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CHRISTIAN FINANCIAL RESOURCES, INC.

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1-800-881-3863/407-268-5000
www.cfrministry.org

OFFERING CIRCULAR
$600,000,000

We – Christian Financial Resources, Inc. – are offering the following certificates on the terms described in "Description of Certificates" beginning on page 21:

- ***Demand Certificates (Ready Access):*** Demand Certificates are payable on demand at any time, subject to up to thirty (30) days' prior notice. They earn an adjustable rate of interest based in part on the amount invested. Additions to principal and partial redemptions are permitted at any time without penalty or service fee, subject to restrictions. The minimum initial investment is $2,000, though we may waive or lower this minimum investment amount in our discretion.
- ***Time Certificates:*** Certificates for various terms with a minimum initial investment of $20,000, though we may waive or lower this minimum investment amount in our discretion. Fixed interest rate varies primarily based on dollar amount invested and years until maturity.

For current interest rates please call 1-800-881-3863 or visit our website at www.cfrministry.org. The aggregate amount of the Certificates being offered may be sold in any one or more of the offered categories.

Interest rates on all Certificates offered by us are established for each type and term according to a procedure set forth under "Description of Certificates" beginning on page 21. **We reserve the right to change the method by which interest is determined or the frequency with which interest is paid to you or added to the Certificates. See "Description of Certificates."**

THIS OFFER IS SUBJECT TO CERTAIN RISK FACTORS BEGINNING ON PAGE 9.

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 HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED 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 YOU MUST RELY ON YOUR OWN EXAMINATION OF US AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURES, MERITS AND RISKS INVOLVED.

NOTE: Investments offered by Christian Financial Resources, Inc. are not bank deposits or obligations and are not insured by the Federal Deposit Insurance Corporation (FDIC), the Securities Investor Protection Corporation (SIPC) or any other federal or state agency.

This Offering Circular is dated May 1, 2023, and may be used until the expiration of the periods of time authorized in the various states, which is typically 12 months.

This offering is not underwritten and no commission or discounts will be paid or provided by us in connection with the sale of Certificates. We will receive 100% of the proceeds from the sale of the Certificates. We will bear all expenses, including securities registration fees, printing, mailing, accounting fees and attorney's fees, incurred in this offering, which are estimated to be less than 0.1% of the total offering amount.

No sinking fund or trust indenture will be used by us in conjunction with the issuance of the Certificates. You must rely solely upon our financial condition for repayment of the Certificates. The Certificates are our unsecured debts and are of equal priority with all of our other current indebtedness, except to the extent of any senior secured indebtedness (see Risk Factor 3 "Senior Secured Indebtedness"). We reserve the right to issue future obligations, or draw upon our existing lines of credit or obtain additional lines of credit, secured by a first lien on our assets. We will not create, incur, or voluntarily permit any material lien upon any of our assets or otherwise incur material indebtedness having a prior claim to our assets or otherwise senior to the Certificates. The term "material," as used in this paragraph, means an amount that exceeds ten percent (10%) of our tangible assets (total assets less intangible assets as defined by U.S. GAAP as defined below). The Certificates are non-negotiable and may be assigned only upon our prior written consent.

THE CERTIFICATES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC), THE SECURITIES INVESTOR PROTECTION CORPORATION (SIPC), ANY STATE BANK OR INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST OWED ON THE CERTIFICATES IS DEPENDENT UPON OUR FINANCIAL CONDITION. YOU ARE ENTITLED TO REVIEW OUR FINANCIAL STATEMENTS, WHICH WILL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST. THE CERTIFICATES ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY, ANY OTHER PERSON OR ENTITY.

THE OFFER AND SALE OF THE CERTIFICATES IS LIMITED TO: (i) PERSONS (INCLUDING ENTITIES OR ARRANGEMENTS CONTROLLED BY, OWNED BY, OR EXISTING FOR THE BENEFIT OF SUCH PERSONS) WHO, PRIOR TO RECEIPT OF THIS OFFERING CIRCULAR, ARE MEMBERS OF, CONTRIBUTORS TO, OR PARTICIPANTS IN CFR, INDEPENDENT CHRISTIAN CHURCHES, OR OTHER AUTONOMOUS CHURCHES OR CHURCH MINISTRIES ADHERING TO THE BELIEFS AND RELIGIOUS PRINCIPLES OF THE RESTORATION MOVEMENT CHRISTIAN CHURCHES, AND THEIR PARA-CHURCH MINISTRIES, OR IN ANY RELIGIOUS ORGANIZATION THAT HAS A PROGRAMMATIC RELATIONSHIP WITH ANY OF THE FOREGOING, (ii) INDEPENDENT CHRISTIAN CHURCHES, CHURCHES OF CHRIST, OR OTHER AUTONOMOUS CHURCHES OR CHURCH MINISTRIES ADHERING TO THE BELIEFS AND RELIGIOUS PRINCIPLES OF THE RESTORATION MOVEMENT CHRISTIAN CHURCHES, AND THEIR PARA-CHURCH MINISTRIES, OR ANY RELIGIOUS ORGANIZATION THAT HAS A PROGRAMMATIC RELATIONSHIP WITH ANY OF THE FOREGOING OR CFR, OR (iii) A FAMILY MEMBER OF SUCH A PERSON. FOR THIS PURPOSE, "FAMILY MEMBER" MEANS A SPOUSE, PARENT, GRANDPARENT, CHILD, SIBLING, AUNT, UNCLE, OR FIRST COUSIN.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT WITH OUR WRITTEN CONSENT AND AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

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 OR AUTHORIZED BY US.

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

YOU ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF CERTIFICATES THAT WOULD BE APPROPRIATE FOR YOU IN RELATION TO YOUR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS.

