C&MA Board	The Christian and Missionary Alliance Board of Directors	15
Certificates	Investment Certificates	1
Code	Internal Revenue Code	2
Denomination	The Christian and Missionary Alliance	2
FDIC	Federal Deposit Insurance Corporation	2
General Council	General Council of The Christian and Missionary Alliance	15
IRAs	Individual Retirement Accounts	2
IRS	Internal Revenue Service	29
Issuer	Orchard Alliance	1
Orchard Board	Orchard Alliance Board of Directors	15
PA&A	Purchase Application and Agreement	28
SEC	Securities and Exchange Commission	2
Securities	Collectively unto the Certificates, Agreements, Retirement Agreements and 403(b) Agreements	1
TIN	Tax identification number	29

TABLE OF CONTENTS

LIMITED CLASS OF INVESTORS	2
LEGENDS	2
SPECIFIC STATE INFORMATION	2
ALABAMA RESIDENTS:	2
ARIZONA RESIDENTS:	3
ARKANSAS RESIDENTS:	3
CALIFORNIA RESIDENTS:	3
CALIFORNIA AND LOUISIANA RESIDENTS:	3
INDIANA RESIDENTS:	3
KENTUCKY RESIDENTS:	3
LOUISIANA RESIDENTS:	4
MISSOURI RESIDENTS	4
OREGON RESIDENTS:	4
PENNSYLVANIA RESIDENTS:	4
SOUTH CAROLINA RESIDENTS:	5
SOUTH DAKOTA RESIDENTS:	5
TENNESSEE RESIDENTS:	5
WASHINGTON RESIDENTS:	6

LEGAL MATTERS	6
FORWARD-LOOKING STATEMENTS	5
INDEX OF DEFINED TERMS	7
RISK FACTORS	9
SUMMARY	13
The Offering	13
HISTORY AND OPERATIONS	15
General – The Christian and Missionary Alliance	15
Orchard Alliance	15
Church Membership	16
USE OF PROCEEDS	16
FUND ACTIVITY	16
Securities	16
Sales by Orchard for the Year Ended June 30, 2025	17
Maturities	17
Secured or Senior Debt	18
Credit Loss Reserve and Delinquency	18
Summary of Cash Flows	18
Loans	19
Investments	20
ORCHARD ALLIANCE LENDING ACTIVITY	21
General	21
Loan Policies	21
Loan Processing	22
Self-Funded Loans	22
FIVE YEAR COMPARISON OF FINANCIAL INFORMATION	22
STATEMENT OF CAPITAL ADEQUACY	23
STATEMENT OF LIQUIDITY STATUS	24
DESCRIPTION OF SECURITIES	24
General	24
Redemption Prior to Maturity	25
Certificates	25
Agreements	26
Retirement Agreements	26
403(b) Agreements	27
Interest Rates	27
Gift-Over	27
Method of Sale and Transfer	28

Competition	28
Book Entry System	28
Website	29
TAX ASPECTS	29
FEDERAL AND STATE LAWS	30
MANAGEMENT	30
Orchard Board of Directors and Officers	30
Officers	31
Remuneration	32
LEGAL PROCEEDINGS	32
FINANCIAL INFORMATION ABOUT ORCHARD	32
EXEMPTION FROM SECURITIES REGISTRATION	33
PROCEDURE FOR PURCHASE OF SECURITIES	33
APPENDIX A -- INDEX TO FINANCIAL STATEMENTS	33

NOTICE – All usage of the terms “written”, “writing”, “write” and “writes” incorporates the conveyance of information by US Postal Service mail, third party delivery services and private courier services, in person or electronic means. Either and all methods are acceptable.

RISK FACTORS

The Securities involve risks to investors. Prospective investors should consider the following factors before making a commitment to purchase any of the Securities (defined terms used in this section are defined elsewhere in this Offering Circular):

The Securities are unsecured obligations with no sinking fund or trust indenture

The Securities are unsecured obligations of Orchard; principal and interest repayment on these Securities, therefore, is dependent solely upon the financial condition of Orchard. No sinking fund or trust indenture has been or will be established by Orchard to provide for repayment of the principal amount of or interest on the Securities. The absence of a sinking fund or trust indenture may adversely affect Orchard’s ability to repay the Securities. See “Securities” page 16.

No reserve accounts to fund potential withdrawals

There is no legal requirement for Orchard to maintain reserve accounts. Accordingly, Orchard does not hold any amounts designated to fund potential withdrawals. See “Investments” page 20.

Orchard’s investments subject to market risk

The readily marketable securities held by Orchard are subject to various market risks, which may result in losses if market values of investments decline. See “Investments” page 20.

Relatively low interest rates and Securities not insured or guaranteed

Risks of investment in the Securities offered by Orchard may be greater than implied by relatively low interest rates on the Securities and they are not insured by the FDIC or any other federal or state agency or private organization, nor are they guaranteed by the C&MA or any church, district, institution, or agency affiliated with the C&MA. See “Legends” page 2.

Mortgage loan defaults

Although mortgage loans to be made by Orchard will be secured by a mortgage or a deed of trust in favor of Orchard, there is no assurance that in the event of default the foreclosure sale value of the mortgaged properties will be adequate to fully repay any defaulted loan. The mortgaged properties, which are primarily churches and related

structures, may be single-use facilities and may have limited alternate uses; thus, a ready market for resale of foreclosed properties may not be available. Orchard may have a more lenient lending policy than commercial lenders. Foreclosure expenses are likely to have priority over Orchard's claim to the proceeds of any foreclosure sale. If a default and foreclosure occur, there may be substantial periods of time during which Orchard will receive no payments on the mortgaged property. If this occurs, it could impair the ability of Orchard to meet its obligations to holders of Securities. See "Use of Proceeds" page 16. As of June 30, 2025, 2024, and 2023, Orchard experienced \$1,200,800, \$117,828, and \$2,019,429 in actual losses from loans. See "Credit Loss Reserve and Delinquency" page 18.

Net assets are the only source of capital for Orchard

Orchard's only source of capital is its net assets, defined as the difference between its assets and liabilities, which represents the net worth of Orchard. A positive net asset condition represents an excess of assets over liabilities. Additions to net assets occur when Orchard's revenues exceed its expenditures and is the only means for Orchard's capital to increase. For the years ending June 30, 2025, 2024, and 2023, Orchard experienced net asset increases of \$10,125,171, \$2,533,877, and \$5,120,249, respectively. At June 30, 2025 Orchard had a capital adequacy ratio (net assets as a percentage of total assets) of 23.7%. See "Statement of Capital Adequacy" page 23, "Statements of Financial Position" page 38 and "Statements of Activities" page 39.

Lending and loan enforcement policies differ from commercial lenders

Orchard's loan policies differ from the policies of commercial lenders. Commercial lenders' policies and practices typically require an appraisal on all properties on which they seek a first mortgage. Orchard usually does not require a commercial appraisal. Orchard relies upon a physical inspection of the property and an interview of the parties associated with the purchase. Additionally, in lieu of foreclosure, Orchard is more likely to employ prescribed workout procedures. See "Loan Policies" page 21.

Lack of appraisals by independent appraisers

Orchard does not require appraisals by independent appraisers on the properties which secure its loans. The value of the property is reviewed for reasonableness by the individual(s) who conduct the site visit. The individual(s) ask(s) the parties involved with the transaction general questions concerning the use, condition and value of the property. The individuals are not trained or licensed commercial appraisers and any questions asked cannot be construed to be an adequate evaluation under the standards set for independent licensed commercial appraisers. The risk exists that the value of the collateral securing the loan may not be sufficient to repay the amounts due on the loan. See "Loan Policies" page 21.

Mortgage loan maturities greater than maturities on Securities

Most mortgage loans to be made with proceeds from the sale of the Securities will mature at a point well after the Securities themselves have matured. There may be a negative impact on the financial condition of Orchard if a significant number of investors demand repayment of their Securities upon maturity and the availability of funds from sources other than operating income is reduced. See "Fund Activity" pages 16-20.

Potential cash shortages

Orchard could suffer cash shortages if cash, cash equivalents and/or readily marketable securities become insufficient to meet all withdrawal obligations. Failure by Orchard to obtain authority for the continuation of the sale of new Securities in states where a majority of such Securities are sold may result in the inability of Orchard to repay its maturing obligations. If too many investors choose to redeem their Securities upon maturity rather than reinvest them, and funds from other sources are reduced, Orchard may not be able to repay the Securities as they mature. See "Fund Activity" pages 16-20.

NO ASSURANCE CAN BE GIVEN THAT ORCHARD'S ANNUAL OPERATING INCOME, CASH, CASH EQUIVALENTS AND/OR READILY MARKETABLE SECURITIES, LOAN REPAYMENTS, AND ANY FUNDS FORTHCOMING FROM FORECLOSURES WILL BE SUFFICIENT TO SATISFY PAYMENT REQUIREMENTS OF THE SECURITIES.

Transfer restrictions

The Securities are non-negotiable and may be assigned or transferred only upon Orchard's written consent. There is no public market for the Securities, and it is not anticipated that a market will develop. Investors should, therefore, view the purchase of a Security as an investment for the full term thereof. See "Description of Securities" pages 24-29.

Not all Securities may be sold

This offering is made on a “best efforts” basis, with no minimum sale requirement. No assurance can be given that any of the Securities will be sold. In the event that less than all of the Securities are sold, there will be no refund of the proceeds of the Securities that have been sold. Furthermore, in the event that less than all Securities are sold, Orchard may not have adequate capital to make sufficient loans and other investments and to meet all withdrawal obligations and may result in the inability of Orchard to repay its maturing obligations. See “Sales by Orchard for the Year Ended June 30, 2025” page 17.

Dependence on contributions

Since Orchard’s loans are made primarily to affiliated churches and related religious organizations of the C&MA, in certain instances the ability of such organizations to repay principal and interest on such loans when due will depend upon contributions they receive from their members. Both the number of members of the church and the amount of contributions may fluctuate. Contributions may decline for a variety of reasons, including but not limited to the general impact of a weak or softening economy, increased job losses or other economic difficulties encountered by church members, and/or a decline in the business prospects of donors. A decline in contributions to these churches may adversely affect the ability of Orchard to repay the Securities. See “Loan Processing” page 22.

Possible changes in federal or state law

Changes in federal or state laws, rules or regulations regarding the sale of debt obligations of religious, charitable or other nonprofit organizations may make it more difficult and costly for Orchard to offer and sell its debt obligations in the future. See “Federal and State Laws” page 30.

Delinquent loans material to the financial condition of Orchard

As of June 30, 2025, 2024, and 2023, Orchard experienced delinquent loans in the amount of \$23,708,608, \$13,709,337 and \$6,847,160 which represented 9.5%, 5.6%, and 2.7% of the loan portfolio balance, respectively, as of those dates. Orchard classifies all loans with payments in arrears 3 or more months as delinquent. There were no materially delinquent borrowers at June 30, 2025, June 30, 2024, and June 30, 2023. A materially delinquent borrower is one with one or more loans which in the aggregate exceed 10% of net assets and are delinquent. Orchard maintained a credit loss reserve for the years ending June 30, 2025 and 2024 in the amounts of \$3,900,000 and \$5,700,000, respectively. In the unlikely event that all delinquent loans prove uncollectable in their entirety, the result would be a charge against net assets, reducing capital adequacy. See “Credit Loss Reserve and Delinquency” page 18.

Competition

Other issuers may offer notes or other obligations that have a higher rate of return and which provide greater security and less risk than the Securities. The Securities will be sold exclusively by Orchard. Any securities offered or sold by any affiliated entity shall not be a part of this offering and are not discussed herein. See “Competition” page 28.

Negative implications to variable interest rates

Interest rates may vary in the future. Investors should be aware that should interest rates rise, they will not have the right to redeem a Certificate prior to the stated maturity for the purpose of purchasing higher-yielding obligations without the risk of penalty. See “Redemption Prior to Maturity” page 25.

Unilateral redemption authority

Purchasers should be aware that Orchard retains an absolute right to redeem any or all Securities at any time. See “Redemption Prior to Maturity” page 25.

Tax consequences

Investors will not be entitled to charitable deductions for the purchase of an Agreement or Certificate. Interest paid or payable on the Agreements or Certificates will be taxable as ordinary income to an investor in the year paid or credited. There are no income tax benefits with respect to investments in the Agreements or Certificates and interest paid or payable on Agreements and Certificates is taxed as ordinary income, regardless of whether interest is received by the investor or retained and compounded by Orchard. See “Tax Aspects” pages 29-30.

No power of assessment

Purchasers of the Securities are advised that Orchard has no power of assessment against the income of the entities to which it is related or affiliated. See “Loan Processing” pages 22-23.

Dependency on principal repayments and cash receipts from the sale of investment obligations

Orchard is dependent upon principal repayments on its outstanding loans and cash receipts from the sale of Securities to meet its financial obligations. Accordingly, no assurance can be given that future withdrawals at maturity will not exceed available resources. In such event, Orchard may be required to liquidate some or all of its assets, including mortgage loan receivables, to meet such obligations. No representation can be made that the net proceeds from such liquidation would be adequate to satisfy such obligations. See "Loan Processing" pages 22-23.

Liability for associated entities and affiliates

Orchard is a separate legal entity and therefore, as a general rule, not liable for claims against the C&MA or any other affiliated organization, although it is possible that claims may be made against Orchard in relation to matters associated with the C&MA or any other affiliated organization. Should Orchard be deemed liable for claims against the C&MA or any other affiliated organization, the creditors of these entities may have the same priority with respect to the assets of Orchard as the holders of the Securities. In the event that creditors of these entities and holders of the Securities are deemed to have the same priority with respect to the assets of Orchard, Orchard may not be able to repay the Securities as they mature. See "General" page 15.

Senior secured indebtedness: Revolving credit line, other bank credit facility or securitized loans

Orchard reserves the right to employ the use of a revolving credit line or other bank credit facility or to securitize loans to augment its liquidity. Such a credit facility or securitization is likely to be senior to the Securities and the Securities holders may find their investment inferior because of the likelihood that Orchard will have to pledge certain assets as collateral for the bank credit facilities. As of the date of this Offering Circular, Orchard had no revolving credit lines or other bank credit facilities or has securitized loans. See "Secured or Senior Debt" page 18, "General" page 24.

Automatic renewal of Certificates

Excluding specific requirements of states noted in the section "Specific State Information," see pages 2-6, all of the Certificates provide for automatic renewal at maturity. Under automatic renewal procedures, the investor is responsible for responding to notification that an investment is coming due, and the proceeds of that investment will be reinvested at current rates for the same duration as the original investment. Orchard will not verify the investor's decision if it is not contacted specifically by the investor in the allotted timeframe. Renewal rates may be less than they were at the time of the original investment. See "Description of Securities" pages 24-29.

Book entry system for Certificates

The investor does not receive a hardcopy certificate when making an initial investment. Rather, the investment will be registered in the investor's name in a book entry system maintained by Orchard, and a confirming receipt of the transaction will be sent to the investor of record. As evidence of the transaction, the investor will have in his/her possession a cancelled check or check image and confirming receipt of the transaction from Orchard only, and not a hardcopy certificate. See "Book Entry System" page 28.

Geographic concentration of loans

There are risks related to geographic concentration of loans to affiliated churches or other related organizations within a limited region, such that changes in economic conditions of that region could affect the ability of the churches or organizations, as a group, to repay the loans. See "Loan Processing" page 22.

Potential environmental liability associated with the loans made by Orchard

There is potential environmental liability associated with the loans made by Orchard. An environmental audit is not typically conducted before approving a loan. If environmental pollution or other contamination is found on or near property securing the loan, Orchard could, in some cases, face environmental liability or the collateral securing the loan could become impaired. 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 the loan made by Orchard.

Self-directed IRAs

There are some unique risks associated with investing in a self-directed IRA to consider including: (a) whether the investment is in accordance with the documents and instruments governing the IRA; (b) whether there is sufficient

liquidity in the IRA should the IRA's beneficiary need to take a mandatory distribution; and (c) whether the investment could constitute a non-exempted prohibited transaction under applicable law.

Concentration of Demand Obligations

A significant portion of Orchard's securities payable is comprised of Agreements, Retirement Agreements, and 403(b) Agreements that can be redeemed with a 30-day written notice, and such notice period may be waived by Orchard in its sole discretion. Therefore, these agreements are generally payable on demand. Of \$232,860,312 in gross securities payable as of June 30, 2025, \$189,895,373, or 82%, consisted of Agreements, Retirement Agreements, and 403(b) Agreements. Additionally, \$131,429,353 of the \$189,895,373 in Agreements that are generally payable on demand are payable to the Denomination, its districts or its subsidiaries, and as such are not considered a sale of Securities. Therefore, \$58,466,020 in Agreements are generally payable on demand to persons and institutions other than the Denomination, its districts or subsidiaries, or 25% of gross securities payable. While Orchard's historical experience has been that the balance of such securities outstanding experiences insignificant changes from year to year, meaning that most of the balance of such securities remains invested with Orchard from one year to the next, if Orchard experiences an unexpectedly significant increase in redemptions from such securities, Orchard may have to rely on other sources of funds, such as lines of credit or sales of loans in order fund such redemptions. The need to utilize such alternative funds to meet redemptions on outstanding securities payable, including Agreements, Retirement Agreements, and 403(b) Agreements, if required over an extended period, could affect Orchard's financial condition.

SUMMARY

The Offering

\$60,000,000	INVESTMENT CERTIFICATES
\$20,000,000	AGREEMENTS
\$10,000,000	RETIREMENT AGREEMENTS
\$10,000,000	403(b) AGREEMENTS

Orchard, a wholly owned subsidiary of the C&MA, is offering to a limited class of investors (see "Limited Class of Investors" page 2) the Securities, in the aggregate principal amount of \$100,000,000, for the purpose of providing a source of funds which will be deposited into an unrestricted account from which Orchard will make or complete commitments for loans primarily to C&MA church congregations or related organizations for their use in acquiring, constructing or remodeling denominational churches, parsonages, or other related projects of the C&MA (see "Use of Proceeds" page 16). The only material amount of assets, liabilities, revenues, or expenses of Orchard that are unrelated to its purpose stated above are related to its trusts and annuities funds. Where appropriate, the amounts related to the trusts and annuities have been excluded to reflect the amounts of assets, liabilities, revenues, and expenses that are related to its purpose stated above.

The Certificates, Agreements, Retirement Agreements and 403(b) Agreements offered hereby are each unsecured general obligations of Orchard with no sinking fund, have the same priority with respect to Orchard's assets as other unsecured debt obligations of Orchard, and are not specifically secured by particular loans to specific borrowing entities. There is no assurance that in the event of a mortgage loan default the foreclosure sale value of the properties securing the loan will be adequate to fully repay the defaulted loan. Orchard's lending policies differ significantly from commercial lending, including, but not limited to, no requirement for appraisals. Since mortgages mature several years after the Securities, there may be a negative impact should a large number of investors seek repayment at one time, resulting in a cash shortage to repay maturing obligations. Orchard is dependent on principal repayments and cash receipts from the sale of the Securities to meet its obligations. The Securities are non-negotiable, there is no market for them, transferability is restricted, and Orchard retains an absolute right to redeem the Securities at any time. Not all Securities offered may be sold, which may result in the inability of Orchard to repay maturing obligations. Almost all of the organizations eligible to receive loans are dependent on contributions which may fluctuate and be insufficient to adequately fund debt service, and Orchard does not maintain the authority to assess fees from the general membership. Federal and state securities and tax laws may change. Although Orchard is a separate legal entity, it is possible that claims may be made against it in relation to matters associated with the C&MA or any of its affiliated organizations.

The Securities will be offered by Orchard solely through its officers and employees working under the supervision of such officers, who represent no other fund or entity in effecting or attempting to effect offers and sales of Securities. No commission or other remuneration will be paid to any officer or employee in connection with any sale of Securities, and each officer or employee performs significant functions for Orchard other than the sale of Securities. The Securities shall be offered and sold without the payment of any direct or indirect underwriting discounts, brokerage commissions or similar fees.

Orchard is offering the Securities in approximately 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands, pursuant to exemption, registration, or qualification, as required by each jurisdiction. The amounts offered in a particular jurisdiction are dependent upon a number of factors, including Orchard's prior sales experience, filing and registration fees, and the necessity for periodic approval of the offerings or amounts.