STATE SPECIFIC INFORMATION

California

Certificates will be redeemed at maturity unless you notify us, in writing, prior to maturity that you elect to reinvest the Certificate proceeds. At least thirty (30) days prior to maturity of a Time Certificate, we will send a written notice and, unless previously furnished, a new Offering Circular to you. The notice given by us will state the maturity date of the Time Certificate and that, unless written notice of intention to reinvest the amount due under the Time Certificate is received by us within twenty (20) days before or after the maturity date, the Time Certificate will cease to earn interest after the maturity date. Any redemption or payment of an amount due under a Time Certificate will be paid in full to the person the Time Certificate was issued to and will not be paid in installments or with other debt instruments, unless you expressly elect to rollover the Time Certificate into a new term for the same Certificate or a new Certificate.

Florida

These securities are offered pursuant to a claim of exemption from registration under Chapter 517.051(9), Florida statutes. We are registered with the Department of Banking and Finance as an issuer/dealer. Offers and sales of these securities will be made only through representatives registered with the Department of Banking and Finance as our associated persons.

Kentucky

These securities are issued pursuant to a claim of exemption from registration under Section KRS 292.400(9) of the Kentucky Securities Act.

Louisiana

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.

Oregon

Automatic renewal of Time Certificates, as provided in this Offering Circular, is available to Oregon residents only under limited circumstances. If written demand for payment is not made by Oregon residents at maturity, then unless you notify us, in writing, prior to maturity that you elect to rollover or reinvest the Certificate proceeds in the same or a different Certificate for a longer term, the maturing Certificate may be automatically renewed on the date of maturity as a Demand Certificate, at the current interest rate then in effect for a Demand Certificate (which may be higher or lower than the previous rate) and under the terms described in the then current Offering Circular.

South Carolina

Demand Certificates are not available for sale in the State of South Carolina. Therefore, Demand Certificates offered in South Carolina have a thirty-day term. You will not have the right to redeem a Demand Certificate in South Carolina before its maturity. However, we may allow early redemption of any Certificate we issue and we do not assess an early redemption penalty on Demand Certificates. Demand Certificates owned by South Carolina residents will automatically renew for successive thirty-day terms upon maturity.

If you were a resident of the State of South Carolina when you purchased a Time Certificate, you may declare an "event of default" on your Time Certificate only if one of the following occurs:

- We do not pay overdue principal and interest on the Time Certificate within thirty days after we receive written notice from you that we failed to pay the principal or interest when due; or

• A South Carolina resident who owns a Time Certificate of the “same issue” as your Time Certificate (i.e., the same type, term and offering) has rightfully declared an event of default as to his or her Time Certificate.

To declare an event of default, you must submit a written declaration to us. The rightful declaration of an event of default as to any one Time Certificate of an issue constitutes an event of default on the entire issue in South Carolina. Upon a rightful declaration of an event of default on a Time Certificate:
• The principal and interest on your Time Certificate becomes immediately due and payable;
• If you request in writing, we will send you a list of names and addresses of all investors in the State of South Carolina who own a Time Certificate of the same issue as your Time Certificate; and
• The owners of 25% or more of the total principal amount of Time Certificates of the same issue outstanding in the State of South Carolina can declare the entire issue in the State of South Carolina due and payable.

South Dakota

These securities are offered pursuant to a claim of exemption from registration under SDCL 47-31B-201(7)(B) of the South Dakota Securities Act. Neither the South Dakota Division of Insurance nor the 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.

Washington

If you are a resident of Washington, your Time Certificate will not be automatically renewed at maturity and will stop earning interest as of its maturity date. We will notify you of the upcoming maturity approximately thirty (30) days before your Time Certificate matures, at which time you will have the opportunity to notify us of your intention to renew the Time Certificate for an additional like term at the then offered interest rate for that term or reinvest the principal balance and accrued but unpaid interest of the Time Certificate in another form of Certificate that is available for sale in Washington at that time. If you do not affirmatively elect to renew or reinvest, the principal balance and accrued but unpaid interest of the Time Certificate will be paid to you at the address you last provided to us. Washington residents will only be able to renew their Time Certificate or reinvest in other Certificates if we are qualified to make sales of securities in Washington at that time. We cannot assure you that we will be so qualified in the future.

If you are a resident of Washington and the amount invested in your Certificate falls below the minimum amount, the Certificate may be fully redeemed only upon thirty (30) days written notice to you or, in lieu of a full redemption, the interest rate on the Certificate may be reduced. See “Description of Certificates.”

FORWARD LOOKING STATEMENTS

An investment in the Certificates involves certain risks. You are encouraged to review all the materials contained in this Offering Circular and to consult your own attorneys and financial advisors.

This Offering Circular includes "forward-looking statements" within the meaning of the federal and state securities laws. Statements about us and our 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 we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot assure you that our 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, you should not consider our forward-looking statements as predictions of future events or circumstances. A number of factors could cause our actual results, performance, achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by our forward-looking statements. These factors include, but are not limited to: changes in economic conditions in general and in our business; changes in prevailing interest rates and the availability of and terms of financing to fund our business; changes in our capital expenditure plans; and other factors discussed in this Offering Circular. Given these uncertainties, you should not rely on our forward-looking statements in making an investment decision. We disclaim any obligation to update you about any factors that may affect the likelihood of realization of our expectations. All written and oral forward-looking statements attributable to us, including statements before and after the date of this Offering Circular, are deemed to be supplements to this Offering Circular and are incorporated into this Offering Circular by this reference, and are expressly qualified by these cautionary statements.

Although we believe that the forward-looking statements are reasonable, you should not place undue reliance on any forward-looking statements, which speak only as of the date made. You should understand that the factors discussed under "**RISK FACTORS**" could affect our future results and performance. This could cause those results to differ materially from those expressed in the forward-looking statements.

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DEFINITIONS

The terms defined below apply to all portions of this Offering Circular except the Financial Statements, which must be read in the context of the terms separately defined in them.

Certificate – Term or demand unsecured debt obligation, issued by us, offered in this Offering Circular. For a further description of the terms of the Certificates, see "Description of Certificates."