Below is a summary of selected financial data. **As it relates to the financial data in this Offering Circular, fiscal year ending June 30, 2025, 2024, 2023, 2022 and 2021 figures are from or derived from the audited fiscal year financial statements for Orchard. Most of the financial data is from the audited portion of the audited financial statements; however, some of the data is derived from the unaudited supplemental schedules, particularly related to figures related to the trusts and annuities disclosures.**

Summary Financial Data					
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Cash, cash equivalents, and readily marketable securities, gross	\$146,070,905	\$152,307,093	\$158,203,849	\$162,527,141	\$166,350,091
Less alternative investments*	4,915,885	12,169,433	9,983,138	2,944,897	212,607
Less trusts and annuities and eliminations*	<u>75,662,005</u>	<u>66,703,341</u>	<u>83,193,569</u>	<u>95,734,258</u>	<u>113,732,400</u>
Cash, cash equivalents, and readily marketable securities, net*	<u>\$65,493,015</u>	<u>\$73,434,319</u>	<u>\$65,027,142</u>	<u>\$63,847,986</u>	<u>\$52,405,084</u>
Total loans receivable, gross	\$246,708,060	\$244,333,305	\$255,644,367	\$244,856,427	\$248,963,133
Amount and percent of unsecured loans receivable	\$2,625,371 1.06%	\$2,687,317 1.10%	\$2,879,773 1.13%	\$2,678,522 1.09%	\$3,235,663 1.30%
Loan delinquencies, amount and as a percent of loans receivable*	\$6,207,196 2.52%	\$5,511,899 2.26%	\$6,847,160 2.68%	\$13,709,337 5.60%	\$23,708,608 9.52%
Total assets	\$391,309,348	\$395,809,212	\$414,489,122	\$404,434,561	\$417,277,391
Securities payable, gross*	\$250,884,202	\$266,357,736	\$266,459,501	\$244,690,997	\$232,860,312
Less trusts and annuities and eliminations*	<u>44,281,536</u>	<u>46,761,282</u>	<u>45,976,355</u>	<u>48,738,196</u>	<u>55,291,123</u>
Securities payable, consolidated	<u>\$206,602,666</u>	<u>\$219,596,454</u>	<u>\$220,483,146</u>	<u>\$195,952,801</u>	<u>\$177,569,189</u>
Certificates redeemed	\$8,432,173	\$7,241,861	\$5,966,264	\$7,116,511	\$5,970,746
Other long-term debt, gross*	\$0	\$0	\$0	\$0	\$0
Less trusts and annuities and eliminations*	-	-	-	-	-
Other long-term debt, consolidated	-	-	-	-	-
Net assets, beginning of year	\$77,578,938	\$85,527,544	\$82,440,221	\$87,560,470	\$88,694,347
Cumulative change for adoption of ASC 326	-	-	-	(1,400,000)	-
Change in net assets	<u>7,948,606</u>	<u>(3,087,323)</u>	<u>5,120,249</u>	<u>2,533,877</u>	<u>10,125,171</u>
Net assets, end of year	<u>\$85,527,544</u>	<u>\$82,440,221</u>	<u>\$87,560,470</u>	<u>\$88,694,347</u>	<u>\$98,819,518</u>

*As noted above, these are unaudited amounts pulled from supplemental schedules. All other numbers are from the audited statements.

The remainder of this Offering Circular contains additional information about the Offering, Orchard Alliance, and the C&MA, including financial information and risk factors and should be reviewed carefully by prospective investors.

HISTORY AND OPERATIONS

General – The Christian and Missionary Alliance

The C&MA is a Colorado religious not-for-profit corporation, originally formed in New York in 1897. The C&MA was initially a New York corporation and was reincorporated as a Colorado corporation in May of 1992. The C&MA is the leadership organization for The Christian and Missionary Alliance religious denomination, as well as a national and foreign missionary society supporting missionaries and mission professionals worldwide. The C&MA's primary emphasis is on evangelism, and it is devoted to the broadest possible promulgation of the Gospel in its fullest sense. In addition to the missionaries, the C&MA had nearly 200 other full and part-time paid employees domestically. This does not include pastors who are supported by local congregations.

The C&MA is managed by a Board of Directors, (the "C&MA Board"), whose members are elected by the General Council of the C&MA (the "General Council"), for four-year terms at the bi-annual General Council meeting. The C&MA Board, as the executive body of the C&MA, is specifically charged with supervision of the worldwide ministry of the C&MA in accordance with the C&MA's Constitution and Bylaws. The C&MA Board's decisions and activities are subject to the policies enacted or adopted by the General Council. The General Council functions as the legislative body of the Denomination. In 2025, there were 2,421 accredited or voting delegates the biennial General Council meeting. The next scheduled meeting of the General Council will be in May 2027.

Orchard Alliance

The C&MA established Orchard's predecessor, The Alliance Development Fund, Inc. ("ADF") as a wholly owned subsidiary to issue and sell securities for the purpose of providing funds to finance the acquisition, construction and/or remodeling of churches, parsonages, and other related projects of the C&MA and its affiliated organizations. ADF was incorporated as a separate legal entity in the State of Colorado on January 23, 1996, as successor to the "Alliance Development Fund," an unincorporated division of the C&MA established in 1978. ADF was granted recognition as a tax-exempt corporation under Section 501(c)(3) the Code and was operated exclusively for religious purposes. On June 28, 2018, the C&MA approved Amended and Restated Articles of Incorporation which transferred the sole member status of the C&MA to The Orchard Foundation effective July 1, 2018. On July 1, 2020, ADF was merged into Orchard, its parent organization and the name of the surviving entity was legally changed to Orchard Alliance.

Orchard is a Colorado religious not-for-profit corporation, which has not issued stock and has no plans to do so. Hence, no dividends are paid and no portion of Orchard's change in net assets (income) may be distributed to its officers or directors, except as reasonable compensation for services rendered. However, Orchard may make contributions to the C&MA from time to time.

The C&MA is the sole member of Orchard. Orchard was incorporated as a separate legal entity in the State of Colorado on August 3, 1998, as successor to "Stewardship Ministries," an unincorporated division of the C&MA established in 1967. Orchard has been granted recognition as a tax-exempt corporation under Section 501(c)(3) of the Code and operates exclusively for religious purposes.

Orchard is managed by a Board of Directors (the "Orchard Board"), whose members are elected by its sole member, C&MA. The Orchard Board is responsible for oversight of Orchard, the allocation of its resources, maintenance of its liquidity, a properly balanced loan portfolio, and the overall success of Orchard's operations. See "Management" for a description of the members of the Orchard Board and officers of Orchard. See "History and Operations" for a description of Orchard.

The debts and liabilities incurred by Orchard are independent of the financial structure of the C&MA or any districts, subsidiaries, or related corporations whose members are members of C&MA churches; thus, such entities will have no legal obligation with respect to the Securities.

The principal office and mailing address of Orchard is 8595 Explorer Drive, Colorado Springs, Colorado 80920. Orchard's telephone number is (833) 672-4255.

All financial assistance from Orchard extended to local churches and other related organizations will be separate and distinct from that provided by any other program, division, subdivision, or district of the C&MA.

Church Membership

Domestic inclusive membership in the C&MA consists of those persons who are members and adherents of local churches of the C&MA, plus a small number of other individuals who hold official credentials issued by proper authorities within the C&MA. Although it is difficult to obtain an inclusive census of membership, the C&MA estimates there are about 6 million members of C&MA churches worldwide.

USE OF PROCEEDS

If this offering is fully subscribed, the proceeds from the sale of Securities, will equal an aggregate principal amount of \$100,000,000. Such funds will be used to provide loans to finance the acquisition, construction and/or remodeling of churches, parsonages and other related projects of the C&MA.

If additional funds should be required to accomplish the foregoing purposes, Orchard contemplates raising such additional funds by authorizing and selling additional Securities; however, there is no assurance Orchard will be able to sell additional Securities. Furthermore, Orchard may utilize other sources of immediately available funds, such as a line of credit or other source of credit with a bank or other financial institution.

Orchard's sale of Securities is primarily based upon its need to acquire funds to make loans. See "Orchard Alliance Lending Activity" page 21.

No underwriters will participate in the distribution of the Securities, and no underwriting discounts or commissions will be paid in connection with this Offering. Sales of the Securities will be affected solely by certain officers and employees of Orchard, working under the officers' supervision. See "Description of Securities -- Method of Sale and Transfer" page 28. All expenses of this offering, including printing, mailing, attorneys' fees, accountants' fees, and state securities registration and filing fees will be borne by Orchard from its general operating revenue. Orchard estimates that aggregate amounts of selling expenses, including legal, design, printing, and accounting charges for this offering will be \$195,500.

CAPITALIZATION

June 30, 2025

Short and Long-Term Borrowings: Securities and Other Obligations	\$177,569,189
Net Assets: Unrestricted	76,899,285
Temporarily restricted	<u>21,920,233</u>
Total Net Assets	<u>98,819,518</u>
Total Capitalization	<u>\$276,388,707</u>

FUND ACTIVITY

Securities

Orchard's primary means of obtaining the capital necessary to conduct its mission is through the receipt of proceeds from the sale of its Securities. It is anticipated that Securities will be offered bearing interest rates from 0.00% to 7.00%, but other rates may be offered depending upon prevailing interest rates for competitive products at the time of sale. Orchard will also generate income from its loans and investments. See "Fund Activity--Loans" page 19.

The Securities are generally transferable only with the written approval of Orchard, and then only to individuals who would have been eligible to purchase these Securities initially, except for the 403(b) Agreements, which are nonassignable and nontransferable. The payment of principal and interest on Orchard's outstanding Securities is not secured by any assets of Orchard, and interest payments will be made from operating revenues of Orchard. The holders of the Securities will therefore be unsecured creditors of Orchard. Since the institution of Orchard, and its predecessors, The Alliance Development Fund, Inc. (formed in 1996 and merged in 2020), the Alliance Development Fund of the C&MA (started in 1978), and the Church Extension Loan Fund (started in 1959), there has never been a default on the payment of principal or interest on any of its debt securities. Notwithstanding the foregoing, no guarantee or assurance can be given with respect to future payments or defaults on the Securities.

The Securities will be sold at par for cash and Orchard offers no financing terms. Upon expiration of the term of an outstanding Certificate, a holder may redeem the Certificate for the face amount thereof plus accrued interest, by notifying Orchard of a desire to receive such payment and terminate the agreement evidenced by the Certificate, or

the holder may automatically renew the Certificate, subject to certain state restrictions (see "Specific State Information," pages 2-6), at the rate of interest available at the time of renewal for an additional term. There is no limit to the number of times a Certificate may be renewed.

Orchard may prepay or "call" any outstanding Security prior to the expiration of its term without the consent of the holder. Except with respect to required distributions from IRAs and 403(b) Agreements, Orchard is not required to redeem any Certificate prior to its maturity; however, it may in its discretion redeem obligations prior to maturity at the request of the investor upon a showing of need. No assurance can be given that Orchard will be willing or able to make early redemptions at the request of an investor. See "Description of Securities – Redemption Prior to Maturity" page 25.

Sales by Orchard for the Year Ended June 30, 2025

In all 50 states, the District of Columbia and Puerto Rico, for the year ended June 30, 2025, Orchard had total Certificate sales of \$15,443,846, including \$1,114,771 in new sales and \$14,329,075 in renewals of matured obligations. The following chart is a three-year history of Securities sales and redemptions for Orchard and receipts of repaid principal on outstanding loans. During the years ended June 30, 2025, 2024, and 2023, Orchard did not sell all authorized securities in the respective offerings. There can be no assurance that the Securities offered pursuant to this Offering Circular will be fully sold.

	<u>RECEIPTS & CERTIFICATE REDEMPTIONS</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Certificate Sales, excluding renewals and exchanges	\$1,114,771	\$2,159,202	\$2,489,711
Certificate Redemptions (cash)	5,970,746	7,116,511	5,966,264
Certificate Redemptions (non-cash)	<u>1,812,236</u>	<u>11,934,211</u>	<u>1,130,117</u>
Certificate Redemptions, total	<u>\$7,782,982</u>	<u>\$19,050,722</u>	<u>\$7,096,381</u>
Net Increase/(Decrease) in Agreements, Retirement Agreements, and 403(b) Agreements (after eliminations)	(\$14,465,852)	(\$19,573,036)	\$4,363,245
Loan Principal Repayments	\$27,298,911	\$32,395,218	\$24,788,127

Maturities

The following is a summary of maturity dates and balances of outstanding debt securities payable of Orchard (excluding Agreements, Retirement Agreements and 403(b) Agreements, which are classified as "on Demand") at June 30, 2025:

	Certificates
2026	\$22,738,531
2027	9,273,398
2028	3,368,772
2029	2,621,520
2030 and thereafter	<u>4,962,718</u>
Total	<u>\$42,964,939</u>

In the past, Orchard has had only a portion of the principal balance on maturing securities redeemed by investors. For the years ended June 30, 2025, 2024, and 2023, of the investment obligations reaching maturity, on average approximately 74% were renewed or reinvested. No assurance can be given that this renewal/reinvestment rate will continue.

Since the inception of the Church Extension Loan Fund in 1959, Orchard has generated sufficient funds from all sources to make all principal and interest payments required on outstanding securities. Funds provided by operations and other sources for the years ended June 30, 2025, 2024, and 2023 totaled \$12,302,619, \$14,758,725, and \$34,336,333, respectively. For these periods, certificate cash redemptions totaled \$5,970,746, \$7,116,511, and \$5,966,264, respectively, and cash payments for interest expense on securities totaled \$6,891,702, \$8,196,946, and \$6,015,802, respectively. Therefore, of the funds available to Orchard during 2025, 2024, and 2023, approximately

105%, 104%, and 35%, respectively, were applied to the cash repayment of principal and interest on outstanding securities of Orchard.

Secured or Senior Debt

Orchard had no senior or secured debt at June 30, 2025. In the event that Orchard enters into a line of credit or other source of credit with a bank or financial institution, it may be required to collateralize a portion of its tangible assets to secure that credit. Securities holders may find their investment inferior to the credit facility if a portion of Orchard’s tangible assets are employed to secure such a line of credit or other source of credit with a bank or financial institution. Orchard will not incur senior or secured debt in excess of 10% of its tangible assets.

Credit Loss Reserve and Delinquency

Orchard maintains a Credit Loss Reserve as a precaution in the event any loan may default. Orchard’s policy is to reserve the interest receivable on loans when payments are more than three months in arrears or when likelihood that interest will be repaid is low. At June 30, 2025, 2024, and 2023 the amount of interest receivable reserved was \$558,132, \$3,529,904, and \$2,926,135, respectively, and the amount of Credit Loss Reserve was \$3,900,000, \$5,700,000, and \$1,900,000, respectively. At June 30, 2025, 2024, and 2023, the combined Credit Loss Reserve and interest receivable reserve balance was \$4,458,132, \$9,229,904, and \$4,826,135, respectively. This represented 1.79%, 3.77%, and 1.89% of Orchard’s loan portfolio, respectively. From time to time individual loans may fall delinquent with respect to regular monthly payments. At June 30, 2025, 2024, and 2023, outstanding principal on delinquent loans were \$23,708,608, \$13,709,337, and \$6,847,160, which represented 9.5%, 5.6%, and 2.7%, of the loan portfolio balance and represented 12, 10, and 3 loans, respectively, as of those dates. Orchard classifies all loans with payments in arrears 3 or more months as delinquent. Of the 12 delinquent loans at June 30, 2025 there were no materially delinquent borrowers. Of the 10 delinquent loans at June 30, 2024 there were no materially delinquent borrowers. Of the 3 delinquent loans at June 30, 2023 there were no materially delinquent borrowers. A materially delinquent borrower is one with loan(s) which in the aggregate exceed 10% of net assets and are delinquent. Please refer to pages 19-20, section “Loans” for a schedule of material borrowers with the delinquent loans noted.

As of June 30, 2025, 2024, and 2023, Orchard had incurred net increases (decreases) in its credit loss reserves of (\$599,200), \$2,517,828, and \$1,019,429 respectively, representing changes in the potential for credit losses over those periods. As of June 30, 2025, 2024, and 2023, Orchard experienced \$1,200,800, \$117,828, and \$2,019,429 in actual losses from loans.

It is not unusual for loans to experience a period of delinquency. Should this occur, Orchard works with the borrower to help improve its financial position. Orchard may offer the borrower, for a temporary period, an opportunity to make interest-only payments or re-amortize the loan for a longer period. Orchard may ask the district governing organization to assist in the revitalization of the borrower or make the payment on behalf of the borrower. In rare occasions, Orchard may commence a foreclosure action. As of the date of this Offering Circular, Orchard had no active foreclosure actions on property with loans as of June 30, 2025.

The following schedule shows a summary of cash flows.

Summary of Cash Flows

<u>Description</u>	<u>Actual 2023</u>	<u>Actual 2024</u>	<u>Actual 2025</u>
Cash From Operations	\$2,695,250	\$(222,659)	\$(1,645,211)
Liquid Assets Exclusive of Trusts and Annuities (beginning of period)	73,434,319	65,027,141	63,847,986
Loan Principal Repayments	24,788,127	32,395,218	27,298,911
Net Increase/(Decrease) in Agreements, Retirement Agreements and 403(b) Agreements Accounts	4,363,245	(19,573,036)	(14,465,852)

Certificate Sales	2,489,711	<u>2,159,202</u>	1,114,771
Loans Advanced	<u>(38,118,618)</u>	<u>(21,725,106)</u>	<u>(32,596,814)</u>
Cash Available (A)	<u>69,652,034</u>	<u>58,060,760</u>	<u>43,553,791</u>
Redemptions*	5,966,264	7,116,511	5,970,746
Cash Applied (B)	<u>5,966,264</u>	<u>7,116,511</u>	<u>5,970,746</u>
Net Cash Available**	<u>\$63,685,770</u>	<u>\$50,944,249</u>	<u>\$37,583,045</u>
Coverage (Actual) (A) / (B)	11.67: 1	8.16: 1	7.29: 1

* Redemptions include accrued compounded interest paid at maturity.

** These are unaudited amounts pulled from supplemental schedules. All other numbers are from the audited statements

Loans

In addition to the sale of its debt securities, Orchard generates funds for its operations through income received on loans. For the years ended June 30, 2025, 2024, and 2023, the income from loans was \$13,724,018, \$13,296,413, and \$11,466,438, respectively. For the same periods, Orchard made cash disbursements for loans totaling \$32,596,814, \$21,725,106, and \$38,118,618, respectively.

The following is a summary of the scheduled principal repayments of the outstanding loans at June 30, 2025:

Loans Receivable (Unaudited)	
2025-26 and on Demand	8,494,273
2026-27	7,959,791
2027-28	8,066,026
2028-29	8,227,479
2029-30 and thereafter	216,215,564
Total	<u>\$248,963,133</u>

The repayment of principal and interest on the Securities offered hereby is dependent upon the financial condition of Orchard, which is partially dependent upon the financial condition of the various churches and other units of Orchard to which loans are outstanding. To the extent Orchard is dependent upon funds other than changes in net assets (operating income) to repay principal and interest on outstanding debt obligations, and to the extent that existing investors do not extend or renew their investments in amounts as has been Orchard's past experience, there may be an adverse effect on the financial condition of Orchard and it may be necessary for Orchard to redeem certain of its investments or obtain funds from other sources, including borrowings, loan participations, and the securitization of loans, to meet current cash needs.

At June 30, 2025, one borrower was considered individually material (10% of net assets or greater) to the financial statements of Orchard. The Denomination, as a borrower, is responsible for a \$9,537,265 loan.

As of June 30, 2025, no individually material borrowers were delinquent. Therefore, there are no materially delinquent loans.

As of the date of this Offering Circular, Orchard has not borrowed funds (other than through the sale of Securities and through loan participations) or securitized any loans. In its history, Orchard has sold loan participations in the original amounts of \$8,042,000 to The Orchard Foundation, \$5,585,000 to the Christian and Missionary Alliance Retirement Trust and \$992,000 to The Christian and Missionary Alliance Foundation, Inc., all affiliates of Orchard, and used the proceeds to make additional loans. Should Orchard borrow funds or sell loan participations or securitize any loans, the proceeds will be used to make additional loans to churches and other entities within the C&MA. Securitized loans will not exceed 10% of the loan portfolio. Any borrowing of funds, participating or securitizing of loans would not be undertaken if the action would hinder the ability to repay the principal and interest on the Securities when due.

Should Orchard securitize loans, they would be securitized and sold on a non-recourse basis predominantly to entities not affiliated with Orchard, and the proceeds from the sale of the securitized loans would be used to make additional loans to churches and other entities within the C&MA, and securitized loans will not exceed 10% of the loan portfolio. It is anticipated that any such securitization will not hinder the ability of Orchard to repay the principal and interest on the Securities when due.

As of June 30, 2025, Orchard had loan commitments to churches for \$48,575,000 representing unfunded loan approvals for property purchases and construction projects of \$31,859,000 and lines of credit totaling \$16,716,000.

Investments

On occasion, lending activity is such that funds obtained through the sale of Securities are not immediately needed to finance the acquisition, construction and/or remodeling of churches, parsonages, and other related projects of the C&MA and its affiliated organizations. When this occurs, Orchard may temporarily invest these funds as cash, cash equivalents or readily marketable assets for the purpose of providing a source of funds in the future. Orchard's investment policy restricts purchasing investments to only those which can be expected to be liquidated within a reasonable period of time. Earned reserves may be invested in less liquid vehicles when considered desirable and/or prudent. Orchard's Investment Committee, along with the Orchard Board (see "Management" page 30) is responsible for setting or altering the investment policy. The committee is responsible for making and maintaining the investments and is made up of Scott R. Kubie, David A. Krilov, and Theodore A. Price. Orchard's investment advisors are Morgan Stanley Smith Barney LLC, Purchase, New York, IARD Number 149777, SEC Number 801-70103, effective June 1, 2009 (formerly Citigroup Global Markets, Inc./Smith Barney Consulting Group, New York, NY, IARD Number 7059, SEC Number 801-3387).

The following schedule identifies the type, amount and percentage of investments held by Orchard at June 30, 2025 and 2024, respectively.

	<u>2025</u>		<u>2024</u>	
Bonds and bond ETFs	40,541,627	81.7%	49,892,669	78.7%
Alternative investments	212,607	0.4%	2,944,897	4.6%
Cash and money market funds	\$2,723,099	5.5%	5,283,355	8.3%
Equity and equity ETFs	<u>6,115,702</u>	<u>12.3%</u>	<u>5,290,375</u>	<u>8.3%</u>
Held for Operations	<u>\$49,593,035</u>	<u>100.0%</u>	<u>63,411,296</u>	<u>100.0%</u>
Held for Trusts and Annuities	<u>\$113,470,973</u>		<u>95,371,375</u>	
Total Investments	<u>\$163,064,008</u>		<u>158,782,671</u>	

Orchard earned the following on investments for the years ended June 30, 2025, 2024, and 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Interest and dividend income, consolidated	\$1,894,156	1,929,800	2,037,511
Less trusts and annuities and eliminations*	\$33,139	(41,491)	(53,336)
Interest and dividend income, net*	<u>\$1,927,295</u>	<u>1,888,309</u>	<u>1,984,175</u>
Net realized and unrealized gains (losses), consolidated	\$3,064,033	5,253,697	2,916,199
Less trusts and annuities and eliminations*	\$(1,251,272)	(2,492,996)	(1,470,340)
Net realized and unrealized gains (losses), net*	<u>\$1,812,761</u>	<u>2,760,701</u>	<u>1,445,859</u>
Return on investments, net*	<u>\$3,740,056</u>	<u>4,649,010</u>	<u>\$3,430,034</u>

*These are unaudited amounts pulled from supplemental schedules. All other numbers are from the audited statements

ORCHARD ALLIANCE LENDING ACTIVITY

General

Orchard intends to utilize the proceeds from this Offering and from any future offerings, in conjunction with its investment income and any sale of loan participations, to provide a source of funds to finance the acquisition, construction and/or remodeling of churches, parsonages, and other related projects of the C&MA and its affiliated organizations. Pending the utilization of Orchard for such purposes, Orchard Board may invest such proceeds in cash, cash equivalents or readily marketable assets.

Loan Policies

Loans to be made by Orchard that exceed \$100,000 will be primarily secured by a mortgage or deed of trust in favor of Orchard. Short-term loans and loans of \$100,000 or less to churches, C&MA districts, affiliated colleges and auxiliary enterprises may be made on an unsecured basis, provided such borrowers meet applicable requirements as may be established from time to time, including, but not limited to, acceptable financial conditions. At June 30, 2025, 98.7% of the loans outstanding are secured by a mortgage or deed of trust in favor of Orchard or guaranteed by third parties. All loans to be made to the districts, affiliated colleges, and auxiliary enterprises must be approved by the district executive committee, trustees, or its governing board, and all such loans must conform to Orchard's by-laws and loan policies governing districts, affiliated colleges and auxiliary enterprises throughout the United States. Interest rates charged on loans will generally be higher than the interest rates paid by Orchard on the Securities, although Orchard will attempt to keep such loan interest rates at a level more favorable than those generally available from commercial sources. Loans may be subject to prepayment penalties and will be subject to acceleration in the event of default or in the event the borrower's affiliation with the C&MA terminates.

Orchard makes loans to foreign ministries of the Alliance Missions of the C&MA (the "AM"). These loans further the ministries of overseas missions within the AM by providing a source of funds to finance the acquisition and construction of overseas mission facilities outside of the United States. The loans to foreign ministries of the AM are guaranteed by the C&MA. Principal and interest are repaid from rent allocations within the AM budget to the individual foreign ministries receiving the loan. The C&MA is responsible for the repayment of principal and interest should any foreign ministry default on its loan. The AM is also responsible for loan qualification and communication with the foreign ministry.

Borrowers will make regular installment payments of principal and interest. For borrowers experiencing difficulty maintaining a payment schedule, Orchard will initiate a prescribed workout procedure. This procedure will include an evaluation by the church and district as to goals and expectations for growth. In addition, the prescribed procedure will take into consideration the vision of the church for missions, evangelism and out-reach ministries. Terms of the loan must be such that principal and interest payments for each payment period do not exceed a reasonable percentage of the borrower's average income during such periods for the year preceding the date of the loan. In addition, Orchard will require a projection to determine that the borrower's income can be reasonably expected to equal or exceed its income at the time of the loan for the duration of such loan. In the case of established churches, ordinarily no more than one-third of that church's income will be considered a reasonable percentage, although for newly started churches a higher percentage may be deemed reasonable.

It is the policy of Orchard that at least ninety percent (90%) of the outstanding loans shall be secured by real or personal property or guaranteed by third parties. As of June 30, 2025 and 2024, loans secured by real or personal property or guaranteed by third parties amounted to 98.7% and 98.9%, respectively, of total outstanding loans. Total outstanding unsecured loans for the same periods were \$3,235,663 and \$2,678,522 respectively.

The aggregate of direct loans and loan payment liabilities (guaranteed loans, cosigned loans, etc.) to a single borrower shall not exceed fifteen percent (15%) of Orchard's net assets at the time such loan is made. This limit may be extended to twenty percent (20%) of Orchard's net assets when loans directly to the borrower do not exceed fifteen percent (15%) and it is only loan payment liabilities that cause the aggregate obligations to exceed this measure.

Orchard is currently making loans with initial interest rates of 6.75%, annually adjustable based on Orchard's internal index plus 2.0% - 3.0%, for terms up to 30 years. Repayment of the principal will be amortized over the term of the loan, until the full amount is repaid with interest. Amounts loaned, interest rates, availability of funds, payment schedules and other loan terms will be determined at the time loan applications are approved by Orchard's Vice

President for Lending for loans up to \$200,000, by the President for loans from \$200,000 to \$750,000, by the Loan Advisory Committee for loans from \$750,000 to \$1,750,000 and by the Orchard Board for all loans exceeding \$1,750,000. The above loan policies have been determined by the Orchard Board and are subject to revision. No assurance may be given that the foregoing loan policies, amounts of loan funds available and interest rates offered will not be changed periodically.

THIS OFFERING IS SUBJECT TO CERTAIN RISKS. SEE "RISK FACTORS" Pages 9 through 13.

Loan Processing

Orchard receives requests for loans at its office in Colorado Springs, Colorado. Loans are made by Orchard only after an investigation of the borrower's history of operations, which illustrates its financial history and resources available and indicates the borrower's commitment to its program, potential for future growth, and ability to meet principal and interest payments when due. Financial statements of the borrower are required in order to ascertain financial health. Loans may not exceed eighty percent (80%) loan to value of a project's cost or property valuation, except in extraordinary circumstances where a borrower has demonstrated an exceptional commitment to its building program, for example, by written pledges of most of the members of a church sufficient to cover the increased contributions necessary for repayment. Typically, borrowers will be dependent on donations to repay loans. As a result, several factors such as economic downturns, pastoral changes, membership drop, etc., can contribute to a decline in donations. This condition could result in the borrower being unable to meet the financial obligation of its mortgage. Additionally, Orchard does not have the authority to specifically designate donations or impose assessments to assure timely mortgage payments.

Generally, Orchard only disburses loan proceeds after the borrower furnishes all required documents, including, but not limited to, title insurance, or title abstract plus an opinion of legal counsel, confirming Orchard's first mortgage or deed of trust, evidence of adequate insurance containing an endorsement showing Orchard's interest under mortgage or deed of trust and, in some cases, duly executed lien waivers. Orchard prefers to utilize title companies as escrow agents in making loan disbursements, but this practice is not mandatory.

Orchard will not normally obtain independent appraisals as to the value of real property securing the loans it makes; however, Orchard may require an independent written opinion from a knowledgeable party as to the value of real property in the area. It also will make personal contact through its staff with the leadership of the various church borrowers prior to issuing any commitment in order to discuss and accumulate pertinent information concerning the church and its past and present membership contributions in an effort to determine an appropriate amount of indebtedness for the borrower and to realistically evaluate the church's ability to service the proposed debt. Orchard does not have a policy of limiting its lending in areas where there are geographic concentrations of loans.

Self-Funded Loans

In order to provide an additional option for the funding of church loans, Orchard may make some loans contingent upon or with encouragement of the church providing up to 100% of the financing. In such a case, the loan would be made through Orchard, but the investors may invest their monies for varying terms. The specific term and interest rate of such a Security would be determined at the time the decision was made to make such a loan. The Church receives an interest rate on its loan, adjusted annually, which takes into consideration the investments made on behalf of the church. The Securities do not differ from the Certificates otherwise available, except that a lower rate than current published rates may be accepted. Certificates issued in connection with self-funded loans may be purchased by IRAs established for the benefit of investors. Investors do not guarantee the repayment of the corresponding self-funded loans.

Loans to individual foreign fields within the AM will be fully self-funded by investments made by the AM in Orchard Securities. See "Loan Policies." The terms of these deposits will be the same as for all other Agreement Account holders.

FIVE YEAR COMPARISON OF FINANCIAL INFORMATION

The following table shows certain categories of financial information of Orchard for the period of June 30, 2021 through June 30, 2025. The financial information presented in this table should be read in conjunction with Orchard's audited financial statements, which are attached as an exhibit to this Offering Circular. See Appendix A.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Cash, equivalents, and investments, consolidated	\$146,070,905	\$152,307,093	\$158,203,849	\$162,527,141	\$166,350,091
Less trusts and annuities and eliminations**	<u>75,662,005</u>	<u>66,703,341</u>	<u>83,193,570</u>	<u>95,734,258</u>	<u>113,732,400</u>
Cash, equivalents, and investments, net**	<u>\$70,408,900</u>	<u>\$85,603,752</u>	<u>\$75,010,279</u>	<u>\$66,792,883</u>	<u>\$52,617,691</u>
Notes, loans and other receivables	\$246,708,060	\$244,333,305	\$255,644,367	244,856,427	248,963,133
Total Assets, consolidated	\$391,309,348	\$395,809,212	\$414,489,122	404,434,561	417,277,391
Less trusts and annuities and eliminations**	<u>75,707,600</u>	<u>66,762,759</u>	<u>83,795,599</u>	<u>96,129,576</u>	<u>117,346,839</u>
Total Assets, net**	\$315,601,748	\$329,046,453	\$330,693,523	308,304,285	299,930,552
Net Assets, consolidated	\$85,527,544	\$82,440,221	\$87,560,470	\$88,694,347	98,819,518
Less trusts and annuities and eliminations**	<u>22,109,627</u>	<u>20,455,071</u>	<u>23,980,888</u>	<u>25,726,543</u>	<u>32,632,929</u>
Net Assets, net**	<u>\$63,417,917</u>	<u>\$61,985,150</u>	<u>\$63,579,582</u>	<u>\$62,967,804</u>	<u>\$66,186,589</u>
Securities payable, gross**	\$250,884,202	\$266,357,736	\$266,459,501	\$244,690,997	232,860,312
Less trusts and annuities and eliminations**	<u>44,281,536</u>	<u>46,761,282</u>	<u>45,976,355</u>	<u>48,738,196</u>	<u>55,291,123</u>
Securities payable, consolidated	<u>\$206,602,666</u>	<u>\$219,596,454</u>	<u>\$220,483,146</u>	<u>\$195,952,801</u>	<u>\$177,569,189</u>

* Net of allowance for uncollectibles.

** These are unaudited amounts pulled from supplemental schedules. All other numbers are from the audited statements

The following table shows certain categories of income, expenses and change in net assets for Orchard for the years ended June 30, 2021 through June 30, 2025. The financial information presented in this table should be read in conjunction with Orchard's audited financial statements, which are attached as an exhibit to the Offering Circular. See Appendix A.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Loan interest income	\$9,955,497	\$10,089,516	\$11,466,438	\$13,296,413	\$13,724,018
Investment and other income (loss), consolidated	\$6,076,599	(\$4,915,873)	\$4,953,710	\$7,183,497	4,958,189
Less trusts and annuities and eliminations*	<u>(2,292,563)</u>	<u>2,706,568</u>	<u>(1,523,676)</u>	<u>(2,534,487)</u>	<u>(1,218,133)</u>
Investment and other income (loss), net*	<u>\$3,784,036</u>	<u>(\$2,209,305)</u>	<u>\$3,430,034</u>	<u>\$4,649,010</u>	<u>3,740,056</u>
Securities interest expense	\$4,067,640	\$4,258,672	\$6,015,802	\$8,196,946	7,829,918
Provision for credit losses	(\$99,492)	(\$435,944)	\$1,019,429	\$2,517,471	(608,803)
Program & Management & General Expense*	\$6,800,040	\$8,580,284	\$7,472,859	\$8,037,193	8,753,092
Change in net assets	\$7,948,606	(\$3,087,323)	\$5,120,249	\$2,533,877	10,125,171

*These are unaudited amounts pulled from supplemental schedules. All other numbers are from the audited statements

STATEMENT OF CAPITAL ADEQUACY

On June 30, 2025, Orchard's Net Assets represented 23.7% of Orchard's total assets.

STATEMENT OF LIQUIDITY STATUS

On June 30, 2025, Orchard's liquidity status as calculated below was 22.5%. On June 30, 2025, Orchard had no outstanding lines of credit to banks or other financial institutions.

	Orchard Alliance, Consolidated	Adjusted for Trusts and Annuities and Eliminations and Illiquid Securities*	Net*
Cash and cash Equivalents	\$ 3,286,086	\$ 2,461,672	\$ 5,747,755
Investments, readily marketable	163,064,008	<u>(116,406,679)</u>	46,657,329
Total liquidity	<u>\$ 166,350,091</u>	<u>\$ (113,945,007)</u>	<u>\$ 52,405,084</u>
Savings and agreement accounts	\$ 134,604,250	\$ 55,291,123	\$189,895,373
Time deposits	<u>42,964,939</u>	<u>-</u>	<u>42,964,939</u>
	<u>\$ 177,569,189</u>	<u>\$ 55,291,123</u>	<u>\$232,860,312</u>
		Liquidity Status	<u>22.5%</u>

*These are unaudited amounts pulled from supplemental schedules. All other numbers are from the audited statements.

DESCRIPTION OF SECURITIES

General

The aggregate principal amount of the Securities offered is \$100,000,000 and the purchase price of the Securities is 100% of the face value. The Securities will be offered for cash, check, money order or electronic transfer and Orchard offers no financing terms. The Securities will be unsecured obligations of Orchard. The Securities will have maturity dates of 30 days to 120 months, subject to exception in the case of IRAs and 403(b) accounts which make required distributions under IRS Code. The terms of the Securities cannot be modified except by the mutual consent of Orchard and the purchaser. Orchard reserves the right to suspend the offering of any Security, term or class of Security at its sole discretion. Any redemption of a Security or payment of a Security, at maturity thereof, shall be paid in full in cash, and will not be made in installments, or with any other debt instrument.

The interest rates on Securities offered will depend upon prevailing interest rates at the time of sale. The interest rates on Securities are available at any particular time by request via telephone at 833-672-4255 or on Orchard's website (www.orchardalliance.org) and will be reflected in the Purchase Application and Agreement with an attached rate sheet. In general, Orchard will attempt to offer Securities at interest rates in relation to the U.S. Treasury yield curve, the Federal Home Loan Bank Advance rates and the rates paid for bank certificates of deposit of comparable terms, as reported by the Federal Deposit Insurance Corporation (FDIC), although Orchard may offer Securities to investors at rates substantially above or below those paid in the market. Investors purchasing Securities at rates substantially below those paid in the market do so as a means of supporting Orchard's ministry to the Denomination by helping to reduce Orchard's cost of funds, a contributing factor to loan rates. Orchard reserves the right to adjust (increase or decrease) the interest rates on Securities at any time to meet market conditions; provided, however, the interest rate on a Certificate shall not vary during the term of the Certificate unless it is a variable rate Certificate or an early redemption is requested by the Certificate holder and this request is honored by Orchard. See "Redemption Prior to Maturity" page 25. Decreases or increases in interest rates on Agreements, Retirement Agreements, and 403(b) Agreements may be made at any time during their term and will be effective immediately. The participant or investor will receive notice of any rate decrease not more than 30 days following its effective date. Participants or investors may also call Orchard at 833-672-4255 or check Orchard's website at www.orchardalliance.org for current interest rates. In no event will the interest rate exceed the amount permitted by law. The interest on the Agreements, Retirement Agreements, and 403(b) Agreements will be compounded monthly on the basis of a 365-day year. The interest on Certificates will be compounded semi-annually on the basis of a 360-day even pay year unless the investor has elected to receive periodic interest payments, in which case interest will be calculated on the Certificate on the last day of each calendar month after the issue date and no compounding will occur.

Orchard may from time to time offer additional evidences of indebtedness without notifying or obtaining the consent of the holders of Securities. No assurance can be given, however, that Orchard will not at some future date issue obligations which will have greater priority than the Securities with respect to the assets of Orchard.

The Securities will be unsubordinated debt of Orchard (unless Orchard issues senior obligations in the future). In the event of liquidation or any distribution of assets upon bankruptcy, reorganization or similar proceedings, all unsubordinated debt obligations of Orchard issued to investors, including the Securities, will have equal claims upon its assets.

With respect to any Security, failure of Orchard to pay principal and interest when due as requested will be an event of default by Orchard, but only as to that Security.

The purchase of a Security will not entitle a purchaser to an equity interest in Orchard nor the right to vote on any corporate matter.

A copy of an annual report of Orchard containing its audited financial statements will be mailed to each purchaser of a Security as soon as it becomes available, but in no event more than 120 days after the close of each fiscal year. At the present time Orchard's fiscal year ends on June 30.

Redemption Prior to Maturity

Orchard reserves the right to terminate any or all Security obligations in its sole discretion at any time, by redeeming the Security(ies) and refunding the principal sum plus unpaid interest to the date of redemption to the registered owner at such owner's last known address. No premium or interest penalty will be payable when a Security is so redeemed at the initiative of Orchard. Orchard will provide notice of termination of a Security at least 30 days prior to redemption.

Although the terms of the Certificates do not provide for redemption of the Certificates by their owners before the maturity date, in the event of an emergency, the registered Certificate owner may make such a request to Orchard in writing; provided, however, that Orchard is not obligated to honor any such request. Any such payment prior to maturity at the owner's request may involve a forfeiture of interest. For Certificates with a term up to 12 months, all interest forfeited shall not exceed 90 days. For Certificates with a term greater than 1 year up to 3 years, all interest forfeited shall not exceed 180 days. For Certificates with a term greater than 3 years up to 5 years, all interest forfeited shall not exceed 360 days. For Certificates greater than 5 years, all interest forfeited shall not exceed 540 days. Should Orchard elect to honor such a request and redeem a Certificate prior to its maturity, the interest forfeiture shall be deducted from the principal and interest amount remitted at redemption. The Certificate holder must make the request for early redemption in writing. However, Certificates issued to IRAs may be redeemed and penalties shall not apply if redemption is necessary to comply with required distributions. In addition, in the event of death or disability of a registered Certificate owner, redemption will be permitted and penalties will not apply to such redemption.

Certificates

The minimum purchase amount for a Certificate is \$1,000. Where the Certificate owner has elected to receive periodic interest payments, the Certificates may be purchased only in even hundred dollar amounts. Where the Certificate owner has purchased Certificates with compounding interest, the Certificates may be purchased in any amount above the \$1,000 minimum amount. Certificate terms may be six through 120 months, in one-month increments. As of the date of this Offering Circular, Orchard is only offering Certificates with terms of 12, 24, 36, 48, or 60 months, but Orchard may offer Certificates in any one-month increment from 6 to 120 months at any time. Interest on all Certificates will be calculated on the investment on the last day of each calendar month after the issue date. The interest on Certificates will be compounded semi-annually on the basis of a 360-day year unless the investor has elected to receive periodic interest payments, in which case interest will be calculated on the Certificate on the last day of each calendar month after the issue date and no compounding will occur. Interest payments on Certificates may be remitted to the registered owner, or whomever the registered owner designates in writing as the recipient, monthly, quarterly, semi-annually or annually, as the registered owner elects.

Certificates may have fixed, variable or step-up interest rates for the term of the security. The rate is determined for fixed rate certificates at the date of purchase and remains constant for the duration of the security. Variable rate Certificates have an initial rate established at the time of purchase and will fluctuate over the term of the Certificate. Step-up rate Certificates have an initial rate established at the time of purchase unless and until the investor notifies

Orchard of their intent to exercise the one-time interest rate step-up option. Upon written notification, the new fixed rate will be the fixed rate of interest then payable on newly issued Certificates of that same type and term for the remaining term of the original Certificate. Rates will be determined in relation to the rates paid in the market as reported by the FDIC. (See "Interest Rates" page 27.) Orchard may also pay premium rates for Certificates of substantial size.