CFR (or we, our or us) – Christian Financial Resources, Inc., a Florida not for profit corporation.

Demand Certificates – See "Description of Certificates – Demand Certificates."

Eligible Ministries – Independent Christian Churches, or other autonomous churches or church ministries adhering to the beliefs and religious principles of the Restoration Movement Christian Churches, and their para-church ministries, or any religious organization that has a programmatic relationship with any of the foregoing (each such entity is individually referred to as an "Eligible Ministry").

Financial Statements – The consolidated audited financial statements attached to this Offering Circular.

Florida Church Planters – Florida Church Planters, Inc., which may also do business as Florida Church Partners, a Florida nonprofit corporation. See "History and Operations."

Investor (or you or your) – (i) a person (including entities or arrangements controlled by, owned by, or existing for the benefit of that person) who purchases Certificates who, prior to the receipt of the Offering Circular, is a member of, contributor to, or participant in CFR, independent Christian Churches, or other autonomous churches or church ministries adhering to the beliefs and religious principles of the Restoration Movement Christian Churches, and their para-church ministries, or in any religious organization that has a programmatic relationship with any of the foregoing, (ii) independent Christian Churches, or other autonomous churches or church ministries adhering to the beliefs and religious principles of the Restoration Movement Christian Churches, and their para-church ministries, or any religious organization that has a programmatic relationship with any of the foregoing or CFR, or (iii) a family member of such a person. For this purpose, "family member" means a spouse, parent, grandparent, child, sibling, aunt, uncle or first cousin.

Loan – A fixed or adjustable interest rate loan originated by us to an Eligible Ministry or other non-denominational church for Ministry Activities. See "Lending Activities."

Ministry Activities – The acquisition of land and buildings, the construction of facilities (including church facilities, schools and any other facilities operated by Eligible Ministries and other non-denominational churches), renovation or expansion of existing facilities, the provision of financing for short term cash flow needs, and refinancing or consolidation of existing debt incurred for any of the preceding purposes for qualifying Eligible Ministries and other non-denominational churches.

Ministry Group – Ministry Group, Inc., a Florida nonprofit corporation. See "History and Operations."

Offering Circular – This disclosure document.

NASAA SOP – The North American Securities Administrators Association, Inc. Statement of Policy Regarding Church Extension Fund Securities adopted April 17, 1994, and amended April 18, 2004.

Ready Access Certificates – See "Description of Certificates – Demand Certificates."

Time Certificates – See "Description of Certificates."

U.S. GAAP – Generally Accepted Accounting Principles in the United States as established by the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB), Accounting Research Bulletins (ARB) and American Institute of Certified Public Accountants (AICPA).

SUMMARY OF OFFERING

The following is a summary of our offering and contains only selected information. This summary does not contain all of the information that you should consider before investing. The information provided in this summary should be read in conjunction with the detailed information contained in this Offering Circular, including our Financial Statements.

1. We may issue up to Six Hundred Million Dollars ($600,000,000) of our Certificates during the 12-month period ending April 30, 2023. This amount may be issued in any one or more of the types of Certificates and may be issued throughout the fifty (50) states and the District of Columbia to the extent qualified for offer and sale in those jurisdictions.

2. We offer and sell Certificates to Investors to make funds available for Loans for Ministry Activities.

3. Certificates offered pursuant to this Offering Circular bear a fixed or variable rate of interest and have various maturities (except in the case of Demand Certificates, which are demand obligations).

4. Interest payable on Certificates is taxable to you, except when the Certificates are held in an IRA, in the year in which the interest is paid or credited.

5. At maturity, unless you elect to redeem a Certificate, the Certificate will automatically renew for a term equal to the prior term at the then current interest rate for Certificates of that term, except in the case of a Certificate purchased under a promotion that specified a different initial rollover term, in which case the Certificate would automatically renew for that specified term.

6. The proceeds from the sale of our Certificates will be added to our general funds, which will be used primarily to make Loans to Eligible Ministries and other non-denominational churches, to pay interest on outstanding Certificates, to repay outstanding Certificates as they mature or are redeemed, to make grants and gifts, and to cover our overall operating expenses.

7. Below is a summary in tabular form of certain selected financial data with respect to our operations as of December 31, 2022. This data has been compiled by management from our Financial Statements, and it should be read in conjunction with our Financial Statements.

Description of Selected Financial Data	12/31/22
Cash and cash equivalents	$ 46,158,037
Investments	$ 58,380,058
Receivables:	
Loans receivable, net	$741,842,871
Interest and other receivables	$ 3,693,716
Unsecured Loans receivable as a percentage of total Loans	0.04%
Loan delinquencies 90 days or more past due as a percentage of total Loans	0.00%
Land, property and equipment, net	$ 7,040,317
Total Assets	$857,118,363
Investment certificates payable	$781,728,533
Investment certificates redemptions for the year then ended	$565,375,026
Other liabilities	$ 1,508,826
Total liabilities	$783,237,359
Total net assets	$ 73,881,004
Total net assets without donor restrictions	$ 73,237,202
Total net assets with donor restrictions	$ 643,802
Change in total net assets	$ 9,077,464

RISK FACTORS

Purchasing Certificates involves a number of risks. In addition to the factors set forth elsewhere in this Offering Circular, please carefully consider the following risk factors before deciding to purchase a Certificate:

1. **Unsecured and Uninsured General Obligations.** The Certificates are our general obligations. You are dependent solely upon our financial condition for repayment of principal and interest on the Certificates. The Certificates are unsecured and are not insured.

2. **No Sinking Fund or Trust Indenture.** No sinking fund or trust indenture has been or will be established. The absence of a sinking fund and trust indenture may adversely affect our ability to repay the Certificates.