Subject to restrictions imposed by certain states, as noted in the section "Specific State Information" (see pages 2-6), all of the Certificates provide for automatic renewal at maturity, without further action by Orchard or by the registered owner, unless the registered owner notifies Orchard of a desire to terminate such Certificate not less than thirty (30) days prior to the Certificate's maturity. Not less than sixty (60) days prior to the maturity of a Certificate, the owner will be provided a copy of the most recent Offering Circular and will be notified that the Certificate will be automatically renewed unless the owner notifies Orchard in writing not less than thirty (30) days prior to the Certificate's maturity. Orchard retains appropriate documentation to demonstrate mailing or delivery of the written notification. Termination must be made in writing to Orchard and must be received at Orchard's principal office in Colorado Springs, Colorado, at least thirty (30) days prior to the maturity date. If renewed automatically, the Certificate will bear the same maturity period and other provisions of the matured Certificate, except that the rate of interest paid will be the same as that being paid on new Certificates bearing the same maturity period at the time of the renewal, which rate may be higher or lower than the rate previously paid. Participants or investors may also call Orchard at 833-672-4255 or check Orchard's website at www.orchardalliance.org for current interest rates. There is no limit on the number of times a Certificate can be renewed automatically. The owner may also renew a Certificate for any term being offered at maturity.

In any event, Orchard is obligated to repay the principal and interest accrued at maturity if the owner elects not to renew the investment.

Orchard may use names other than "Investment Certificate" to differentiate Certificates for marketing purposes, such as "Kingdom Building Certificate" and "Variable Rate Certificate".

Agreements

An initial investment of \$1,000.00 is required to open an Agreement. The Agreements may be added to at the investor's discretion. The interest on Agreement accounts will be generated from the date of receipt to the date of withdrawal. Interest will be accumulated in the purchaser's account and posted on the last day of each calendar month and statements will be mailed quarterly.

An Agreement may be redeemed upon 30 days' advance written notice, although all or part of the 30-day notice requirement may be waived by Orchard, in its sole discretion. However, this right to redeem will be contingent upon sufficient funds being available at the time of the redemption request. If sufficient funds are not available, Orchard will so inform the Agreement holder requesting funds, and will schedule payment as soon as is practicable. Such inability to repay upon request will not be an event of default, providing payment can be made within a period not to exceed 30 days from the date the request to redeem is received by Orchard.

For the convenience of the investor, Orchard may develop in the future a method of withdrawing funds electronically or by check. This method may include the use of an automated teller machine (ATM), point of sale terminal or paper check cleared through a third party. Should this new method be developed, the 30 day advance written notice will be automatically waived.

Orchard may use names other than "Agreement" to differentiate Agreements for marketing purposes, such as "Field Savings", "Church Savings" or "First Start Savings".

Retirement Agreements

Retirement Agreements will be established for investment by IRAs specifically permitting investment in the Retirement Agreements. An initial investment of \$1,000.00 is required to open a Retirement Agreement. Retirement Agreements may be added to at the investor's discretion. The interest on accounts will be generated from the date of receipt to the date of withdrawal. Interest will be accumulated in the purchaser's account and posted on the last day of each calendar month and statements will be mailed to the custodian quarterly.

A Retirement Agreement may be redeemed upon 30 days' advance written notice, although all or part of the 30-day notice requirement may be waived by Orchard, in its sole discretion. However, this right to redeem will be contingent upon sufficient funds being available at the time of the redemption request. If sufficient funds are not available, Orchard will so inform the Retirement Agreement holder requesting funds and will schedule payment as soon as is practicable. Such inability to repay upon request will not be an event of default, providing payment can be made within a period not to exceed 30 days from the date the request to redeem is received by Orchard.

Early withdrawal of money from an IRA custodial account may be subject to a federal penalty tax of 10% of the amount withdrawn. The amount withdrawn may also be included in taxable income for the tax year in which it is withdrawn.

Orchard's IRA custodian is GoldStar Trust Company, P.O. Box 719, Canyon, TX 79015-0719.

Orchard may use names other than "Retirement Agreement" to differentiate Retirement Agreements for marketing purposes, such as "IRA Savings" or "Retirement Account".

403(b) Agreements

403(b) Agreements will be established to fund retirement plans maintained pursuant to Section 403(b) of the Code. Specifically, 100% of these securities are sold to The Christian and Missionary Alliance Retirement Plan, a section 403(b) retirement plan of the C&MA. The minimum purchase amount for a 403(b) Agreement is \$1,000.00. 403(b) Agreements may be added to at the investor's discretion. The interest on accounts will be generated from the date of receipt to the date of withdrawal. Interest will be accumulated in the purchaser's account and posted on the last day of each calendar month and statements will be mailed quarterly.

A 403(b) Agreement may be redeemed upon 30 days' advance written notice, although all or part of the 30-day notice requirement may be waived by Orchard, in its sole discretion. However, this right to redeem will be contingent upon sufficient funds being available at the time of the redemption request. If sufficient funds are not available, Orchard will so inform the 403(b) Agreement holder requesting funds and will schedule payment as soon as is practicable. Such inability to repay upon request will not be an event of default, providing payment can be made within a period not to exceed 30 days from the date the request to redeem is received by Orchard.

Early withdrawal of money from an employee's 403(b) account may be subject to a federal penalty tax of 10% of the amount withdrawn. The amount withdrawn may also be included in taxable income for the tax year in which it is withdrawn. **Before investing eligible investors in 403(b) Agreements should consult their tax advisors to be informed of the special income tax rules applicable to this investment.**

Orchard may use names other than "403(b) Agreement" to differentiate 403(b) Agreements for marketing purposes, such as "Retirement Income Account" or "403(b) Church Building Account".

Interest Rates

Interest rates to be paid on Securities to investors will be established by administration of Orchard and reported to the Orchard Board. Factors to be considered in determining rates include, but are not limited to, the need for additional funds to meet loan demand, current national economic conditions, and prevailing rates paid by financial institutions, governments and corporations, as reported by the FDIC, US Treasury Bonds and Federal Home Loan Bank Advance rates. Orchard may also establish interest rates based on the account balance for certain instruments, such as \$100,000-\$250,000, \$250,000-\$500,000, etc. The Orchard Board may authorize its administration to adjust rates periodically as conditions and needs change throughout the year. Investors will be provided with rates at the time of inquiry. The frequency of interest rate changes cannot be predicted.

Gift-Over

Each holder of Securities may elect at any time to make a "gift-over" to Orchard of the principal sum of the Securities. This gift would not be effective until the time of the owner's death. Under this election, the Securities holder's right to terminate the Securities will expire at the time of the holder's death, thus effecting a "gift-over" to Orchard at that time. The principal sum will at such time be transferred to Orchard for the furtherance of its general purposes, although each Securities holder may express a desire that such funds be used on behalf of some particular ministry

of the C&MA. However, the holder's desire shall not be binding on Orchard. This election must be made on the Purchase Application and Agreement. The Securities holder may change his/her election to make a "gift-over" to Orchard at any time prior to death.

Method of Sale and Transfer

The primary means of solicitation for the sale of the Securities will be through dissemination of advertising materials, through national and regional publications of the C&MA or its affiliates, Orchard's website and by brochures distributed to each congregation or mailed directly to prior investors. In addition, promotional material may be distributed at church conferences, retreats, conventions and seminars. On occasion, an officer or employee of Orchard may also discuss the nature and purpose of the work of Orchard at a national or regional meeting, or congregational service or meeting.

Prospective investors must obtain an Offering Circular and Purchase Application and Agreement ("PA&A") prior to investment by contacting Orchard in Colorado Springs, Colorado or by downloading them from Orchard's website. If the investor wishes to purchase a Security, he/she must complete a PA&A. The investor must then remit the completed PA&A, either by mail or electronically, as well as the requisite amount of funds to Orchard's office in Colorado Springs, Colorado, either by check or electronic funds transfer. Securities will be offered and sold only to or for the benefit of persons who, at the time of receiving an Offering Circular and PA&A, are members or constituents or contributors to or participants in the C&MA churches and/or their organizations, or who are ancestors or descendants of such a person. In addition, Certificates and Retirement Agreements may be sold to IRAs established for the benefit of such persons.

Original Security ownership will be registered at Orchard's office in Colorado Springs, Colorado, and noted on the Securities. Securities offered hereby are not negotiable and may not be sold or transferred except to other denominational members, members of groups affiliated with the C&MA, or in the case of an IRA, a successor or custodian, or other persons closely related to the C&MA and with the approval of Orchard, except for 403(b) Agreements, which are nonassignable and nontransferable. Orchard will not recognize any transfer as valid unless (i) in the case of a Security for which a paper Certificate was issued, the registered owner of the Security first surrenders the certificate for the Security to Orchard with instructions in writing to transfer the Security, specifying the date of transfer and the name, address, and tax identification number of the person to whom the transfer is to be made, or (ii) in the case of a Security held in Orchard's book entry system where no paper certificate was issued (see "Book Entry System" page 28), the registered owner of the Security submits instructions in writing to Orchard to transfer the Security, specifying the date of transfer and the name, address, and tax identification number of the person to whom the transfer is to be made. The Securities are not negotiable and may not be pledged or otherwise encumbered except in accordance with the foregoing transfer provisions.

Competition

Orchard sells its Securities in approximately 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Prospective buyers of Securities have several choices of like-kind products available from multiple sources including, but not limited to, banks and other financial institutions, credit card companies, insurance companies, investment companies, and other church extension funds. Orchard attempts to be competitive with other issuers of debt securities, but it is unlikely that it will be competitive in all aspects with all potential sources for all products in all locations.

Book Entry System

The book entry system is maintained solely by Orchard and no custodian or other third party is employed in carrying out procedures. The investor does not receive a paper Certificate. Rather, if Orchard accepts the offer to purchase, the Certificates are registered in the investor's name in Orchard's book entry system only and the investor receives a confirming receipt of the investment (Statement). Thereafter, any additions or redemptions with respect to the same account will also be entered in Orchard's book entry system only and the investor will receive further confirmation and a receipt for each transaction. In addition, the investor will receive the normal periodic report of status applicable to the particular type of Certificate purchased. Any existing investors have the right to send in their existing paper Certificates and convert their existing accounts to the new system, although they will not be required to do so.

Website

Orchard has a website for providing information to investors and other eligible persons (See “Limited Class of Investors,” page 2). The website is <http://www.orchardalliance.org>. The home page and other accessible pages of the website provide information concerning Orchard’s mission and work, as well as the investment choices and latest available interest rates. Investors and other eligible persons are able to download from the website an Offering Circular and PA&A. Although it is currently unavailable, in the future, new and existing investors with Orchard will be able to purchase Certificates or Agreements or add to existing Certificates or Agreements by completing the downloaded PA&A, and mailing or electronically submitting it to Orchard along with a check or electronic funds transfer for the appropriate amount. Information contained on Orchard’s website or that can be accessed through Orchard’s website is not incorporated into this Offering Circular.

TAX ASPECTS

This section summarizes certain federal income tax consequences of the purchase and ownership of a Certificate or Agreement to an investor who is a citizen of the United States or a resident of the United States for federal income tax purposes and holds his or her Agreement or Certificate as a capital asset.

The following summary was not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. federal, state, or local tax penalties. The following summary was written in connection with the promotion or marketing by Orchard of the Securities. Each investor should seek advice based on his or her particular circumstances from an independent tax advisor.

Investors will not be entitled to charitable deductions for the purchase of an Agreement or Certificate.

Interest on Agreements will be taxable as ordinary income to the investor in the year it is paid or credited, even if the Agreement is renewed or the investor reinvests the interest in a new Agreement or Certificate. Interest on Certificates will be taxable as ordinary income to the investor in the year paid or, if the interest is not paid at least annually, over the term of the Certificate on a constant yield basis. Thus, if interest on a Certificate is not payable until maturity, an investor will be subject to tax each year on the accrued interest. In addition, investors will be subject to tax on interest even if the Certificate is renewed or the investor reinvests the interest in a new Agreement or Certificate. Orchard will notify investors of interest earned on the Certificates or Agreements (totaling \$10 or more) each year by providing an Internal Revenue Service (“IRS”) Form 1099.

Upon the disposition of an Agreement or Certificate by sale, exchange, redemption, or repayment of principal at maturity, the investor will generally recognize taxable gain or loss equal to the difference between (i) the amount realized on the disposition (other than amounts attributable to accrued and untaxed interest, which will be taxable as such), and (ii) the purchase price plus any accrued interest that the investor included in income for tax purposes but has not yet been paid, if any. In general, gain or loss on a disposition will be long-term capital gain or loss in the case of Certificates held for more than a year at the time of the disposition and otherwise will be short-term capital gain or loss.

Investors are subject to an additional 3.8% Medicare tax on their “net investment income” to the extent that their net investment income, when added to their other modified adjusted gross income, exceeds \$200,000 for an unmarried individual, \$250,000 for a married taxpayer filing a joint return (or a surviving spouse), or \$125,000 for a married individual filing a separate return. An investor’s net investment income will generally include its interest income and net gains from the disposition of an Agreement or Certificate. Accordingly, certain investors will be subject to an additional 3.8% tax on all or substantially all of their income and gain in respect of the Agreements and Certificates.

Federal law requires Orchard to withhold amounts from any interest paid by Orchard if the investor has not properly furnished a certified Taxpayer Identification Number (“TIN”) and has not certified that withholding does not apply or if the IRS notifies Orchard that the TIN listed on an investor’s account is incorrect according to its records. Amounts withheld are applied to the investor’s federal tax liability, and a refund may be obtained from the IRS if the withholding results in overpayment of taxes and certain information is provided.

An investor (or an investor and the investor’s spouse together) who has (have) invested or loaned more than \$250,000 in the aggregate with or to organizations of the C&MA, including Orchard, may be deemed to receive additional taxable interest on the Agreement or Certificate under Section 7872 of the Code, if the interest actually paid or accruing on the investor’s Agreement or Certificate is less than that required under Section 7872 of the Code.

These investors should consult their tax advisors to be informed of the special income tax rules applicable to certain loans and investments that, in the aggregate, are greater than \$250,000.

This section is only a summary of certain of the federal income tax consequences of an investment in the Agreements and Certificates. It does not address all of the federal income tax consequences of an investment in an Agreement or Certificate, does not address the consequences to investors that are subject to special rules, and does not address the state, local, and foreign income or other tax consequences from an investment in an Agreement or Certificate.

PROSPECTIVE INVESTORS IN SECURITIES SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES OF AN INVESTMENT IN THE SECURITIES.

FEDERAL AND STATE LAWS

This offering is subject to federal and state laws regarding the sale of debt securities, charitable solicitations, corporate and non-profit corporate regulation, etc., in approximately 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Each jurisdiction on occasion changes its laws, rules and practices which govern the corporate activities and securities offerings of Orchard. The investor may wish to consult an independent legal authority when considering an investment in the Securities.

MANAGEMENT

The Orchard Alliance Board of Directors and Officers

The Orchard Board, authorized to be a maximum of sixteen voting members, sets the operating policies of Orchard. The President of Orchard sits as a designated member of the Orchard Board. The present members and officers of the Orchard Board are as follows:

MR. KEITH JORDAN – Officer and Director of Orchard. SVP – Senior Special Assets Officer for NBH Bank. Formerly Northern Colorado Market President, Commercial Banking, Community Banks of Colorado, Regional Credit Officer, Great Western Bank, Business Banking Manager, Wells Fargo Bank, Credit Officer/Credit Analysis Manager, Capital One Bank. First elected to the ADF Board in 2010. First elected to the Orchard Board in 2018. Elected in 2025 with a three-year term expiring February 2028. Education: Northeast Louisiana University, MBA; Louisiana Tech University, BS-Professional Aviation.

REV. JAMES M. McHUGH – Officer and Director of Orchard. Lead Pastor, Uniontown Alliance Church, Attorney and former Partner with Plakas Mannos LTD. First elected to the ADF Board in 2017. First elected to the Orchard Board in 2018. Elected in 2024 with a three-year term expiring February 2027. Education: Asbury University, B.A.; The Ohio State University, M.A., Russian History, University of Akron, School of Law, J.D.

MS. DAWN WILLIAMS, CPA – Officer and Director of Orchard. Retired Chief Financial Officer of World Challenge, Inc., Colorado Springs, CO. Former Assistant Vice President of Finance and Fiduciary Services at Orchard Alliance from 2015-2018. Former Vice President of Finance and Business Services at Compassion International, Inc., Colorado Springs, CO. Education: University of Colorado – Colorado Springs, B.S. First elected to the Orchard Board in 2023 with a three-year term expiring February 2026.

MS. NANCY D. COOK – Officer and Director of Orchard. Financial Advisor with Wells Fargo Advisors, Zephyrhills, FL. Formerly with AG Edward and Wachovia Bank. First elected to Orchard Board in 2001. Elected in 2025 with a three-year term expiring February 2028. Education: Pasco Hernando State College, College for Financial Planning.

MR. PAUL CROSBY – Director of Orchard. Vice President for Development of The Christian & Missionary Alliance, Reynoldsburg, OH. First elected to the Orchard Board in 2024 with an unclassified term by virtue of his office, non-expiring unless position terminates with the C&MA. Education: Toccoa Falls College, B.S., Fuller Theological Seminary, M.A.

MR. ROBERT W. ELLIS – Director of Orchard. Professional Fiduciary with Still Waters Advocates LLC, Fort Myers, FL, Formerly Assistant Director of Legacy Planning, Samaritan's Purse, Boone, NC, and Executive Pastor of The Grove Community Church, Riverside, CA. Formerly Regional Assistant Vice President at Orchard Alliance and The Christian and Missionary Alliance from 1995-2006. First elected to the Orchard Board in 2021. Elected in 2024 with a three-year term expiring February 2027. Education: Houghton College, BA, Fellow in Charitable Estate Planning (FCEP), Chartered Financial Consultant (ChFC).

MS. JULIE C. HEATH – Director of Orchard. Director of Business at The Alliance Northwest District of the Christian and Missionary Alliance. Education: Pacific Lutheran University, BA. First elected to the Orchard Board in 2023 with a three-year term expiring February 2026.

MR. CHRISTOPHER K. LI – Director of Orchard. Retired President and Chief Investment Officer, Lockheed Martin Investment Management Company. Formerly Financial Risk Manager and Director of Equity Investments, Dow Chemical Company, Managing Director and Co-Chair of the Investment Policy Committee, MetLife Investment Management Company, Hedge Fund Manager, Caxton Corporation, President of Diamond Capital Management, Inc. First elected to the ADF Board in 2012. First elected to Orchard Board in 2018. Elected in 2023 with a three-year term expiring February 2026. Education: Stanford University, MBA and DCI Fellow, University of Hong Kong, Masters in Statistics and Bachelor of Social Sciences in Economics and Statistics.

MR. JOSE A. PEREZ, CPA – Director of Orchard. Retired Global Financial Services Director with JNJ PR Sales and Operations. Education: University of Puerto Rico, BBA, Andrews University, MBA. First elected to the Orchard Board in 2023. Elected in 2025 with a three-year term expiring February 2028.

MR. JEFFREY THOMPSON – Director of Orchard. VP/GM of Global Servicing at American Express Company. Former President of AMEX Assurance Company. First elected to the Orchard Board in 2020. Elected in 2023 with a three-year term expiring February 2026. Education: Arizona State, MBA; Fuller Seminary, MA; Westmont College, BA.

REV. JONATHAN A. WIGGINS – Director of Orchard. District Superintendent of the Rocky Mountain District of the C&MA, Billings, MT. First elected to the Orchard Board in 2021. Elected in 2024 with a three-year term expiring February 2027. Education: Crown College, BA.

MR. SCOTT R. KUBIE, CFA – Officer and Director of Orchard. President of Orchard. Former Senior Investment Strategist at Carson Group. Former Chief Investment Strategist at CLS Investments. Elected President of Orchard in July 2022, with an unclassified term by virtue of his office, non-expiring unless position terminates with Orchard. Education: Trinity University, BSBA. University of Nebraska at Omaha, MBA. Experienced in investment strategy, economics, and previously served as a church treasurer for one of the largest churches in the C&MA as well as serving on the Advisory Board for the Finance, Banking and Real Estate department in the College of Business Administration at University of Nebraska at Omaha. Actively manages loans, investments, non-cash giving, planned giving, and operations of Orchard.

MR. THEODORE A. PRICE – Officer of Orchard. Vice President for Operations/Finance, Assistant Treasurer, Assistant Secretary. First elected in 2020 as an officer of Orchard, non-expiring unless position terminates with Orchard. First employed by ADF January 2008. First employed by Orchard January 2019. Education: University of Colorado at Colorado Springs, BSBA. University of Colorado at Colorado Springs, MBA. Graduate School of Banking, University of Wisconsin- Madison. Actively manages loans, investments, non-cash giving, planned giving, and operations of Orchard.

Officers

Chairman of the Board – Mr. Keith Jordan

Vice Chairman of the Board – Rev. James McHugh

President – Mr. Scott R. Kubie, CFA

Secretary – Ms. Nancy D. Cook

Treasurer – Ms. Dawn Williams, CPA

Assistant Treasurer, Assistant Secretary – Mr. Theodore A. Price

As of June 30, 2025, no petition under the Bankruptcy Act or any State insolvency law has been filed by or against any of the above-named directors and officers of Orchard or the C&MA, and no receiver, fiscal agent, or similar officer has been appointed by a court for the business or property of any such director or officers or of any partnership in which he was a general partner or of any corporation or business association of which he was an executive officer within the last ten years.

As of June 30, 2025, none of the above-named directors or officers has ever been convicted in a criminal proceeding (excluding minor traffic violations and other minor offenses) nor were any the subject of a criminal proceeding which was pending as of that date.

As of June 30, 2025, none of the above-named directors and officers are or have been the subject of any order, judgment or decree of any court of competent jurisdiction permanently or temporarily enjoining him or her from acting as an investment adviser, underwriter, broker, or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security, or is or has been the subject of any order of a federal or state authority barring or suspending the right of any such director or officer to be engaged in any such activity.

There have been no material transactions, employment contracts, perquisites of employment, conflicts of interest or agreements during the three-year period immediately preceding the date of this Offering Circular between the C&MA or any of its affiliates, and any of the promoters, directors, principal employees, principal security holders, or any company directly controlled by any such person or persons, other than those disclosed in this Offering Circular.

Remuneration

No member of Orchard Board receives any compensation for serving on Orchard Board. Members are reimbursed for actual expenses incurred in attending the Orchard Board's regular and special meetings.

All direct and indirect remuneration paid in the aggregate, which includes salaries, medical and retirement benefits and other compensation, to Mr. Scott R. Kubie, Mr. Joseph F. Lamendola, and Mr. Theodore A. Price, the only executive officers receiving compensation in the period, amounted to \$815,480.

Executive Officers receiving remuneration greater than \$150,000 during the year ended June 30, 2025:

	Unaudited				
<u>Executive Officer</u>	<u>Salary</u>	<u>Benefits</u>	<u>Retirement</u>	<u>Other</u>	<u>Total</u>
Scott R. Kubie	\$267,500	\$30,972	\$13,738	\$17,385	\$329,595
Joseph F. Lamendola	\$214,781	\$22,377	\$11,786	\$24,518	\$273,462
Theodore A. Price	\$164,182	\$30,029	\$8,722	\$9,490	\$212,423

All direct and indirect remuneration to be paid in the aggregate to all executive officers for the year ending June 30, 2026 is estimated to be approximately \$579,000.

During the three-year period preceding the date hereof, there have been no material transactions or agreements between Orchard and any of the officers, directors or principal employees of Orchard or any company directly or indirectly controlled by any such person or persons.

MATERIAL AFFILIATED TRANSACTIONS

There have been no material transactions between Orchard (or any of its predecessors) and any director or officer of Orchard (or any of its predecessors) during the three-year period immediately preceding the date of this Offering Circular. Any future material affiliated transaction will be made and entered into on terms no less favorable to Orchard than those that Orchard could obtain with an unaffiliated third party, and a majority of Orchard's disinterested directors must approve such material affiliated transaction.

LEGAL PROCEEDINGS

As of the date of this Offering Circular, there exist no suits, actions or other legal proceedings or claims including any known to be contemplated involving Orchard, its directors, officers, or its predecessors or Orchard's securities, nor are any such actions pending against the C&MA.

FINANCIAL INFORMATION ABOUT ORCHARD ALLIANCE

Financial Statements as of and for the years ended June 30, 2025, 2024, and 2023 and the Report of Independent Certified Public Accountants for the years ended June 30, 2025, 2024, and 2023 for Orchard are included as Appendix A, representing a separate accounting for Orchard of its financial position for 2025, 2024 and 2023, and activities and cash flows for 2025, 2024, and 2023.

EXEMPTION FROM SECURITIES REGISTRATION

The Securities have not been registered with the SEC, as they are exempt from registration by applicable federal law. The Securities are also exempt from registration in certain states by state law, while in other states they will be registered as required by state law.

PROCEDURE FOR PURCHASE OF SECURITIES

Applications to purchase the Securities may be made by completing the appropriate Purchase Application and Agreement and remitting it, with payment in the proper form and amount, electronically through its website at www.orchardalliance.org or by mail to Orchard Alliance at its offices in Colorado Springs, Colorado at the following address: 8595 Explorer Drive, Colorado Springs, CO 80920.

APPENDIX A -- INDEX TO FINANCIAL STATEMENTS

Orchard Alliance	
Report of Independent Certified Public Accountants	34-37
Financial Statements	
Statements of Financial Position	38
Statements of Activities	39
Statement of Functional Expenses	40-42
Statements of Cash Flows	43-44
Notes to Financial Statements	45-77
Supplementary Information	78-85



where *faith* & *finance* meet

ORCHARD ALLIANCE AND SUBSIDIARIES

Consolidated Financial Statements
With Independent Auditor's Report

June 30, 2025, 2024 and 2023

ORCHARD ALLIANCE AND SUBSIDIARIES

Table of Contents

	<u>Page</u>
Independent Auditor's Report	
Consolidated Financial Statements	
Consolidated Statements of Financial Position	38
Consolidated Statements of Activities	39
Consolidated Statements of Functional Expenses	40
Consolidated Statements of Cash Flows	43
Notes to Consolidated Financial Statements	45
Supplemental Information:	
Independent Auditor's Report on Supplemental Information	79
Consolidating Statement of Financial Position - June 30, 2025	80
Consolidating Statement of Financial Position - June 30, 2024	81
Consolidating Statement of Financial Position - June 30, 2023	82
Consolidating Statement of Activities - Year Ended June 20, 2025	83
Consolidating Statement of Activities - Year Ended June 20, 2024	84
Consolidating Statement of Activities - Year Ended June 20, 2023	85

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Orchard Alliance and Subsidiaries
Colorado Springs, Colorado

Opinion

We have audited the accompanying consolidated financial statements of Orchard Alliance and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Orchard Alliance and Subsidiaries as of June 30, 2025, and the changes in its consolidated net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Prior Period Financial Statements

The consolidated financial statements of Orchard Alliance and Subsidiaries as of June 30, 2024 and 2023, were audited by other auditors whose report dated September 12, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Orchard Alliance and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Board of Directors
Orchard Alliance and Subsidiaries
Colorado Springs, Colorado

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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 consolidated 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 consolidated 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 Orchard Alliance and Subsidiaries' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Orchard Alliance and Subsidiaries' 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.

Capin Crouse LLC

Colorado Springs, Colorado
September 12, 2025

ORCHARD ALLIANCE AND SUBSIDIARIES

Consolidated Statements of Financial Position

	June 30,		
	2025	2024	2023
ASSETS:			
Cash and cash equivalents	\$ 3,024,656	\$ 3,381,587	\$ 3,277,781
Cash held for trusts and annuities	261,427	362,883	268,403
Interest receivable	1,287,493	1,417,092	1,140,690
Contributions receivable	3,302,000	-	-
Investments:			
Operating fund	49,593,035	63,411,296	71,732,498
Trust fund	74,563,046	77,180,138	65,493,097
Annuity fund	20,656,307	18,068,152	17,319,476
Other assets	716,963	648,777	734,554
Loans receivable	248,963,133	244,856,427	255,644,367
Allowance for credit losses	(3,900,000)	(5,700,000)	(1,900,000)
Property and equipment, net	557,711	685,124	665,662
Investments held for endowment	18,251,620	123,085	112,594
	<u>\$ 417,277,391</u>	<u>\$ 404,434,561</u>	<u>\$ 414,489,122</u>
Total Assets	<u><u>\$ 417,277,391</u></u>	<u><u>\$ 404,434,561</u></u>	<u><u>\$ 414,489,122</u></u>
LIABILITIES AND NET ASSETS:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 986,608	\$ 655,167	\$ 676,929
Annuities payable and residuum held for others	19,458,247	17,890,210	17,090,267
Investment certificates:			
Agreement accounts	134,604,250	149,070,102	158,066,667
Term certificates	42,964,939	46,882,699	62,416,479
Funds held for the Denomination and its consolidated entities	47,048,856	31,943,392	22,136,895
Trust agreements held for others	73,394,973	69,298,644	66,541,415
Total liabilities	<u>318,457,873</u>	<u>315,740,214</u>	<u>326,928,652</u>
Net assets:			
Without donor restrictions			
Undesignated	67,533,356	64,360,237	65,244,526
Donor advised funds	9,365,929	23,713,988	21,988,175
	<u>76,899,285</u>	<u>88,074,225</u>	<u>87,232,701</u>
With donor restrictions:	<u>21,920,233</u>	<u>620,122</u>	<u>327,769</u>
Total net assets	<u>98,819,518</u>	<u>88,694,347</u>	<u>87,560,470</u>
Total Liabilities and Net Assets	<u><u>\$ 417,277,391</u></u>	<u><u>\$ 404,434,561</u></u>	<u><u>\$ 414,489,122</u></u>

See notes to consolidated financial statements

ORCHARD ALLIANCE AND SUBSIDIARIES

Consolidated Statements of Activities

	Year Ended June 30,		
	2025	2024	2023
CHANGES IN NET ASSETS WITHOUT			
DONOR RESTRICTIONS:			
Support, revenue, and reclassifications:			
Contributions	\$ 4,657,469	\$ 9,926,194	\$ 5,179,172
Contributions for donor advised funds	5,059,864	4,033,938	5,956,154
Management and service fees	1,240,322	1,083,655	1,033,229
Interest income on loans receivable	13,724,018	13,296,413	11,466,438
Interest and dividend income on investments, net	1,894,156	1,929,800	2,037,511
Net realized and unrealized gains on investments	3,064,033	5,253,697	2,916,199
Change in value of split-interest agreements	16,834	(22,511)	121,262
Service agreements	313,188	236,266	269,622
Other	12,971	40,456	19,725
Net assets released from restrictions	307,877	-	-
Transfer per donor stipulation	(15,000,000)	-	-
Total support, revenue, and reclassifications	15,290,732	35,777,908	28,999,312
Expenses and Distributions:			
Program services:			
Foundation	13,859,002	18,203,950	12,270,577
Church loan fund	10,022,534	13,216,890	9,944,280
	23,881,536	31,420,840	22,214,857
Supporting activities:			
Management and general	2,584,136	2,115,544	1,689,616
Total Expenses	26,465,672	33,536,384	23,904,473
Change in Net Assets Without Donor Restrictions	(11,174,940)	2,241,524	5,094,839
CHANGES IN NET ASSETS WITH			
DONOR RESTRICTIONS:			
Contributions	5,573,840	250,000	-
Net realized and unrealized gains (losses) on investments	1,126,072	-	-
Change in value of split-interest agreements	(91,924)	42,353	25,410
Net assets released from restrictions	(307,877)	-	-
Transfer per donor stipulation	15,000,000	-	-
Change in Net Assets With Donor Restrictions	21,300,111	292,353	25,410
Change in Net Assets	10,125,171	2,533,877	5,120,249
Net Assets, Beginning of Year	88,694,347	87,560,470	82,440,221
Before Change in Accounting Principle			
Effect of Change in Accounting Principle	-	(1,400,000)	-
Net Assets, Beginning of Year, as Adjusted			
After Change in Accounting Principle	88,694,347	86,160,470	82,440,221
Net Assets, End of Year	\$ 98,819,518	\$ 88,694,347	\$ 87,560,470

See notes to consolidated financial statements

ORCHARD ALLIANCE AND SUBSIDIARIES

Consolidated Statements of Functional Expenses

Year Ended June 30, 2025

	Program Services			Management and General	Total
	Foundation	Church Loan Fund	Total Program Services		
Distributions to Denomination and its consolidated entities	\$ 6,119,712	\$ -	\$ 6,119,712	\$ -	\$ 6,119,712
Distributions from donor advised funds to other ministries	4,371,753	-	4,371,753	-	4,371,753
Salaries and Wages	1,233,550	770,969	2,004,519	1,850,326	3,854,845
Employee benefits and taxes	411,897	257,435	669,332	617,845	1,287,177
Professional and contracted services	524,478	486,003	1,010,481	34,611	1,045,092
Equipment and office expense	897,291	986,691	1,883,982	81,354	1,965,336
Contribution expense	300,321	300,321	600,642	-	600,642
Interest	-	7,829,918	7,829,918	-	7,829,918
Provision (reduction) for credit losses	-	(608,803)	(608,803)	-	(608,803)
Total Expenses	\$ 13,859,002	\$ 10,022,534	\$ 23,881,536	\$ 2,584,136	\$ 26,465,672

(continued)

See notes to consolidated financial statements

ORCHARD ALLIANCE AND SUBSIDIARIES

Consolidated Statements of Functional Expenses

Year Ended June 30, 2024
(continued)

	Program Services			Management and General	Total
	Foundation	Church Loan Fund	Total Program Services		
Distributions to Denomination and its consolidated entities	\$ 10,429,658	\$ -	\$ 10,429,658	\$ -	\$ 10,429,658
Distributions from donor advised funds to other ministries	4,355,116	-	4,355,116	-	4,355,116
Salaries and Wages	1,319,396	575,121	1,894,517	1,488,549	3,383,066
Employee benefits and taxes	435,141	189,677	624,818	490,928	1,115,746
Professional and contracted services	687,940	664,003	1,351,943	33,825	1,385,768
Equipment and office expense	784,947	881,563	1,666,510	102,242	1,768,752
Contribution expense	191,752	191,752	383,504	-	383,504
Interest	-	8,196,946	8,196,946	-	8,196,946
Provision for credit losses	-	2,517,828	2,517,828	-	2,517,828
Total Expenses	\$ 18,203,950	\$ 13,216,890	\$ 31,420,840	\$ 2,115,544	\$ 33,536,384

(continued)

See notes to consolidated financial statements

ORCHARD ALLIANCE AND SUBSIDIARIES

Consolidated Statements of Functional Expenses

Year Ended June 30, 2023
(continued)

	Program Services			Management and General	Total
	Foundation	Church Loan Fund	Total Program Services		
Distributions to Denomination and its consolidated entities	\$ 5,518,000	\$ -	\$ 5,518,000	\$ -	\$ 5,518,000
Distributions from donor advised funds to other ministries	3,878,383	-	3,878,383	-	3,878,383
Salaries and Wages	1,125,275	1,088,214	2,213,489	1,155,597	3,369,086
Employee benefits and taxes	382,746	370,141	752,887	393,060	1,145,947
Professional and contracted services	624,042	611,292	1,235,334	51,717	1,287,051
Equipment and office expense	695,352	792,623	1,487,975	89,242	1,577,217
Contribution expense	46,779	46,779	93,558	-	93,558
Interest	-	6,015,802	6,015,802	-	6,015,802
Provision for credit losses	-	1,019,429	1,019,429	-	1,019,429
Total Expenses	\$ 12,270,577	\$ 9,944,280	\$ 22,214,857	\$ 1,689,616	\$ 23,904,473

See notes to consolidated financial statements

ORCHARD ALLIANCE AND SUBSIDIARIES

Consolidated Statements of Cash Flows

	Year Ended June 30,		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Change in net assets	\$ 10,125,171	\$ 2,533,877	\$ 5,120,249
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
Depreciation	248,207	211,562	204,309
Net realized and unrealized gain on investments	(4,190,105)	(5,253,697)	(2,916,199)
Interest reinvested by certificate holders	938,215	935,634	827,680
Change in value of split-interest agreements	75,090	(19,842)	(146,672)
Provision (reduction) in allowance for credit losses	(608,803)	2,517,828	1,019,429
Endowment contributions	(5,323,840)	-	-
Changes in:			
Interest receivable	129,599	(276,402)	(253,071)
Contributions receivable	(3,302,000)	-	-
Other assets	(68,186)	85,777	(262,527)
Accounts payable and accrued liabilities	331,441	(21,762)	(70,268)
Net Cash Provided (Used) by Operating Activities	(1,645,211)	712,975	3,522,930
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	(120,794)	(231,024)	(160,803)
Purchase of investments	(97,360,280)	(57,746,033)	(58,351,589)
Proceeds from sales and maturities of investments	103,415,405	69,715,958	65,715,427
Issuance of loans receivable	(32,596,814)	(21,725,106)	(38,118,618)
Payments on loans receivable	27,298,911	32,395,218	24,788,127
Net Cash Provided (Used) by Investing Activities	636,428	22,409,013	(6,127,456)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Additions (withdrawals) of funds held for the Denomination and its consolidated entities	15,105,464	9,806,497	2,401,236
Additions (withdrawals) of trust agreements held for others	(1,050,327)	(7,071,788)	(4,696,007)
Additions (withdrawals) of annuities and residuum held for others	493,246	(192,432)	2,335,400
Proceeds from issuance of investment certificates	1,114,771	2,159,202	2,489,711
Redemption of investment certificates	(5,970,746)	(8,052,145)	(6,793,944)
Additions (withdrawals) of agreement accounts	(14,465,852)	(19,573,036)	4,363,245
Endowment contributions	5,323,840	-	-
Net Cash Provided (Used) by Financing Activities	550,396	(22,923,702)	99,641
Net Change in Cash, Cash Equivalents, and Cash Held for Trusts and Annuities	(458,387)	198,286	(2,504,885)
Cash, Cash Equivalents, and Cash Held for Trusts and Annuities, Beginning of Year	3,744,470	3,546,184	6,051,069
Cash, Cash Equivalents, and Cash Held for Trusts and Annuities, End of Year	\$ 3,286,083	\$ 3,744,470	\$ 3,546,184

(continued)

See notes to consolidated financial statements

ORCHARD ALLIANCE AND SUBSIDIARIES

Consolidated Statements of Cash Flows (continued)

	Year Ended June 30,		
	2025	2024	2023
Cash, cash equivalents, and cash held for trusts and annuities consist of the following:			
Cash and cash equivalents	\$ 3,024,656	\$ 3,381,587	\$ 3,277,781
Cash held for trusts and annuities	261,427	362,883	268,403
	\$ 3,286,083	\$ 3,744,470	\$ 3,546,184
SUPPLEMENTAL INFORMATION:			
Exchange of term certificates for agreement accounts	\$ 1,812,236	\$ 11,934,211	\$ 1,130,117
Exchange of agreement accounts for term certificates	\$ 630,983	\$ 1,357,740	\$ 12,554,755
Matured investment certificates reinvested	\$ 14,329,075	\$ 20,415,509	\$ 15,951,280
Cash paid for interest	\$ 6,891,702	\$ 8,196,946	\$ 6,015,802

See notes to consolidated financial statements

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

1. NATURE OF ORGANIZATION:

Orchard Alliance was incorporated in the state of Colorado on August 3, 1998 to serve as a supporting organization for The Christian and Missionary Alliance (the Denomination), the churches, districts and affiliated organizations of the Denomination, and other publicly supported organizations closely related in purpose or function to The Christian and Missionary Alliance (collectively referred to as the Supported Organizations).

Orchard Alliance's origins trace back to General Council, May 13 – 18, 1959, in Buffalo, New York. Laypeople and pastors were compelled to establish a financial means to help Alliance churches flourish. This is the roots of Orchard Alliance. Orchard Alliance is a stewardship and generosity ministry of The Christian and Missionary Alliance family and is a financial services partner to individuals, families, and church and ministry leaders. Through loans, investments, and charitable giving tools, Orchard Alliance helps Alliance members and churches do immeasurably more for Christ with what's been entrusted to them.

Orchard Alliance assists the Supported Organizations in their worldwide Christian ministry efforts by establishing a program devoted to support gift planning with the general public for use in sustaining the activities of the Supported Organizations. Orchard Alliance receives, holds, manages, serves as trustee for, invests and otherwise administers funds used to sustain and support the programs and activities of the Supported Organizations. Orchard Alliance also serves, advises and assists the Supported Organizations by offering assistance to donors and constituents of the Supported Organizations in their charitable giving.

Orchard Alliance raises funds through issuing debt securities to the Denomination, Supported Organizations, and individuals who are affiliated with the Denomination and Supported Organizations or who are ancestors or descendants of such individuals (eligible investors). There is no established public market for these debt securities. Orchard Alliance uses funds received to issue loans, secured by real estate mortgages, to the Supported Organizations to purchase or construct new churches or parsonages, remodel existing churches or parsonages, and assist in other Supported Organizations projects.

Revenue is generated primarily through interest income on loans receivable and interest, dividends, and net realized and unrealized gains on investments. Revenue is also generated through management and service fees, contributions from individuals and from the Denomination under service agreements.

Orchard Alliance is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC), and is not considered a private foundation under IRC Section 509(a)(3).

The Denomination is the sole member of Orchard Alliance and elects its Board of Directors.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF CONSOLIDATION

Four separate LLCs (Orchard LLCs) were created in which Orchard Alliance is the sole member. The LLCs were created to hold certain real estate for Orchard Alliance. The consolidated financial statements include the accounts of Orchard Alliance and its wholly-owned subsidiaries (collectively, the Organization). All material intercompany transactions and balances have been eliminated.