3. **Senior Secured Indebtedness.** We have a $40,000,000 secured bank line of credit with Truist, which had no outstanding balance as of December 31, 2022. We also have a $25,000,000 secured bank line of credit with Fifth Third Bank, which had no outstanding balance as of December 31, 2022. We reserve the right to issue future obligations, or draw further upon our existing lines of credit or obtain additional lines of credit, secured by a first lien on our assets in an amount, together with our existing secured obligations, not to exceed ten percent (10%) of our tangible assets (total assets less intangible assets as defined by U.S. GAAP). To the extent we have any senior secured indebtedness, repayment of that indebtedness will have priority in our assets over all other unsecured creditors, including you.

4. **No Public Market for Certificates.** No public market exists for the Certificates and none will develop, so you should consider the purchase of a Certificate as an investment for the full term of the Certificate.

5. **Liquidity.** It is our practice to maintain at all times an aggregate operating and reserve liquidity of cash, cash equivalents, readily marketable securities and immediately available funds through a line of credit, equal to at least 8% of our principal balance of all outstanding Certificates (with no more than 2% from an available line of credit). As of December 31, 2022, we maintained, and plan to continue to maintain in 2023, cash, cash equivalents, and readily marketable securities in an amount equal to or in excess of this amount. There can be no assurance, however, that this practice will be continued in the future.

6. **Future Offerings.** There can be no assurance that we will continue to offer and sell Certificates in the future. Conversely, the total amount of this offering is not a limitation on the amount of Certificates we may sell in this and other offerings from time to time. We have sold our Certificates in prior years and anticipate that we will continue to sell additional Certificates as part of a continuous offering process. See “Financing and Operational Activities.”

7. **Tax Consequences.** You will not receive a charitable deduction upon the purchase of a Certificate, and interest paid or payable on the Certificates will be taxable as ordinary income to you regardless of whether the interest is paid directly to you or retained and compounded. If interest paid is below the market rate of interest, the Internal Revenue Service may impute income up to the market interest rate level. See “Tax Aspects.”

8. **Loan Collection Risks.** Our loan portfolio consists of Loans made primarily to Eligible Ministries and other non-denominational churches. In the normal course, neither trustees, elders, deacons, nor any other member of a borrower will be required to personally guarantee any Loan. The ability of each borrower to repay our Loan generally depends upon the contributions received from our members. The number of members of each borrower and our revenue is likely to fluctuate. We must rely on the borrower’s continued financial viability for repayment of Loans. If a borrower experiences a decrease in contributions or revenues, payments on that Loan may be adversely affected. Contributions may decline for a variety of reasons including, but not limited to, the impact of a softening economy, increased job losses or other economic difficulties encountered by church members, and/or a decline in the business prospects of donors. Our remedies as a creditor upon default by any of our borrowers will be subject to various laws, regulations and legal principles that provide protections to borrowers. Our legal and contractual remedies, including those specified in our loan agreements and collateral documents, typically require judicial actions, which are often subject to discretion and delay. Under existing laws (including, without limitation, the Federal Bankruptcy Code), the remedies specified by our loan agreements and collateral documents may not be readily available or may be limited. A court may refuse to order the specific performance of the covenants contained in the loan agreements and collateral

documents. In addition, the laws of a particular jurisdiction may change or make it impractical or impossible to enforce specific covenants in the loan agreements and collateral documents. In addition, the various security interests established under our mortgages and deeds of trust may be subject to other claims and interests such as statutory liens; rights arising in favor of the United States or any agency thereof; constructive trusts or equitable liens imposed or conferred by any state or federal court; and bankruptcy or receivership laws affecting amounts earned by the borrower after institution of bankruptcy or receivership proceedings by or against the borrower. See "Lending Activities."

9. **Special Purpose of Borrower Properties.** Although the Loans made by us are primarily secured by a first mortgage on the borrower's property with loan-to-value ratios not exceeding 90%, typically that property is improved for church, charitable or educational uses and may have a lower fair market value than general purpose properties. As a result, there is no assurance that those properties can be sold for an amount that will be sufficient to repay the amounts owed by borrowers under the Loans.

10. **Loan Policies.** Our relationship to our borrowers and our Loan delinquencies cannot be compared to that of a normal commercial lender. Recognizing the relationship to our borrowers, our loan eligibility and approval criteria may be more flexible than might be applied by a normal commercial lender. In addition, in view of the relationship to our borrowers, we may be willing to renegotiate the terms of Loans and, accordingly, the timing and amount of collections on the Loans may be modified. As a result, our Loans may involve a higher risk of loss than loans made by commercial lenders. See "Lending Activities."

11. **Future Changes in Federal or State Laws.** Changes in federal laws or the laws of the various states in which we offer our Certificates may make it more difficult or costly for us to offer and sell Certificates in the future. Further, while we strive to comply with all applicable laws, if we find that we have not done so in all cases, it is possible that we may be subject to future regulatory actions, which could include fines, orders or the institution of repurchase offers.

12. **Certificate Repayment Ability.** We use principal and interest payments on Loans and earnings from investments, and may use proceeds from the sale of new Certificates on a cash-flow basis, to pay interest and principal on Certificates (see "Use of Proceeds"). Future market conditions could affect our ability to repay Certificates. For example, if yields on our investments fall below Certificate interest rates, if demand for new Certificates decreases significantly or ceases altogether, if there is a significant decrease in the renewal rate of maturing Certificates resulting in a significant increase in redemptions, or if a substantial percentage of borrowers defaults on Loan payments, our resulting financial condition could adversely affect our ability to repay Certificates.