BASIS OF ACCOUNTING

The consolidated financial statements of the Organization have been prepared using the accrual basis of accounting, which gives recognition to income and related assets when earned and expenses and related liabilities when incurred. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates. The significant accounting policies followed are described below. The internal accounts of the Organization are maintained in accordance with the principles of fund accounting, whereby resources for various purposes are classified for accounting and internal reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds have been combined and presented for the Organization as a whole.

A brief description of the funds used is as follows:

- (A) The Operating Fund includes resources with and without donor restrictions used in the Organization's related supporting services (management and general), as well as development, fundraising, and loan services. Resources without donor restrictions represent the portion of expendable funds that are available for support of the Organization's operations. Resources with donor restrictions are available for the purpose or time period as restricted by the donor.
- (B) The Trust Fund includes revocable and irrevocable trust agreements, whereby money or other property is entrusted to the Organization on the condition that the Organization make periodic payments to the donor or other designees for the lifetime of the donor or other stipulated period. Payments under these trust arrangements may be based on actual earnings of the trust assets, a stipulated percentage or other variations as required by the underlying trust agreement. The Trust Fund also includes endowments, donor advised funds and other funds of the Supported Organizations, held and managed by the Organization.
- (C) The Annuity Fund includes money or other property given to the Organization or the Denomination in exchange for the Organization's or the Denomination's promise to make periodic stipulated payments to the donor or designees that terminate upon the death of the donor or designees (Charitable Gift Annuities).
- (D) The Orchard LLCs includes real estate given to the Organization. All LLCs are wholly-owned by the Organization and are considered disregarded entities under IRS rules.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents unless held for investment purposes. Uninvested cash and cash equivalents included in investment accounts are not considered to be cash and cash equivalents. At June 30, 2024 and 2023, cash and cash equivalents consisted primarily of checking accounts with financial institutions. At June 30, 2025, 2024 and 2023, the Organization's FDIC-covered cash accounts exceeded the federally insured limit by approximately \$3,400,000, \$3,800,000 and \$3,100,000, respectively.

INVESTMENTS

Investments with readily determinable fair values are reported at fair value, which is based on quoted market prices. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Investments in private equity funds and hedge funds are recorded at net asset value (NAV), as a practical expedient, to determine the fair value of the investments. Investment income and realized and unrealized gains and losses are included in revenue with or without donor restrictions based on the presence or absence of donor restrictions

LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

Loans receivable are reported at their outstanding unpaid principal balances, adjusted for the allowance for credit losses and any deferred costs on originated loans. Interest income is accrued and credited to income based on the unpaid principal balance outstanding. Management reserves the interest receivable on loans when payments are 12 or more months in arrears or when the likelihood that interest will be repaid is low. At this point, the loan is placed on nonaccrual status and all future payments are generally applied against principal. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current, there is a sustained period of repayment performance, and future payments are reasonably assured. Loan origination costs are deferred and recognized as an adjustment of the related loan balance using a modified straight-line amortization method over the term of the loan, which approximates the interest method. Interest rates on individual loans are adjusted every one to five years based upon the Organization's index. Loans primarily have an initial term of 15 to 30 years. Loans receivable are written off when the Organization determines that they are uncollectible. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, not to exceed the aggregate of the amount previously written off, are included in determining the necessary reserve at the statement of financial position date.

The Organization's relationship with its borrowers is unlike that of a typical commercial lender. Due to the nature of the relationship with its borrowers, the Organization is willing to make accommodations with borrowers whose payments are not current, so long as such accommodations do not jeopardize the interests of the Organization's investors.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES, continued

Allowance for credit losses

The adoption of ASC 326, *Allowance for Credit Losses under the Current Expected Credit Loss (CECL)* methodology brought key changes to the Organization's methodology in the year ended June 30, 2024. The Organization uses a lookback period through the year ended June 30, 2009 to calculate average historical losses for pooled loans collectively evaluated in the current expected credit loss model. The new allowance for credit losses methodology divides the Organization's loan portfolio into three loan segments, listed below, that segregate credit risks for individual loans (specific reserve identification) and loans evaluated collectively based on shared risk characteristics. There were specific reserves for individual loans which are mainly based on the underlying collateral securing the loans.

The Organization excludes interest receivable from the estimate of credit losses by writing off the uncollectible accrued interest receivable in a timely manner. The Organization individually evaluates loans for specific reserves when management determines that the cash flow of a loan requires the assessment of collateral for the satisfaction of the outstanding loan. A specific reserve is calculated based on the projected property value based on either a property appraisal or Broker's Price Opinion as adjusted for the costs of sale.

Credit quality is monitored in aggregate once per month, and significant loans are evaluated on an individual basis by evaluating an individual borrower's ability to make future payments and the ongoing health of the borrower, including church attendance trends. Individual loan evaluations are performed at least once per year, and monthly when there is a change in borrower performance or management has knowledge of any possible concerns with borrower meeting its repayment terms. Property values are evaluated when the risk of nonpayment rises on a specific loan, or annually for loans evaluated collectively.

Loans are generally collateralized by real property utilized by individual church congregations for which alternate uses may be limited and a ready market may not be available. Accordingly, collectability of many of the loans is primarily dependent on the continued financial support of the churches by their respective congregations.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES, continued

Allowance for credit losses, continued

The Organization has identified the following loan portfolio segments: Commercial Real Estate loans, Secured and Unsecured Lines of Credit, and Denominational loans. Loan segments include:

- (A) Commercial Real Estate – Loans in this segment include secured real estate loans with commercial real estate pledged as collateral. Additionally, such loans are non line-of-credit loans and are not obligations of the Denomination. This loan segment includes loan sub classes for Real Estate-Construction, Real Estate-Commercial, and Real Estate-District Guaranteed. While these loan sub classes share similar underwriting and risk characteristics overall, these sub classes do have slightly different risk associated with them. The Real Estate-Construction loan class includes short-term loans during the originated for construction phases, with low historical loss rates as these loans transition to Real Estate-Commercial when term payments begin. The Real Estate-District Guaranteed loan class is guaranteed by the District.
- (B) Secured and Unsecured Lines of Credit – Loans in this segment are characterized as lines of credit, which may be secured by real property or unsecured in nature. Such loans are not obligations of the Denomination.
- (C) Denominational – Loans in this segment include loans receivable from the Denomination or the Denomination's consolidation entities. This segment is considered low risk as the loans are either guaranteed by the Denomination or the direct financial responsibility of the Denomination.

A weighted average remaining maturity (WARM) model is utilized for all loan pool segments and the results are aggregated at the pool level. The WARM model uses historical losses, as adjusted for reasonable and supportable forecast expectations, and applies those adjusted loss rates to the effective term of the loan portfolio. Management considers a forecast factor when applicable and would revert back to their historical loss base after the supportable forecast period ends. The Organization concludes that it can reasonably support a forecast period of all loan segments for two years after the statement of financial position date.

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

The Organization also has off-balance sheet financial instruments. These include standby letters of credit and construction loans. The Organization minimizes these risks through underwriting guidelines and prudent risk management techniques. An allowance has not been recorded for these off-balance sheet financial instruments as the estimated credit loss is considered to be immaterial.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES, continued

Allowance for credit losses, continued

The Organization qualitatively adjusts the 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 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:

- (i) Changes in lending policies and procedures, including changes in underwriting standards and practices for collections, write-offs, and recoveries
- (ii) Current and forecasted direction in the economic and business environment that affect the collectability of loans receivable, including forecasted information for inflation rates, interest rates, and commercial property valuations
- (iii) Changes in the nature and volume of the loan pools and in the terms of the underlying loans
- (iv) Changes in the experience, ability, and depth of the lending management and staff
- (v) Changes in the volume and severity of the past due financial assets and the volume of nonaccrual assets
- (vi) Changes in the value of collateral

Management considers loans to be delinquent when payments are more than three months in arrears. Due to the volatility of church cash flows, it is not unusual to have temporarily missed or modified payments. Loans that experience this condition are not considered delinquent. Loans are considered delinquent if no permanent workout agreement exists for loans that have experienced multiple temporarily missed or modified payments.

The Organization occasionally restructures loan terms to assist church borrowers that encounter financial hardships, when requested by the borrower. Long-term restructuring agreements are monitored by the Organization as loans modified to borrowers experiencing financial difficulties. No long-term restructurings were executed in the current year. Prior to the adoption of ASC 326, the Organization classified a restructuring as a troubled debt restructuring (TDR) if the borrower was experiencing financial difficulties and the restructuring included a concession by the Organization to the borrower. When a loan was restructured as a TDR and was subsequently brought current with its new debt service requirements, the loan was no longer considered delinquent. The interest on TDR loans were accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. TDR loans were returned to accrual status when the loan was no longer considered delinquent and there was the likelihood that all principal and interest would be repaid.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES, continued

Allowance for credit losses, continued

Prior to the adoption of ASC 326, the Organization used a five-year average of historical losses for loans collectively evaluated in the allowance for loan loss calculation. The allowance for loan losses was divided into three loan segments, listed below, that segregate credit risks for individual loans (Specific Reserve classification) and loans evaluated collectively based on shared characteristics. There were specific reserves for individual loans based on collateral, and additional reserves for individual loans based on qualitative factors.

Loan classifications prior to the adoption of ASC 326 included:

- (A) Loans Evaluated for a Specific Reserve – Loans in this classification have been evaluated for a specific reserve based on a discounted cash flow model, an appraisal, market value analysis, or other analysis on collateral value and the likelihood of principal repayment. Loans in this classification generally are identified as having significant credit risks during the Organization’s periodic evaluations.
- (B) Underperforming Loans – Loans in this classification generally do not have a specific reserve (A), but have had payments 90 days past due at some point within 24 months of the period-end date. This classification is considered a high credit risk.
- (C) Performing Loans – Loans in this classification do not meet the criteria for (A), (B) or (C) above. This classification is considered a low credit risk.

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

Loans with a low probability of timely repayment under current terms could have been modified by providing interest-only or term extension concessions. Management would permanently charge-off loan principal on impaired loans when the loan was impaired and was not expected to be repaid. If the borrower was not expected to meet the terms of a new loan with minor concessions, the whole or part of the loan was charged off or the loan was foreclosed upon and the property was sold at current market value.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES, continued

Credit quality indicators

The Organization categorizes its loans as performing or nonperforming. Status for performing and nonperforming loans is based on payment activity for the year. Payment activity is reviewed by management on a monthly basis to determine how loans are performing. Loans are considered to be nonperforming when days past due are greater than 60 days in the previous month. Loans are classified as delinquent when payments are 90 days overdue. The Organization evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics and performance status change.

ANNUITIES PAYABLE AND RESIDUUM HELD FOR OTHERS

The present value of periodic stipulated annuity payments is actuarially determined at the date of the underlying annuity gift and is recorded as an annuity payable based on the life expectancy of the donor. The discount rates being used range from 1.5-8.5%. In addition, any residuum amount of the gift remaining at the death of the donor for the Denomination and its consolidated entities are recorded as contributions and distributions upon the death of the donor, as the donor has the ability to change the beneficiary during their lifetime. The Organization administers all Charitable Gift Annuities of the Denomination.

INVESTMENT CERTIFICATES

Investment certificates consist of interest-bearing agreement accounts and certificates on terms described in the Organization's Offering Circular and are not insured by the FDIC or any other federal or state agency or private organization. Interest on agreement accounts is paid either periodically or accumulates and is accrued at a variable interest rate. In addition, agreement accounts are generally due upon 30 days written notice subject to availability of funds. Similarly, term certificates may be redeemed, subject to the availability of funds, at the option of the registered holder upon at least 30 days' prior written notice to the Organization, but subject to early redemption penalties, unless redeemed at maturity.

FUNDS HELD FOR THE DENOMINATION AND ITS CONSOLIDATED ENTITIES

Funds held for the Denomination and its consolidated entities consist of assets held on behalf of these organizations in a custodial or trustee capacity. These assets are valued the same as investments and commingled with other trust fund assets. All activity related to these assets is recorded directly to assets and a corresponding liability account.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

TRUST AGREEMENTS HELD FOR OTHERS

Trust agreements reflect the Organization's liability for irrevocable and revocable life income agreements and certain other funds entrusted to the Organization. The resulting actuarial gain or loss is recorded as a component of the change in value for agreements where the Organization has an irrevocable interest. If the Organization does not have an irrevocable interest, the resulting actuarial gain or loss is recorded directly to the due other remaindermen liability on the consolidated statements of financial position. The trust agreements are valued at fair market value as of June 30, 2025, 2024 and 2023.

CLASSES OF NET ASSETS

Information regarding financial position and activities is reported in two classes of net assets based on the existence of, or absence of, donor-imposed restrictions. Net assets are classified as follows:

Net assets without donor restrictions are those currently available for Organization purposes under the direction of the Board, those designated by the Board for specific use and those resources invested in property and equipment.

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

SUPPORT AND REVENUE

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Gifts for donor advised funds are reported without donor restriction as the Organization can redirect the use of the transferred assets to another beneficiary. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. Conditional gifts are not recognized until the gift becomes unconditional and donor-imposed barriers are met. Unconditional gifts are recognized at fair value for cash and other assets or estimated fair value for property, equipment and long-lived assets. Unconditional gifts expected to be collected within one year are recorded at net realizable value. In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized. Approximately 17% and 37% of all contributions were received from two donors and one donor during the years ended June 30, 2025 and 2024, respectively.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, continued

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue without donor restriction.

Conditional contributions and investment income having donor stipulations that are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

Management and service agreements revenue is recognized as the Organization satisfies performance obligations under its contracts. Performance obligations are determined based on the nature of the goods or services provided by the Organization in accordance with the contract. Revenue for performance obligations satisfied over time is recognized ratably over the period based on time elapsed. The Organization believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Revenue is reported at the estimated transaction price or amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services. The Organization determines the transaction price based on standard charges for goods and services provided, reduced by implicit and explicit price concessions. The Organization determines its estimates of implicit and explicit price concessions based upon contractual agreements, its discount policies and historical experience.

FUNCTIONAL ALLOCATION OF EXPENSES

All expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing the various program services and supporting activities have been allocated on a functional basis, determined by level of support effort.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

3. INVESTMENTS:

The Organization's investments consist of the following:

	June 30, 2025			
	Operating Fund	Trust Fund	Annuity Fund	Total
Cash and cash equivalents	\$ 2,723,099	\$ 110,289	\$ 17,947	\$ 2,851,335
Equity securities	6,115,702	70,396,016	8,758,540	85,270,258
Bonds, bond funds, and notes	40,541,627	21,000,798	9,481,392	71,023,817
Real estate	-	906,000	-	906,000
Alternative investments	212,607	-	2,202	214,809
Other	-	401,563	2,396,226	2,797,789
	<u>\$ 49,593,035</u>	<u>\$ 92,814,666</u>	<u>\$ 20,656,307</u>	<u>\$ 163,064,008</u>
Total, net of eliminations				
	June 30, 2024			
	Operating Fund	Trust Fund	Annuity Fund	Total
Cash and cash equivalents	\$ 5,283,355	\$ 283,495	\$ -	\$ 5,566,850
Equity securities	5,290,375	64,743,949	7,611,047	77,645,371
Bonds, bond funds, and notes	49,892,669	11,444,945	8,337,014	69,674,628
Real estate	-	471,000	-	471,000
Alternative investments	2,944,897	-	800,973	3,745,870
Other	-	359,834	1,319,118	1,678,952
	<u>\$ 63,411,296</u>	<u>\$ 77,303,223</u>	<u>\$ 18,068,152</u>	<u>\$ 158,782,671</u>
Investments, net of eliminations				
	June 30, 2023			
	Operating Fund	Trust Fund	Annuity Fund	Total
Cash and cash equivalents	\$ 12,225,826	\$ 218,420	\$ -	\$ 12,444,246
Equity securities	4,823,344	58,186,182	7,185,422	70,194,948
Bonds, bond funds, and notes	44,700,190	5,243,758	7,949,548	57,893,496
Real estate	-	1,609,500	-	1,609,500
Alternative investments	9,983,138	-	746,644	10,729,782
Other	-	347,831	1,437,862	1,785,693
	<u>\$ 71,732,498</u>	<u>\$ 65,605,691</u>	<u>\$ 17,319,476</u>	<u>\$ 154,657,665</u>
Investments, net of eliminations				

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

4. LOANS RECEIVABLE, NET:

A summary of loans receivable classified by loan portfolio segment is as follows:

	June 30,	
	2025	2024
Commercial real estate:		
Commercial real estate – construction	\$ 18,997,048	\$ 12,058,020
Commercial real estate – commercial	205,830,878	207,275,992
Commercial real estate – guaranteed	8,847,272	9,157,495
Secured and unsecured lines of credit	1,529,790	1,934,066
Denominational loans	12,573,285	13,173,433
	247,778,273	243,599,006
Net deferred loan costs	1,184,860	1,257,421
Allowance for credit losses	(3,900,000)	(5,700,000)
	\$245,063,133	\$239,156,427

Loan classifications prior to the adoption of ASC 326 at June 30, 2023 were as follows:

Loans evaluated for a specific reserve	\$ 8,294,309
Underperforming loans	5,017,081
Performing loans	240,964,127
	254,275,517
Net deferred loan costs	1,368,850
Allowance for credit losses	(1,900,000)
	\$253,744,367

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

4. LOANS RECEIVABLE, NET, continued:

The following summarizes the activity related to the allowance for credit losses for the years ended June 30, 2025 and 2024, under the CECL methodology:

	Commercial Real Estate	Secured and Unsecured Lines of Credit	Denominational Loans	Total
Balance, June 30, 2023	\$ 1,874,356	\$ 644	\$ 25,000	\$ 1,900,000
Impact of adoption of ASC 326	1,390,387	(387)	10,000	1,400,000
Provision (reduction) for credit losses	2,505,141	1,580	11,107	2,517,828
Charge-offs	(117,828)	-	-	(117,828)
Balance, June 30, 2024	5,652,056	1,837	46,107	5,700,000
Provision (reduction) for credit losses	(596,716)	(383)	(2,101)	(599,200)
Charge-offs	(1,200,800)	-	-	(1,200,800)
Balance, June 30, 2025	\$ 3,854,540	\$ 1,454	\$ 44,006	\$ 3,900,000

As of June 30, 2025 the Organization had unsecured loans totaling \$3,235,663.

During the years ended June 30, 2025 and June 30, 2024, the Organization recorded loan charge-offs of \$1,200,800 and \$117,828, respectively. These charge-offs related to one borrower for the year ending June 30, 2025, and one borrower for the year ending June 30, 2024.

Prior to the adoption of ASU 2016-13 on July 1, 2023, the Organization calculated the allowance for loan losses under the incurred loss methodology. The following table is the disclosure related to the allowance for loan losses during the year ended June 30, 2023:

Balance, June 30, 2022	\$ 2,900,000
Provision for credit losses	1,019,429
Charge-offs	(2,019,429)
Balance, June 30, 2023	\$ 1,900,000

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

4. LOANS RECEIVABLE, NET, continued:

There were no loan modifications during the years ended June 30, 2025 and 2024 for borrowers experiencing financial difficulties.

Prior to the adoption of ASU 2016-13, the Organization evaluated loans for impairment on an individual basis if the loan was more than 90 days past due. These loans were then given a specific allowance based on the estimated net realizable value of property serving as collateral. All other loans were evaluated for allowance on a collective basis. The following table presents the Organization's impaired loans as of June 30, 2023:

	Recorded Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
Loans receivable	\$ 39,259,438	\$ 1,144,934	\$ 41,251,911	\$ 1,400,884

As of June 30, 2023, the recorded balance of impaired loans equaled the unpaid principal balance of impaired loans. The following table presents information regarding troubled debt restructurings during the year ended June 30, 2023.

	Number of Loans	Pre- Modification Recorded Balance	Post- Modification Recorded Balance
<u>Newly Classified Troubled Debts Restructured</u>			
Loans evaluated for a specific reserve	1	\$ 5,156,560	\$ 2,982,250

For periods prior to the adoption of Topic 326, impaired loans included nonperforming loans but also included loans modified in troubled debt restructurings where concessions had been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance, or other actions intended to maximize collection. At June 30, 2023, the Organization had \$37,724,000 in church loans secured by real estate that were modified in troubled debt restructurings and impaired. There was \$2,019,429 in charge-offs related to the troubled debt restructurings described above, during the year ended June 30, 2023.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

4. LOANS RECEIVABLE, NET, continued:

Loans are considered to be nonperforming when days delinquent are greater than 60 days in the previous month. The following table presents loans by credit quality indicator for the year ended June 30, 2025:

	Commercial Real Estate	Secured and Unsecured Lines of Credit	Denominational Loans	Total
Performing	\$209,845,285	\$ 1,529,789	\$ 12,573,285	\$223,948,359
Non-performing	23,829,914	-	-	23,829,914
	<u>\$233,675,199</u>	<u>\$ 1,529,789</u>	<u>\$ 12,573,285</u>	<u>\$247,778,273</u>

The following table presents loans by credit quality indicator for the year ended June 30, 2024:

	Commercial Real Estate	Secured and Unsecured Lines of Credit	Denominational Loans	Total
Performing	\$214,283,970	\$ 1,934,066	\$ 13,173,433	\$229,391,469
Non-performing	14,207,537	-	-	14,207,537
	<u>\$228,491,507</u>	<u>\$ 1,934,066</u>	<u>\$ 13,173,433</u>	<u>\$243,599,006</u>

The following table presents loans by credit quality indicator for the year ended June 30, 2023:

	Loans Evaluated for a Specific Reserve	Underperforming Loans	Performing Loans	Total
Performing	\$ 2,982,250	\$ 3,481,980	\$240,590,657	\$247,054,887
Non-performing	5,312,059	1,535,101	373,470	7,220,630
	<u>\$ 8,294,309</u>	<u>\$ 5,017,081</u>	<u>\$240,964,127</u>	<u>\$254,275,517</u>

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

4. LOANS RECEIVABLE, NET, continued:

Past due status is based on contractual terms of the loan. A loan is considered to be past due when a scheduled payment has not been received 30 days after the contractual due date. Loans are classified as delinquent when payments are 90 days overdue.

An aging analysis of the principal of past due loans receivable by portfolio segment as of June 30, 2025, is as follows:

	Commercial Real Estate	Secured and Unsecured Lines of Credit	Denominational Loans	Total
Past due:				
30-89 days past due	\$ 121,306	\$ -	\$ -	\$ 121,306
Greater than 90 days	23,708,608	-	-	23,708,608
Total past due	23,829,914	-	-	23,829,914
Current	209,845,284	1,529,790	12,573,285	223,948,359
Total loans	\$233,675,198	\$ 1,529,790	\$ 12,573,285	\$247,778,273

An aging analysis of the principal of past due loans receivable by portfolio segment as of June 30, 2024, is as follows:

	Commercial Real Estate	Secured and Unsecured Lines of Credit	Denominational Loans	Total
Past due:				
30-89 days past due	\$ 498,200	\$ -	\$ -	\$ 498,200
Greater than 90 days	13,709,337	-	-	13,709,337
Total past due	14,207,537	-	-	14,207,537
Current	214,283,970	1,934,066	13,173,433	229,391,469
Total loans	\$228,491,507	\$ 1,934,066	\$ 13,173,433	\$243,599,006

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

4. LOANS RECEIVABLE, NET, continued:

The following tables present the loan portfolio aging analysis of the recorded investment in loans at June 30, 2023:

	Loans Evaluated for a Specific Reserve	Underperforming Loans	Performing Loans	Total
Past due:				
30-89 days past due	\$ -	\$ -	\$ 373,470	\$ 373,470
Greater than 90 days	5,312,059	1,535,101	-	6,847,160
Total past due	5,312,059	1,535,101	373,470	7,220,630
Current	2,982,250	3,481,980	240,590,657	247,054,887
 Total loans	 \$ 8,294,309	 \$ 5,017,081	 \$240,964,127	 \$254,275,517

As of June 30, 2025, 2024, and 2023, the balances of loans on nonaccrual status were \$15,930,839, \$14,925,991 and \$15,313,778, respectively. Interest income earned on these loans totaled \$0 during the years ended June 30, 2025, 2024, and 2023.

Loans receivable at June 30, 2025, will mature as follows:

Year	Amount
2026	\$ 8,494,273
2027	7,959,791
2028	8,066,026
2029	8,227,479
2030	8,287,102
Thereafter	206,743,602
	\$247,778,273

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

4. LOANS RECEIVABLE, NET, continued:

At June 30, 2025, the Organization had 512 loans with balances as follows:

Loan Balance	Number of Loans	Principal Outstanding	Percent of Loan Portfolio
\$0 - \$500,000	392	\$ 53,835,870	22%
\$500,001 - \$1,000,000	55	38,925,208	15%
\$1,000,001 - \$2,000,000	37	51,418,561	21%
\$2,000,001 - \$3,000,000	15	37,248,288	15%
Over \$3,000,000	13	66,350,346	27%
	<u>512</u>	<u>\$247,778,273</u>	<u>100.0%</u>

Concentrations of credit risk exist with respect to individually significant borrowers, which are defined as those exceeding five percent of the total loan portfolio. At June 30, 2025, there was one borrower considered to be individually significant with a balance of \$9,537,265.

Collateral dependent loans, in the commercial real estate loan segment, as of June 30, 2025, totaled \$1,933,474 and had a recorded allowance for credit loss of \$288,599.

In the normal course of business, the Organization makes commitments to extend loans to meet the financing needs of its customers. At June 30, 2025, the Organization had outstanding commitments of approximately \$48,575,000 representing unfunded construction loans of approximately \$31,859,000 and lines of credit totaling approximately \$16,716,000.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

5. INVESTMENT CERTIFICATES:

Term certificates have various maturities ranging from one to ten years, and interest is paid either periodically or accumulates and is accrued at either a fixed or variable interest rate (from 0% to 4.23% at June 30, 2025). A substantial portion of the investment certificate issued by the Organization are demand instruments or will be maturing within the next two years. The Organization would not have sufficient liquid assets to satisfy repayment of this amount if all of these investors were to request an immediate withdrawal. However, management anticipates, similar to past history, that a substantial portion of these certificates will be reinvested or rolled over into new certificates with the Organization. All investment certificates provide for automatic renewal at maturity subject to specific state regulations unless the owner notifies the Organization of a desire to terminate the investment certificate not less than 30 days prior to the maturity date. At maturity, 81%, 59% and 80% of investment certificates were rolled into new certificates during the years ended June 30, 2025, 2024 and 2023, respectively.

Investment certificates consist of the following:

	June 30,		
	2025	2024	2023
Agreement accounts:			
Before eliminating entries upon consolidation	\$ 189,895,373	\$ 197,808,298	\$ 204,043,022
Eliminations	(55,291,123)	(48,738,196)	(45,976,355)
	134,604,250	149,070,102	158,066,667
Term:			
One year	12,461,197	17,671,553	34,481,088
Two Year	4,859,561	12,042,884	7,120,693
Three Year	4,448,331	8,858,151	9,758,018
Four Year	1,024,868	3,222,054	5,546,837
Five Year and thereafter	20,170,982	5,088,057	5,509,843
	42,964,939	46,882,699	62,416,479
	\$177,569,189	\$195,952,801	\$220,483,146

The scheduled maturities of term investment certificates payable as of June 30, 2025, are as follows:

Year	Amount
2026	\$ 22,738,531
2027	9,273,398
2028	3,368,772
2029	2,621,520
2030	4,030,948
Thereafter	931,770
	\$ 42,964,939

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

6. NET ASSETS:

Net assets consist of:

	June 30,		
	2025	2024	2023
Net Assets without donor restrictions:			
Undesignated	\$ 67,533,356	\$ 64,360,237	\$ 65,244,526
Donor advised	9,365,929	23,713,988	21,988,175
Total net assets without donor restrictions	76,899,285	88,074,225	87,232,701
Net assets with donor restrictions:			
Subject to expenditure for specified purposes:			
Financial discipleship training for Alliance pastors	312,500	250,000	-
Subject to the passage of time:			
General operations upon termination of trust agreements	122,958	218,131	189,959
Charitable remainder trust for its charitable direction upon termination of trust agreements	32,155	28,906	25,216
	155,113	247,037	215,175
Subject to the Organization's spending policy and appropriations:			
Accumulated endowment gains	2,420,785	27,260	16,769
Term endowments	18,886,010	-	-
Endowment funds restricted in perpetuity	145,825	95,825	95,825
	21,452,620	123,085	112,594
Total net assets with donor restrictions	21,920,233	620,122	327,769
Total net assets	\$ 98,819,518	\$ 88,694,347	\$ 87,560,470

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

7. ENDOWMENT FUNDS:

The Organization's endowment consists of 7 individual funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets restricted in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets restricted in perpetuity is classified as net assets restricted by purpose or time until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

Changes in endowment net assets for years ended June 30, 2025 are as follows:

	Original Gift Amounts	Accumulated Endowment Gains (Losses) and Other	Total With Donor Restrictions
Endowment net assets, beginning of year	\$ 95,825	\$ 27,260	\$ 123,085
Investment return, net	-	1,126,072	1,126,072
Contributions	50,000	5,273,840	5,323,840
Amounts appropriated for expenditures	-	(120,377)	(120,377)
Transfer per donor stipulation	-	15,000,000	15,000,000
	\$ 145,825	\$ 21,306,795	\$ 21,452,620

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

7. ENDOWMENT FUNDS, continued:

The changes in endowment net assets for the years ended June 30, 2024 and 2023 have not been included as the balances and activity were not material.

Endowment assets consist of the following components:

	June 30,		
	2025	2024	2023
Investments held for endowment	\$ 18,251,620	\$ 123,085	\$ 112,594
Contributions receivable	3,201,000	-	-
	<u>\$ 21,452,620</u>	<u>\$ 123,085</u>	<u>\$ 112,594</u>

FUNDS WITH DEFICIENCIES

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. As of December June 30, 2025, 2024 and 2023, there were no deficiencies of this nature.

RETURN OBJECTIVES AND RISK PARAMETERS

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s). Under this policy, the endowment assets are invested in a manner that is intended to produce an inflation adjusted income stream to grow the corpus above the inflation rate. The Organization expects its endowment funds, over time, to provide an average rate of return between 5% and 7% annually. Actual returns in any given year may vary from this amount.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

The income derived from contributions to any endowment fund shall be distributed at such times as the Organization may determine for the purposes specified for the fund, and the Organization may, in its sole discretion, resolve any ambiguities or questions of interpretation which may arise with respect to such purposes. The Organization considers the long-term anticipated return on its endowment. At no time will the distributions reduce the value of the endowment below donor contributions. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

8. EMPLOYEE BENEFIT PLAN:

The Organization participates in the Denomination's Christian and Missionary Alliance 403(b) Retirement Plan. Under the plan, the Organization makes employer-matching contributions for the benefit of eligible employees. The employer matches the first 2.99% of the employee contributions at 100%. The next 3% of employee contributions is matched at 75% of employee contributions. A participant is fully vested in all employer-matching contributions immediately upon employment with the Organization. The employer contributions for June 30, 2025, 2024 and 2023 were \$173,411, \$148,524, and \$138,266, respectively.

The Organization provides health coverage through the Denomination's self-insured medical and dental benefit plans. Stop loss insurance coverage protects the plan from large individual claims. The plan maintains reserves to cover incurred but not reported claims. The Organization pays the medical and dental premium for full-time employees who work a minimum of 30 hours per week. The Organization incurred premium expenses of \$670,868, \$588,442, and \$573,430 for the years ended June 30, 2025, 2024 and 2023, respectively. The employer contributions to the associated Health Savings Accounts were \$108,968, \$105,710, and \$104,147 for June 30, 2025, 2024 and 2023, respectively.

9. RELATED PARTY TRANSACTIONS:

The Organization reimburses, and is reimbursed by, the Denomination for certain direct operating costs including payroll support, marketing, and communications. The Organization's primary functions are to provide fiduciary services and asset management, as well as providing support to the Denomination through the gift acceptance process and reporting functions.

Service Agreements

The Organization has one service agreement with the Denomination renewable annually. The agreement stipulates that the Organization will provide fiduciary and asset management services to the Denomination and gift planning services to the Denomination. The values for each agreement are determined by mutual agreement, annually. The Organization received fees from the Denomination in the amount of \$313,188, \$236,266 and \$269,622 under the service agreement for the years ended June 30, 2025, 2024 and 2023, respectively.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

9. RELATED PARTY TRANSACTIONS, continued:

Due to Denomination and its Consolidated Entities

Related parties include the Denomination and wholly-owned consolidated entities of the Denomination. Due to the Denomination and its consolidated entities consists of the following at June 30, 2025, 2024 and 2023:

	June 30,		
	2025	2024	2023
Operating Fund:			
Due to the Denomination	\$ 173,308	\$ 38,160	\$ -
Trusts and other agreements:			
Custodial assets held for the Denomination	41,962,458	26,675,606	17,659,873
Present value of irrevocable trusts			
held for the Denomination	3,558,618	3,781,092	3,155,767
Present value of irrevocable trusts held for the			
Denomination's consolidated entities	1,354,472	1,448,534	1,321,255
	\$ 47,048,856	\$ 31,943,392	\$ 22,136,895

Loans Receivable

The following table presents information on loans receivable from related parties:

	June 30,		
	2025	2024	2023
Denomination and its consolidated entities:			
Loans for the purpose of multicultural			
and international divisions	\$ 607,425	\$ 652,465	\$ 781,673
Loans for the purpose of subsidiaries	12,314,559	12,587,403	12,733,994
Loans to districts, churches and other ministries			
of the Denomination that are affiliated with			
voting members of the Organization's			
Board of Directors, officers and executive			
management. These loans were made under			
substantially similar terms as other loans receivable.	1,815,092	129,252	5,674,784
Total	\$ 14,737,076	\$ 13,369,120	\$ 19,190,451

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

9. RELATED PARTY TRANSACTIONS, continued:

Investment Certificates

The following tables present information on investment certificates and interest paid to related parties:

	June 30,		
	2025	2024	2023
Investment certificates to related parties:			
Denomination and its consolidated entities	\$ 28,555,976	\$ 29,581,411	\$ 49,444,583
The Christian & Missionary Alliance Retirement Trust	42,042,091	46,096,334	46,340,579
The Employee Health Benefits Trust	4,746,699	4,555,374	5,227,954
Affiliated members of the Organization's Board of Directors, officers and executive management	25,791	341,623	324,841
	\$ 75,370,557	\$ 80,574,742	\$101,337,957
	Year Ended June 30,		
	2025	2024	2023
Interest paid on investment certificates to related parties:			
Denomination and its consolidated entities	\$ 1,149,022	\$ 1,412,352	\$ 1,284,906
The Christian & Missionary Alliance Retirement Trust	1,749,255	1,687,389	1,362,355
The Employee Health Benefits Trust	141,325	177,420	149,042
Affiliated members of the Organization's Board of Directors, officers and executive management	383	2,097	4,802
	\$ 3,039,985	\$ 3,279,258	\$ 2,801,105

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

9. RELATED PARTY TRANSACTIONS, continued:

Distributions

The Organization distributes to the Denomination, the Denomination's consolidated entities, and other charities, Donor Advised Fund (DAF) grants, one-time stock gifts, and other distributions through the Foundation's fiduciary services. Non-DAF distributions to churches and non-consolidated entities are not reportable in the consolidated financial statements as these are considered agency transactions for the Organization due to the Organization not having variance power over those funds. For greater transparency, an all-inclusive presentation of distributions to all charities (including distributions treated as agency transactions) during the years ended June 30, 2025, 2024 and 2023 are shown below:

	June 30,		
	2025	2024	2023
Denomination and its Consolidated Entities (included in the consolidated statements of activities):			
Denomination	\$ 5,934,730	\$ 9,762,218	\$ 5,099,563
Retirement centers	148,224	55,972	183,476
Colleges	-	58,210	57,251
Other Denomination-consolidated entities	36,758	553,258	177,710
	6,119,712	10,429,658	5,518,000
Other Denominational Entities (agency distributions):			
Churches	1,050,367	675,010	1,529,704
Districts	386,200	23,827	163,588
Retirement centers	-	-	10,000
Colleges	124,047	30,829	67,971
	1,560,614	729,666	1,771,263
Others	5,731,464	4,914,559	6,625,237
Total distributions	\$ 13,411,790	\$ 16,073,883	\$ 13,914,500

Contributions Made

During the years ended June 30, 2025, 2024 and 2023, the Organization made contributions totaling \$571,796, \$187,105 and \$0, respectively, to the Denomination. The expense is included in contribution expenses on the consolidated statements of functional expenses. In addition, there is also unpaid contributions of \$243,500, \$60,000 and \$0 that are included in accounts payable and accrued expenses on the consolidated statements of financial position, respectively.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

10. FAIR VALUE MEASUREMENTS AND DISCLOSURES:

The Organization uses appropriate valuation techniques to determine fair value based on inputs available. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. The valuations for each of these levels are determined as follows:

Level 1 - Quoted prices for identical instruments traded in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets or model-based valuations where significant assumptions are observable.

Level 3 - Model-based techniques using significant assumptions that are not observable. These unobservable assumptions reflect estimates of assumptions that market participants would use.

The tables below present the level within the fair value hierarchy at which investments are measured on a recurring basis at June 30, 2025, 2024, and 2023:

	Total	Level 1	Level 2	Level 3
June 30, 2025:				
Equity securities	\$ 85,270,258	\$ 85,270,258	\$ -	\$ -
Bonds, bond funds, and notes	71,023,817	42,682,129	28,341,688	-
Real estate	906,000	-	906,000	-
Other	2,797,789	-	2,797,789	-
Total investments at fair value	159,997,864	\$ 127,952,387	\$ 32,045,477	\$ -
Investments held at amortized cost:				
Cash and cash equivalents	2,851,335			
Investments at Net Asset Value	214,809			
Total investments	\$ 163,064,008			

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

10. FAIR VALUE MEASUREMENTS AND DISCLOSURES, continued:

	Total	Level 1	Level 2	Level 3
June 30, 2024:				
Equity securities	\$ 77,645,371	\$ 77,642,501	\$ 2,870	\$ -
Bonds, bond funds, and notes	69,674,628	69,258,604	416,024	-
Real estate	471,000	-	471,000	-
Other	1,678,952	-	1,678,952	-
Total investments at fair value	149,469,951	\$ 146,901,105	\$ 2,568,846	\$ -
Investments held at amortized cost:				
Cash and cash equivalents	5,566,850			
Investments at Net Asset Value	3,745,870			
Total investments	\$ 158,782,671			
	Total	Level 1	Level 2	Level 3
June 30, 2023:				
Equity securities	\$ 70,194,948	\$ 70,175,514	\$ 19,434	\$ -
Bonds, bond funds, and notes	57,893,496	57,261,281	632,215	-
Real estate	1,609,500	-	1,609,500	-
Other	1,785,693	-	1,785,693	-
Total investments at fair value	131,483,637	\$ 127,436,795	\$ 4,046,842	\$ -
Investments held at amortized cost:				
Cash and cash equivalents	12,444,246			
Investments at Net Asset Value	10,729,782			
Total investments	\$ 154,657,665			

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy. There were no changes in valuation techniques.

Level 1 - The fair value of equities and bond funds are based on quoted market prices and other relevant information generated by market transactions.

Level 2 - The fair value of bonds and notes are based on yields currently available on comparable securities with similar credit ratings. Real estate and other assets are determined based on appraisals.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

10. FAIR VALUE MEASUREMENTS AND DISCLOSURES, continued:

The Organization uses the Net Asset Value (NAV) to determine the fair value for all investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have attributes of an investment company. The following table lists investments in other investment companies (in partnership format) by major category in accordance with the Fair Value Measurements and Disclosure topic of the ASC as of June 30, 2025, 2024 and 2023:

	Fair Value at June 30:			Redemption Frequency	Redemption Notice Period
	2025	2024	2023		
Distressed credit (A)	\$ 871	\$ 1,035,931	\$ 2,220,921	Monthly to semi-annually	30-90 days
Real estate debt (B)	211,736	2,703,204	6,781,324	Quarterly	65-95 days
Global private equity (C)	-	-	1,718,146	Quarterly	1 year
Equity long/short hedge funds (D)	2,202	6,735	9,391	Annually	65-95 days lockout period
	<u>\$ 214,809</u>	<u>\$ 3,745,870</u>	<u>\$ 10,729,782</u>		

- (A) Distressed credit hedge funds seek to achieve positive investment returns primarily through undervalued structured investments, credit securities and loans. Distressed securities are designed to provide returns through a combination of price appreciation and yield.
- (B) Real estate debt investments include investments in public and private real estate debt, including, but not limited to, commercial mortgage-backed securities, mortgages, loans, mezzanine and other forms of debt and equity interests in collateralized debt obligation vehicles (CDOs), collateralized loan obligation vehicles (CLOs), real estate investment trusts (REITs), listed vehicles and other entities that invest in real estate debt as one of their core businesses. The investments in this fund have redemption restrictions including a holdback and a lock-up period for the first 12 months.
- (C) Global private equity investments seek to provide attractive risk-adjusted returns through a flexible and diversified approach. These investments utilize an integrated portfolio combining control-oriented direct equity investments, private debt investments, secondary private equity investments and primary fund commitments.
- (D) The equity long/short hedge funds seek to achieve positive investment returns in rising and falling markets with substantially less volatility than traditional equity and fixed income securities. All funds in this category cannot be redeemed because the investments are currently in lock-up period and expected to be liquidated and paid out over the next year.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

10. FAIR VALUE MEASUREMENTS AND DISCLOSURES, continued:

Collateral-dependent loans are evaluated for specific impairment utilizing the estimated fair value of the collateral itself. The estimated fair value of collateral-dependent loans utilizing the estimated fair value of the collateral itself is based on the appraised fair value of the collateral, less estimated cost to sell. These loans are classified within Level 3 of the fair value hierarchy. The following presents quantitative information about Level 3 fair value measurements for assets measured at fair value on a non-recurring basis:

- (A) Valuation Techniques - Sales comparison approach
- (B) Unobservable Inputs - Adjustment for differences between the comparable sales
- (C) Range (Weighted Average) - Not available

Assets measured at fair value on a non-recurring basis are summarized below:

	Total	Level 1	Level 2	Level 3
Collateral-dependent loans:				
Real estate-commercial:				
June 30, 2025	\$ 8,505,950	\$ -	\$ -	\$ 8,505,950
June 30, 2024	\$ 11,116,798	\$ -	\$ -	\$ 11,116,798
June 30, 2023	\$ 7,149,375	\$ -	\$ -	\$ 7,149,375

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

11. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects the Organization's financial assets as of June 30, 2025, 2024 and 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, assets held for others, assets held in trusts and assets held for annuities, perpetual and term endowments and accumulated earnings subject to appropriation beyond one year, and liquidity reserve limits required for church extension funds.