13. **Geographic Concentration of Loans.** There are risks related to geographic concentration of Loans to borrowers within a limited region such that changes in economic conditions of that region could affect the ability of the borrowers, as a group, to repay the Loans. Although we have no geographic restrictions on where the Loans are made other than where Eligible Ministries and other non-denominational churches are located, aggregate Loans equal to or in excess of five percent (5%) of total balances of Loans outstanding as of December 31, 2022, were located in the following states:

State	Number of Loans	Principal Amount Outstanding	Percentage of Portfolio
Florida	98	$ 122,227,259	16%
Illinois	22	82,240,548	11%
Ohio	41	59,666,114	8%
Kentucky	22	42,425,806	6%
Virginia	28	41,211,726	5%
Total	211	$ 347,771,453	46%

14. **Future Material Loan Losses.** Our allowance for doubtful loans is maintained at a level considered adequate to provide for potential losses. As of December 31, 2022, the aggregate allowance for doubtful loans was $6,000,000. There is a risk that loan losses could be greater than our present allowance for loan losses which, if significantly greater than anticipated, could adversely affect our financial condition.

15. **Competition from Other Lenders.** The availability and cost of loans offered by banks, other corporations, and loan programs may affect overall demand for Loans from us. Any decrease in the demand for Loans could adversely affect our financial condition.

16. **Other Investment Opportunities.** Other investment opportunities may yield a higher rate of return with less risk than the Certificates. This may adversely affect sales of the Certificates.

17. **Interest Rate Fluctuation.** Interest rates will fluctuate in the future. You should be aware that if interest rates rise or fall, we are not obligated to redeem any Certificate prior to its maturity. Interest rate fluctuations may also adversely affect our profitability if we are unable to maintain a sufficient spread between the interest rates we pay on Certificates and borrowed funds and the interest rates we receive on Loans and investments. In particular, rapid changes in interest rates could significantly and adversely affect our profitability.

18. **Minimum Balances Required.** You may be required to maintain a minimum investment amount in each Certificate. If the amount invested in a Certificate falls below the minimum amount (except in certain states; see "State Specific Information"), the Certificate may be fully redeemed without notice to you or, in lieu of a full redemption, the interest rate on the Certificate may be reduced. "Description of Certificates."

19. **Interest Rate on Automatic Rollover or Reinvestment at Maturity.** Upon maturity of a Certificate, if you do not choose to redeem the Certificate or to reinvest the amount due thereunder into a new Certificate, then it will be automatically renewed at the current interest rate in effect on the date of maturity for that type and term of Certificate, except in the case of a Certificate initially purchased under a promotion that specified a different initial rollover term, in which case the Certificate would automatically renew for that specified term at the then current interest rate for the Certificate of that term. If we are offering a separate interest rate for investments of only new funds at the time of a renewal, that separate interest rate will <u>not</u> apply to a rollover or reinvestment, and only the rate then applicable to rollovers or reinvestments not involving new funds will apply. If the then current interest rate is less than the interest rate on the Certificate as in effect prior to maturity, you will receive a lower interest rate return on the renewed Certificate.

20. **Interest Rate Policy and Payment Change.** We reserve the right to change the method by which interest is determined or the frequency with which interest is paid to you or added to the Certificates. If we exercise our right to change the method by which interest is calculated or the frequency at which interest is paid on existing Certificates, the holders of affected Certificates would receive a written notice of that fact describing the changes. If upon receiving the notice, you wish to redeem your Certificate, you may do so (without penalty) within 30 days of receiving the notice. For the last payment of interest only, you may also be paid interest at the rates in effect for your affected Certificates during the preceding month, provided you notify us within the 30-day period.

21. **We Are Solely Liable on Certificates.** Our debts and liabilities, including the Certificates, are independent of the financial structure of any other person or entity. Accordingly, you may not rely upon any subsidiary or affiliate of ours or any other person or entity other than us for payment of the Certificates when due. In particular, the assets of Ministry Group and Florida Church Planters will not be available to be used for payment of the Certificates when due. See "History and Operations."

22. **Early Redemption Penalties.** We are not required to redeem any Time Certificate prior to its maturity date. In the event we agree, in our sole discretion, to redeem a Time Certificate prior to its maturity, early redemption penalties may be applied. See "Redemption and Early Redemption Penalties."

23. **Individual Retirement Accounts.** A self-directed individual retirement account (IRA) may invest in Certificates if permitted by the IRA trustee or custodian. A self-directed IRA is an individual retirement account that allows the holder the option of selecting investment vehicles for the IRA account. Investors who invest through their IRA should consider whether the investment is in accordance with the documents and instruments governing the IRA; whether there is sufficient liquidity in the IRA should the IRA's beneficiary need to take a mandatory distribution; and whether the investment could constitute a non-exempted prohibited transaction under applicable law. Consultation with a competent financial and tax adviser is recommended. See "Description of Certificates."

24. **Ability to Call Certificates.** We have the right to call Certificates for redemption at any time upon thirty (30) days written notice. In that event, interest will be paid to the date of redemption. There can be no assurance that you will be able to reinvest your redemption proceeds in other securities having terms (and associated risks) as favorable as the redeemed Certificate, which may result in a decline in income or less favorable investment alternatives.

25. **Limitation on Transferability.** The Certificates are non-negotiable and may be assigned only upon our written consent.

26. **Unclaimed Property.** If in the course of a seven (7) year period, or such shorter period as may apply by applicable state law, we receive as undeliverable more than six (6) returned statements or other pieces of mail pertaining to a Certificate that we have sent to you, then the Certificate will be declared inactive, we will cease sending further mailings or interest payments to you, and we will follow applicable state law procedures for unclaimed property with respect to the Certificate. The Certificate will continue to accrue interest until it is redeemed or until it is disposed of by us pursuant to applicable state unclaimed property laws.

27. **Real Estate Holdings.** We may be required, or agree, to hold certain real estate at times. See "Real Estate Holdings."

28. **Environmental Risks on Collateral.** There is potential environmental liability associated with the collateral securing our Loans. While we do generally require a third-party Environmental Screen Report before approving a Loan, we do not typically require a Phase I Environmental Site Assessment unless the initial screen indicates a potential problem. In the event that environmental pollution or other contamination is found on or near property securing a Loan, we could, in some cases, face environmental liability or the security for the Loan could be impaired. In addition, changes to environmental regulations could require a borrower to incur significant unanticipated expenses to comply with those regulations which could adversely affect the borrower's ability to repay the Loan.

29. **Construction Risks.** Many of the Loans made by us are used by borrowers for construction of new facilities or improvements to existing facilities. Consequently, those Loans will be subject to usual construction-related risks. Those risks include defaults or bankruptcies of contractors or subcontractors, construction delays (due to events such as weather conditions, strikes, shortage of materials, acts of nature, regulatory delays, etc.), increased and unexpected costs, adverse effects on adjacent facilities and other operations, and other factors and contingencies unknown to or beyond the control of the borrower or other parties. In the event that construction is delayed or prevented, or if costs for construction increase substantially, the borrower's ability to repay a Loan could be adversely affected.

30. **Decrease in Certificate Renewals.** Our business plan anticipates that a significant number of Certificates will be renewed at maturity. Certificate renewals may decline for a variety of reasons including, but not limited to, the impact of a softening economy, increased job losses or other economic difficulties encountered by Certificate holders. If there is a significant decrease in the renewal rate of maturing Certificates resulting in a significant increase in redemptions, our resulting financial condition could adversely affect our ability to repay Certificates.

31. **Liquidity - Concentration of Investments.** As of December 31, 2022, approximately 7.6% of our cash, cash equivalents, and readily marketable securities are held in investments in debt securities issued by other institutions whose securities are not insured by the FDIC, SIPC or any governmental agency. In addition, $44,727,945 of our cash balances exceeded federally insured limits as of December 31, 2022.

32. **Material Loans and Loan Delinquencies.** We had outstanding Loans aggregating $749,605,926, $619,552,435, and $504,124,593 as of December 31, 2022, 2021, and 2020, respectively. Of these amounts, 112 loans composed $565,415,304 or 75% as of December 31, 2022; 94 loans composed $470,112,990 or 75% as of December 31, 2021; and 66 loans composed $360,631,702 or 72% as of December 31, 2020. There were no Loans ninety (90) days or more past due as of December 31, 2022, 2021, or 2020. During the year ending December 31, 2022, three of our Loans with an aggregate principal balance of $4,032,674 were considered impaired because they had been restructured. During the year ending December 31, 2021, three of our Loans with an aggregate principal balance of $4,118,068 were considered impaired because they had been restructured. During the year ending December 31, 2020, two of our Loans with an aggregate principal balance of $932,803 were considered impaired because they had been restructured. If we experience

any significant losses on any of these Loans, our resulting financial condition could adversely affect our ability to repay Certificates.

33. **Investment Risks.** Any investments in readily marketable securities are subject to various market risks which may result in losses if market values of investments decline. Our investments in marketable securities are subject to various market risks that may result in losses if market values decline. Our past investment performance does not indicate how our investments will perform in the future. Different types of investments have different types of risks, such as the following:

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

- *Equity Securities Risk*. The value of equity securities held by us may fall due to general market or economic conditions, perceptions regarding the industries in which the issuers of those securities participate, changes in interest rates, and the particular circumstances and performance of particular companies whose securities we hold. An adverse event, such as an unfavorable earnings report, may depress the value of a particular equity security we hold. The price of an equity security may be particularly sensitive to general movements in the stock market, or a drop in the stock market may depress the price of most or all of the equity securities we hold. In addition, equity securities may decline in price if the issuer fails to make anticipated distributions or dividend payments. A reduction in the value of an equity security we hold or a failure to make an anticipated distribution or dividend payment could result in a decrease in our profitability and our ability to pay interest and principal due on Certificates.

- *Participation Risk*. We may purchase a participation interest in a loan and by doing so acquire some or all of the interest of a bank or other lending institution in a loan to a borrower. A participation interest typically will result in our having a contractual relationship only with the lender, not the borrower. As a result, we would assume the credit risk of the lender selling the participation in addition to the credit risk of the borrower. By purchasing a participation interest, we would typically have the right to receive payments of principal, interest and any fees owed on the loan only from the lender selling the participation and only upon receipt by the lender of the payments from the borrower. In the event of insolvency or bankruptcy of the lender selling the participation, we may be treated as a general creditor of the lender and may not have a senior claim to the lender's interest in the loan. If we only acquire a participation in the loan made by a third-party, we may not be able to control the exercise of any remedies that the lender would have under the loan. Such third-party participation arrangements are typically designed to give loan investors preferential treatment over high yield investors in the event of a deterioration in the credit quality of the borrower. Even when these arrangements exist, however, there can be no assurance that the principal and interest owed on the loan will be repaid in full.

34. **Not FDIC or SIPC insured.** The Certificates are not FDIC or SIPC insured or guaranteed by any governmental agency; are not certificates of deposit, deposit accounts or any other type of bank instrument with a bank, savings and loan association, credit union or other financial institution regulated by federal or state authorities; and are subject to investment risks, including possible loss of the entire principal amount invested.

35. **Policies and procedures may change.** At various points in this Offering Circular we describe our policies, such as our lending and investment policies. These descriptions are intended to help you understand our current operations. If we change our policies or procedures, there may be an adverse impact on our ability to repay Certificates.

36. **Third-Party Vendors and Digital Technology**. Our operations are dependent upon technology and related services, some of which are provided by third-party vendors. The majority of our business records are stored, maintained, processed, delivered and transmitted electronically, including records of our Loans receivable, Certificates payable, and most other business records. We rely to a certain extent upon third-party vendors for providing hardware, software, and services for these actions. Our electronic records include confidential Investor and borrower information and proprietary

information. Unauthorized disclosure of this information could lead to loss of faith in our ability to protect confidential information and therefore harm our ability to retain Investors and borrowers. Digital technology has inherent risks such as the potential for hardware failure, virus or malware infection, input or programming errors, inability to access data when needed, permanent loss of data, intentional or unintentional unauthorized access to data or theft of data. While we and our vendors take measures to protect against these risks, it is possible that these measures will not be 100% effective, may be insufficient or circumvented, or may become obsolete, and that there may be other risks, that have not been identified because they are different or unknown, that may emerge or evolve in the future. If we were to experience large scale data inaccuracy, inability to access data for an extended time period, permanent loss of data, data breach, failure of our vendors to perform as contracted, or other significant issues regarding data, it could adversely affect all aspects of our operations. Our insurance coverage may not be adequate to cover all the costs related to cyber incidents or disruptions resulting from such events. In addition, if you elect to use our website and related online services, electronic delivery services, or similar mobile services that may be offered in the future, we can offer no assurances and make no warranty as to their accuracy, availability and security, and that use is subject to the terms, conditions and limitations set forth in applicable usage agreements.