	June 30,		
	2025	2024	2023
Financial assets:			
Cash and cash equivalents	\$ 3,024,656	\$ 3,381,587	\$ 3,277,781
Cash held for trusts and annuities (A)	12,076,255	17,589,966	18,970,967
Interest receivable	1,287,493	1,417,092	1,140,690
Contributions receivable	3,302,000	-	-
Other receivables (B)	543,655	541,567	665,604
Investments (A)	206,540,303	190,293,784	181,931,456
Loans receivable	248,963,133	244,856,427	255,644,367
Less: allowance for credit losses	<u>(3,900,000)</u>	<u>(5,700,000)</u>	<u>(1,900,000)</u>
Financial assets, at year-end	471,837,495	452,380,423	459,730,865
Less those unavailable for general expenditure within one year, due to:			
Loans receivable collectible beyond one year	(236,568,860)	(230,232,743)	(244,216,764)
Due to Denomination and its consolidated entities	(47,048,856)	(31,943,392)	(22,136,895)
Trust agreements held for others	(73,394,973)	(69,298,644)	(66,541,415)
Investments held for annuities	(19,458,247)	(17,890,210)	(17,090,267)
Endowments and accumulated earnings subject to appropriation beyond one year	(21,452,620)	(123,085)	(112,594)
Donor-imposed purpose restrictions	(312,500)	(250,000)	-
Church extension fund required reserves (C)	<u>(18,628,825)</u>	<u>(19,575,280)</u>	<u>(21,316,760)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 54,972,614</u>	<u>\$ 83,067,069</u>	<u>\$ 88,316,170</u>

- (A) Includes agreement accounts that are eliminated upon consolidation between the Trust Fund and Annuity Fund.
- (B) Included in other assets on the consolidated statements of financial position.
- (C) The North American Securities Administrators Association's statement of policy regarding church extension fund securities states that at the end of its most recent fiscal year as reported in is audited consolidated financial statements, the church extension fund's cash, cash equivalents, readily marketable securities and available lines of credit shall have a value of at least 8% of the principal balance of its total outstanding certificates, except that the value of available lines of credit for meeting this standard shall not exceed 2% of the principal balance of its total outstanding certificates.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

11. LIQUIDITY AND FUNDS AVAILABLE, continued:

The Organization manages its cash available to meet general expenditures following three guiding principles: (1) operating within a prudent range of financial soundness and stability; (2) maintaining adequate liquid assets; and (3) maintaining sufficient reserves to provide reasonable assurance that annuity payments and obligations under endowments with donor restrictions will continue to be met, ensuring the sustainability of the Organization. The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

12. NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION (NASAA):

The information furnished below is intended to demonstrate compliance based upon the consolidated financial figures of the Organization. The information furnished below is as of and for the year ended June 30, 2025.

Liquidity Status

As of June 30, 2025, the Organization has cash, cash equivalents and readily marketable securities included in the Operating Fund equal to 22.5% of the total outstanding investment certificates payable (which is greater than the NASAA SOP minimum standard of 8%) as follows:

Cash and cash equivalents	\$ 5,747,755
Readily marketable securities:	
Equity securities	6,115,702
Bonds, bond funds and notes	<u>40,541,627</u>
	<u>\$ 52,405,084</u>
Investment certificates*	\$232,860,312
Percentage of investment certificates	22.5%

* Includes eliminating entries upon consolidation between the Trust Fund and Annuity Fund.

ORCHARD ALLIANCE AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2025, 2024, and 2023

12. NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION (NASAA), continued:

Cash Flow Performance

The ratio of available cash, cash equivalents and readily marketable securities as compared to cash redemptions was at least one to one for the year ended June 30, 2025. The Organization's ratio of available cash to cash redemptions for June 30, 2025 would have been at least one to one (1:1) as follows:

Net cash from operating activities	\$ (1,645,211)
Liquid assets, including cash, cash equivalents, readily marketable securities (at beginning of year)	63,847,986
Loan repayments	27,298,911
Cash from sale of certificates	1,114,771
Additions (withdrawals) of agreement accounts	(14,465,852)
Loan disbursements	<u>(32,596,814)</u>
Total available cash	<u>\$ 43,553,791</u>
Redemption of certificates	\$ 5,970,746
Ratio	7.29

13. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through September 12, 2025, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

SUPPLEMENTAL INFORMATION

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTAL INFORMATION**

Board of Directors
Orchard Alliance and Subsidiaries
Colorado Springs, Colorado

We have audited the consolidated financial statements of Orchard Alliance and Subsidiaries as of and for the years ended June 30, 2025, 2024, and 2023, and our report thereon dated September 12, 2025, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Capin Crouse LLC

Colorado Springs, Colorado
September 12, 2025

ORCHARD ALLIANCE AND SUBSIDIARIES

Consolidating Statement of Financial Position

June 30, 2025

	Operating Fund	Trust Fund	Annuity Fund	Orchard LLCs	Eliminations	Total
ASSETS:						
Cash and cash equivalents	\$ 3,024,656	\$ -	\$ -	\$ -	\$ -	\$ 3,024,656
Cash held for trusts and annuities	-	11,675,444	400,811	-	(11,814,828)	261,427
Interest receivable	1,287,493	-	-	-	-	1,287,493
Contributions receivable	-	3,302,000	-	-	-	3,302,000
Investments	49,593,035	118,039,341	20,656,307	-	(43,476,295)	144,812,388
Other assets	404,524.00	98,328	40,568	271,543	(98,000)	716,963
Loans receivable	248,963,133	-	-	-	-	248,963,133
Allowance for credit losses	(3,900,000)	-	-	-	-	(3,900,000)
Property and equipment, net	557,711	-	-	-	-	557,711
Investments held for endowment	-	18,251,620	-	-	-	18,251,620
Total Assets	\$ 299,930,552	\$ 151,366,733	\$ 21,097,686	\$ 271,543	\$ (55,389,123)	\$ 417,277,391
LIABILITIES AND NET ASSETS:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 710,343	\$ 237,107	\$ 39,158	\$ -	\$ -	\$ 986,608
Annuities payable and residuum held for others	-	-	19,458,247	-	-	19,458,247
Investment certificates:						
Agreement accounts	189,895,373	-	-	-	(55,291,123)	134,604,250
Term certificates	42,964,939	-	-	-	-	42,964,939
Funds held for the Denomination and its consolidated entities	173,308	46,875,548	-	-	-	47,048,856
Trust agreements held for others	-	73,492,973	-	-	(98,000)	73,394,973
Total liabilities	233,743,963	120,605,628	19,497,405	-	(55,389,123)	318,457,873
Net assets:						
Without donor restrictions						
Undesignated	65,874,089	58,986	1,600,281	-	-	67,533,356
Donor advised	-	9,094,386	-	271,543	-	9,365,929
	<u>65,874,089</u>	<u>9,153,372</u>	<u>1,600,281</u>	<u>271,543</u>	<u>-</u>	<u>76,899,285</u>
With donor restrictions						
	<u>312,500</u>	<u>21,607,733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,920,233</u>
Total net assets	66,186,589	30,761,105	1,600,281	271,543	-	98,819,518
Total Liabilities and Net Assets	\$ 299,930,552	\$ 151,366,733	\$ 21,097,686	\$ 271,543	\$ (55,389,123)	\$ 417,277,391

See notes to consolidated financial statements

ORCHARD ALLIANCE AND SUBSIDIARIES

Consolidating Statement of Financial Position

June 30, 2024

	Operating Fund	Trust Fund	Annuity Fund	Orchard LLCs	Eliminations	Total
ASSETS:						
Cash and cash equivalents	\$ 3,381,587	\$ -	\$ -	\$ -	\$ -	\$ 3,381,587
Cash held for trusts and annuities	-	16,234,013	1,355,953	-	(17,227,083)	362,883
Interest receivable	1,417,092	-	-	-	-	1,417,092
Investments	63,411,296	108,673,963	18,085,440	-	(31,511,113)	158,659,586
Other assets	253,459	79,209	38,820	347,289	(70,000)	648,777
Loans receivable	244,856,427	-	-	-	-	244,856,427
Allowance for credit losses	(5,700,000)	-	-	-	-	(5,700,000)
Property and equipment, net	685,124	-	-	-	-	685,124
Investments held for endowment	-	123,085	-	-	-	123,085
Total Assets	\$ 308,304,985	\$ 125,110,270	\$ 19,480,213	\$ 347,289	\$ (48,808,196)	\$ 404,434,561
LIABILITIES AND NET ASSETS:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 608,024	\$ 40,587	\$ 6,556	\$ -	\$ -	\$ 655,167
Annuities payable and residuum held for others	-	-	17,890,210	-	-	17,890,210
Investment certificates:						
Agreement accounts	197,808,298	-	-	-	(48,738,196)	149,070,102
Term certificates	46,882,699	-	-	-	-	46,882,699
Funds held for the Denomination and its consolidated entities	38,160	31,905,232	-	-	-	31,943,392
Trust agreements held for others	-	69,368,644	-	-	(70,000)	69,298,644
Total liabilities	245,337,181	101,314,463	17,896,766	-	(48,808,196)	315,740,214
Net assets:						
Without donor restrictions						
Undesignated	62,717,804	58,986	1,583,447	-	-	64,360,237
Donor advised	-	23,366,699	-	347,289	-	23,713,988
	62,717,804	23,425,685	1,583,447	347,289	-	88,074,225
With donor restrictions						
	250,000	370,122	-	-	-	620,122
Total net assets	62,967,804	23,795,807	1,583,447	347,289	-	88,694,347
Total Liabilities and Net Assets	\$ 308,304,985	\$ 125,110,270	\$ 19,480,213	\$ 347,289	\$ (48,808,196)	\$ 404,434,561

See notes to consolidated financial statements

ORCHARD ALLIANCE AND SUBSIDIARIES

Consolidating Statement of Financial Position

June 30, 2023

	Operating Fund	Trust Fund	Annuity Fund	Orchard LLCs	Eliminations	Total
ASSETS:						
Cash and cash equivalents	\$ 3,277,781	\$ -	\$ -	\$ -	\$ -	\$ 3,277,781
Cash held for trusts and annuities	-	17,655,200	1,315,767	-	(18,702,564)	268,403
Interest receivable	1,140,690	-	-	-	-	1,140,690
Investments	71,732,498	92,750,226	17,336,138	-	(27,273,791)	154,545,071
Other assets	132,525	206,041	44,320	416,668	(65,000)	734,554
Loans receivable	255,644,367	-	-	-	-	255,644,367
Allowance for credit losses	(1,900,000)	-	-	-	-	(1,900,000)
Property and equipment, net	665,662	-	-	-	-	665,662
Investments held for endowment	-	112,594	-	-	-	112,594
	<u>\$ 330,693,523</u>	<u>\$ 110,724,061</u>	<u>\$ 18,696,225</u>	<u>\$ 416,668</u>	<u>\$ (46,041,355)</u>	<u>\$ 414,489,122</u>
Total Assets	\$ 330,693,523	\$ 110,724,061	\$ 18,696,225	\$ 416,668	\$ (46,041,355)	\$ 414,489,122
LIABILITIES AND NET ASSETS:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 654,440	\$ 22,489	\$ -	\$ -	\$ -	\$ 676,929
Annuities payable and residuum held for others	-	-	17,090,267	-	-	17,090,267
Investment certificates:						
Agreement accounts	204,043,022	-	-	-	(45,976,355)	158,066,667
Term certificates	62,416,479	-	-	-	-	62,416,479
Funds held for the Denomination and its consolidated entities	-	22,136,895	-	-	-	22,136,895
Trust agreements held for others	-	66,606,415	-	-	(65,000)	66,541,415
Total liabilities	267,113,941	88,765,799	17,090,267	-	(46,041,355)	326,928,652
Net assets:						
Without donor restrictions						
Undesignated	63,579,582	58,986	1,605,958	-	-	65,244,526
Donor advised	-	21,571,507	-	416,668	-	21,988,175
	<u>63,579,582</u>	<u>21,630,493</u>	<u>1,605,958</u>	<u>416,668</u>	<u>-</u>	<u>87,232,701</u>
With donor restrictions						
	<u>-</u>	<u>327,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>327,769</u>
Total net assets	63,579,582	21,958,262	1,605,958	416,668	-	87,560,470
Total Liabilities and Net Assets	\$ 330,693,523	\$ 110,724,061	\$ 18,696,225	\$ 416,668	\$ (46,041,355)	\$ 414,489,122

See notes to consolidated financial statements

ORCHARD ALLIANCE AND SUBSIDIARIES

Consolidating Statement of Activities

Year Ended June 30, 2025

	Operating Fund	Trust Fund	Annuity Fund	Orchard LLCs	Eliminations	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:						
Support, revenue, and reclassifications:						
Contributions	\$ 4,049,038	\$ 277,970	\$ 330,461	\$ -	\$ -	\$ 4,657,469
Contributions for donor advised funds	-	5,059,864	-	-	-	5,059,864
Management and service fees	1,240,322	-	-	-	-	1,240,322
Interest income on loans receivable	13,724,018	-	-	-	-	13,724,018
Interest and dividend income on investments, net	1,927,295	232,911	-	-	(266,050)	1,894,156
Net realized and unrealized gains (losses) on investments	1,812,761	1,251,272	-	-	-	3,064,033
Change in value of split-interest agreements	-	-	16,834	-	-	16,834
Service agreements	313,188	-	-	-	-	313,188
Other	12,971	-	-	-	-	12,971
Net assets released from restrictions	187,500	120,377	-	-	-	307,877
Transfer per donor stipulation	-	(15,000,000)	-	-	-	(15,000,000)
Total support, revenue, and reclassifications	23,267,093	(8,057,606)	347,295	-	(266,050)	15,290,732
Expenses:						
Program services:						
Foundation	7,238,088	6,214,707	330,461	75,746	-	13,859,002
Church loan fund	10,288,584	-	-	-	(266,050)	10,022,534
	17,526,672	6,214,707	330,461	75,746	(266,050)	23,881,536
Supporting activities:						
Management and general	2,584,136	-	-	-	-	2,584,136
Total expenses	20,110,808	6,214,707	330,461	75,746	(266,050)	26,465,672
Change in Net Assets Without Donor Restrictions	3,156,285	(14,272,313)	16,834	(75,746)	-	(11,174,940)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:						
Contributions	250,000	5,323,840	-	-	-	5,573,840
Net realized and unrealized gains (losses) on investments	-	1,126,072	-	-	-	1,126,072
Change in value of split-interest agreements	-	(91,924)	-	-	-	(91,924)
Net assets released from restrictions	(187,500)	(120,377)	-	-	-	(307,877)
Transfer per donor stipulation	-	15,000,000	-	-	-	15,000,000
Change in Net Assets With Donor Restrictions	62,500	21,237,611	-	-	-	21,300,111
Change in Net Assets	3,218,785	6,965,298	16,834	(75,746)	-	10,125,171
Net Assets, Beginning of Year	62,967,804	23,795,807	1,583,447	347,289	-	88,694,347
Net Assets, End of Year	\$ 66,186,589	\$ 30,761,105	\$ 1,600,281	\$ 271,543	\$ -	\$ 98,819,518

See notes to consolidated financial statements

ORCHARD ALLIANCE AND SUBSIDIARIES

Consolidating Statement of Activities

Year Ended June 30, 2024

	Operating Fund	Trust Fund	Annuity Fund	Orchard LLCs	Eliminations	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:						
Support, revenue, and reclassifications:						
Contributions	\$ 9,260,382	\$ 583,644	\$ 82,168	\$ -	\$ -	\$ 9,926,194
Contributions for donor advised funds	-	4,033,938	-	-	-	4,033,938
Management and service fees	1,083,655	-	-	-	-	1,083,655
Interest income on loans receivable	13,296,413	-	-	-	-	13,296,413
Interest and dividend income on investments, net	1,888,309	263,104	-	-	(221,613)	1,929,800
Net realized and unrealized gains (losses) on investments	2,760,701	2,562,375	-	(69,379)	-	5,253,697
Change in value of split-interest agreements	-	-	(22,511)	-	-	(22,511)
Service agreements	236,266	-	-	-	-	236,266
Other	40,456	-	-	-	-	40,456
Total support, revenue, and reclassifications	28,566,182	7,443,061	59,657	(69,379)	(221,613)	35,777,908
Expenses:						
Program services:						
Foundation	12,473,913	5,647,869	82,168	-	-	18,203,950
Church loan fund	13,438,503	-	-	-	(221,613)	13,216,890
	25,912,416	5,647,869	82,168	-	(221,613)	31,420,840
Supporting activities:						
Management and general	2,115,544	-	-	-	-	2,115,544
Total expenses	28,027,960	5,647,869	82,168	-	(221,613)	33,536,384
Change in Net Assets Without Donor Restrictions	538,222	1,795,192	(22,511)	(69,379)	-	2,241,524
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:						
Contributions	250,000	-	-	-	-	250,000
Change in value of split-interest agreements	-	42,353	-	-	-	42,353
Change in Net Assets With Donor Restrictions	250,000	42,353	-	-	-	292,353
Change in Net Assets	788,222	1,837,545	(22,511)	(69,379)	-	2,533,877
Net Assets, Beginning of Year, Before Change in Accounting Principle						
	63,579,582	21,958,262	1,605,958	416,668	-	87,560,470
Effect of Change in Accounting Principle	(1,400,000)	-	-	-	-	(1,400,000)
Net Assets, Beginning of Year, as Adjusted After Change in Accounting Principle						
	62,179,582	21,958,262	1,605,958	416,668	-	86,160,470
Net Assets, End of Year	\$ 62,967,804	\$ 23,795,807	\$ 1,583,447	\$ 347,289	\$ -	\$ 88,694,347

See notes to consolidated financial statements

ORCHARD ALLIANCE AND SUBSIDIARIES

Consolidating Statement of Activities

Year Ended June 30, 2023

	Operating Fund	Trust Fund	Annuity Fund	Orchard LLCs	Eliminations	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:						
Support, revenue, and reclassifications:						
Contributions	\$ 4,006,588	\$ 970,376	\$ 202,208	\$ -	\$ -	\$ 5,179,172
Contributions for donor advised funds	-	5,456,154	-	500,000	-	5,956,154
Management and service fees	1,033,229	-	-	-	-	1,033,229
Interest income on loans receivable	11,466,438	-	-	-	-	11,466,438
Interest and dividend income on investments, net	1,984,175	186,011	-	2,611	(135,286)	2,037,511
Net realized and unrealized gains on investments	1,445,859	1,470,340	-	-	-	2,916,199
Change in value of split-interest agreements	-	-	121,262	-	-	121,262
Service agreements	269,622	-	-	-	-	269,622
Other	19,725	-	-	-	-	19,725
Total support, revenue, and reclassifications	20,225,636	8,082,881	323,470	502,611	(135,286)	28,999,312
Expenses:						
Program services:						
Foundation	6,862,022	5,005,764	202,208	200,583	-	12,270,577
Church loan fund	10,079,566	-	-	-	(135,286)	9,944,280
	16,941,588	5,005,764	202,208	200,583	(135,286)	22,214,857
Supporting activities:						
Management and general	1,689,616	-	-	-	-	1,689,616
Total expenses	18,631,204	5,005,764	202,208	200,583	(135,286)	23,904,473
Change in Net Assets Without Donor Restrictions	1,594,432	3,077,117	121,262	302,028	-	5,094,839
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:						
Change in value of split-interest agreements	-	25,410	-	-	-	25,410
Change in Net Assets With Donor Restrictions	-	25,410	-	-	-	25,410
Change in Net Assets	1,594,432	3,102,527	121,262	302,028	-	5,120,249
Net Assets, Beginning of Year	61,985,150	18,855,735	1,484,696	114,640	-	82,440,221
Net Assets, End of Year	\$ 63,579,582	\$ 21,958,262	\$ 1,605,958	\$ 416,668	\$ -	\$ 87,560,470

See notes to consolidated financial statements