37. **The outbreak of the novel strain of coronavirus, SARS-CoV-2, which causes COVID-19, could adversely impact our business**. The coronavirus situation and related warnings, advice, guidance, mandates, and preferential or protective actions of government authorities and infectious disease experts could interrupt our key activities, limit our employee resources, increase our use of digital technologies and the risks associated with them, and have a material adverse impact on our operations, financial condition, compliance with loan covenants, and financial results. We cannot predict the ongoing implications or effect of the coronavirus situation, and we are exposed to the risks of an economic recession, market volatility, and economic and financial crisis. The ongoing coronavirus situation and any resultant economic recession or other severe economic disruption may also result in decreased contributions to our borrowers, with whom we have a relationship that may differ from commercial lenders, and could adversely affect their ability to fulfill their obligations to us and the value of our collateral. We have and may again make loan modifications to accommodate our borrowers.

THE OFFERING

We may issue up to Six Hundred Million Dollars ($600,000,000) of our Certificates during the offering period covered by this Offering Circular. This amount may be issued in any one or more of the types of Certificates and may be issued throughout the fifty (50) states and the District of Columbia to the extent qualified for offer and sale in those jurisdictions.

HISTORY AND OPERATIONS

Christian Financial Resources, Inc., originally incorporated as Church Development Fund of Florida, Inc., is a not for profit religious organization incorporated in the state of Florida on July 3, 1980. The purpose of our loan ministry is to fund ministry projects that primarily assist independent Christian Churches and their associated ministries. These projects may include land acquisition, refinancing, construction and improvement of church buildings, parsonages, church schools and other facilities operated by these congregations. The physical address of our home office is: 1485 International Parkway #3001, Lake Mary, Florida 32746. Our mailing address is: PO Box 951719 Lake Mary, Florida 32795-1719.

The need for a ministry such as CFR was discussed at a meeting of interested ministers and members of the Christian Churches held at the Lakeview Christian Church (now named Journey Christian Church) in Apopka, Florida, on February 12, 1980. As a result of the affirmative decision of those present, the decision was made to proceed with the planning of such a ministry. Based on the recommendation of the ministers present, ten men were invited to serve as a steering committee. The first organizational meeting of the steering committee was held March 25, 1980 (original name was Church Development Fund of Florida, Inc. and later changed to Church Development Fund Ministries, Inc. and then to its current name of Christian Financial Resources, Inc. in 1997). At the time of incorporation on July 3, 1980, the members of the steering committee became the members of the board of directors.

In 2003, we acquired Central Florida New Church Evangelism, Inc. which solicits funds from individuals and churches for the purpose of starting new churches. We changed the name of the organization to Florida Church Planters, Inc., which may also do business as Florida Church Partners. It is a 501(c)(3) ministry, and prior to 2020 its financial statements were consolidated with us since it was a wholly-controlled subsidiary. During 2020, we transferred control of

Florida Church Planters and all of its assets to Ministry Group, a 501(c)(3) ministry organized for the primary purpose of establishing and assisting Christian Churches and their associated ministries.

We also offer charitable gift annuities and pooled income fund options for donors wishing to leave estate gifts and receive interest for the life of the beneficiary. See Notes 8 and 9 of the Financial Statements.

USE OF PROCEEDS

The proceeds from the sale of our Certificates will be added to our general funds, which will be used primarily to make Loans to Eligible Ministries and other non-denominational churches, to pay interest on outstanding Certificates, to repay outstanding Certificates as they mature or are redeemed, to make grants and gifts, and to cover our overall operating expenses. The amount of proceeds actually used for each of these purposes will vary depending upon a number of factors, including the amount of new Certificates sold and the amount of Certificates redeemed or renewed at any given time, the demand for new Loans, and the amount of scheduled payments and prepayments received on outstanding Loans.

FINANCING AND OPERATIONAL ACTIVITIES

Our primary means of generating funds for making Loans for Ministry Activities is through the sale of Certificates, earnings from investments, and principal and interest payments on Loans.

Outstanding Certificates Payable

As of December 31, 2022, we had 7,322 Certificates outstanding totaling $781,728,533. In the fiscal year ended December 31, 2022, we received $633,782,900 in proceeds from the issuance of Certificates payable and we paid $565,375,026 for redemptions of Certificates payable.

The Certificates payable held by us at December 31, 2022, mature as follows:

Demand	$ 333,973,602
2023	215,274,430
2024	131,989,993
2025	61,704,700
2026	18,774,345
2027	12,452,469
2028 and thereafter	7,558,994
Total	$ 781,728,533

Outstanding Loans Receivable

As of December 31, 2022, we had Loans with aggregate outstanding balances totaling $749,605,926. The anticipated Loan maturities in each of the next five (5) years and the aggregate thereafter as are as follows:

2023	$ 12,217,764
2024	86,883,988
2025	50,187,204
2026	11,293,200
2027	30,236,389
2028 and thereafter	558,787,381
Total	$ 749,605,926

NOTE: Amounts shown above are estimates based upon current amortization schedules. Such amortization schedules may be adjusted throughout the life of a Loan as interest rates change and unscheduled payments are made. Figures are for Loans of record as of December 31, 2022. The above estimates are based upon historical data and average amortization schedules.

The NASAA SOP requires that a church extension fund, such as us, should limit the amount of loans that are not secured by real or personal property or guaranteed by third parties to no more than ten percent (10%) of our outstanding loans. As of December 31, 2022, 99.95% of our Loans were secured by the borrower's property, and there were no outstanding loan commitments that would not be secured by the borrower's property or Certificates pledged by the borrower.

Real Estate Holdings

In the first quarter of 2017, we purchased the building in Lake Mary that we now occupy. We lease portions of the building that we are not using to other commercial tenants.

We also seek and receive gifts of real estate from time to time. We also sometimes accept transfers of real property in exchange for a release of a borrower's Loan obligation to us. Pursuant to the terms of these gifts and transfers, sometimes we are required, or agree, to hold real property for use by an Eligible Ministry or other non-denominational church. As of December 31, 2022, we did not hold any real property for use by anyone other than us.

Grants

We occasionally make gifts to ministries as part of our mission of "funding ministry…changing lives." In addition, some of our donors have directed grants to benefit other charities through charitable gift annuities, pooled income funds, and donor advised funds that we manage.

LENDING ACTIVITIES

We make Loans primarily to qualifying Eligible Ministries and other non-denominational churches for the acquisition of land and buildings, the construction of facilities (including church facilities, schools and any other facilities operated by Eligible Ministries and other non-denominational churches), renovation or expansion of existing facilities, and refinancing or consolidation of existing debt incurred for any of the preceding purposes. We may also make line of credit Loans for short-term capital or operational needs that may arise from time to time, and may make loans to other non-denominational churches that might not historically be identified as Eligible Ministries.

Our credit policies have been by established and may be changed only by our Board of Directors, and are subject to change. As of the date of this Offering Circular, our credit policies are as described below. Loan applicants seeking credit approval will generally submit a loan application along with supporting financial and or project related documentation. As part of our loan underwriting and assessments, we generally evaluate the loan to value, debt service ratio, expense coverage ratio, and cash-on-hand ratio.

Furthermore, we typically assess other qualitative and quantitative factors surrounding each applicant's request. We may, on an exception basis, waive one or more submission requirements if we determine that doing so will not materially increase the risk associated with the particular Loan.

Loans that fall within our approved credit guidelines can be approved by our Loan Committee in which certain terms and rates are determined. We reserve the right to offer different interest rates for Loans with different periods of interest rate adjustments, indexes, or maturity periods. Loans are generally written for terms up to twenty-five (25) years with monthly payments based on an amortization period of up to twenty-five (25) years. Loans for construction, capital improvements and short-term needs generally have terms of up to three (3) years with interest-only payments required during the term. Loans that fall outside the approved credit guidelines can be approved subject to a CFR Board of Directors' majority vote.

In addition to a thorough financial review, we will generally perform assessments of any real property to be pledge as security for a Loan including but not limited to title reviews, property insurance, environmental screenings, and flood reports. In cases where construction may be involved, we may require a builder's risk policy and duly executed lien waivers. We may also require a third-party property valuation and survey of any real property.

At least ninety percent (90%) of our Loans will be secured by real or personal property. Our credit guidelines generally require Loans to be secured by a first or second mortgage or deed of trust on real property. In limited occasions, Loans maybe secured via a collateral assignment of CFR Certificates in an amount equal to or exceeding the outstanding Loan principal balance, or unsecured, in which case the principal Loan balance generally will not exceed $100,000.

Material Loans and Loan Delinquencies

We had outstanding Loans aggregating $749,605,926, $619,552,435, and $504,124,593 as of December 31, 2022, 2021, and 2020, respectively. Of these amounts, 112 loans composed $565,415,304 or 75% as of December 31, 2022; 94 loans composed $470,112,990 or 75% as of December 31, 2021; and 66 loans composed $360,631,702 or 72% as of December 31, 2020. There were no Loans ninety (90) days or more past due as of December 31, 2022, 2021, or 2020. During the year ending December 31, 2022, three of our Loans with an aggregate principal balance of $4,032,674 were considered impaired because they had been restructured. During the year ending December 31, 2021, three of our Loans with an aggregate principal balance of $4,118,068 were considered impaired because they had been restructured. During the year ending December 31, 2020, two of our Loans with an aggregate principal balance of $932,803 were considered impaired because they had been restructured. In that same year, in response to the coronavirus situation, we allowed 24 Loans to make interest-only payments for up to six months, though we did not consider these impaired or restructured. As of December 31, 2021, all of these Loans had returned to normal payments. There can be no assurance that delinquencies will not increase in the future.

Due to the nature of the relationship with our borrowers, it is our policy to work with our borrowers in their efforts to meet Loan obligations. However, no assurance can be given that we will be willing to refinance, restructure or work out delinquent Loans in the future.

Loan Loss Reserves

Our allowance for doubtful loans is maintained at a level considered by management to be adequate to provide for potential losses. As of December 31, 2022, the aggregate allowance for doubtful loans was $6,000,000.

Participations

We may sell participation interests in our Loans to third parties from time to time, including a pro-rata interest in the collateral securing the Loan. When we do so, we continue to service the Loans and remit a portion of each Loan payment we receive from the borrowers to the buyers of the participation interest. The participations are non-recourse, which means that we will have no obligation to repurchase the portion of the Loan we sold, and that the purchaser will assume the risk of loss on that portion of the Loan. Accordingly, the portions of the Loans we sell are not included in our outstanding Loans receivable figures. It is our policy not to securitize any portion of our Loan portfolio.

We may also purchase participation interests in individual loans from third party lenders. Under these loan participation agreements, the third-party lenders maintain all records, collect all payments and remit monthly the appropriate pro rata share of both interest and principal collected on the loans. These agreements typically provide that we will share ratably with the third-party lenders in the event of any extraordinary expenses required to preserve the collateral or enforce the lender's rights with respect to the loan. Similarly, we share ratably in the costs and proceeds in the event of any foreclosure, sale of collateral or other collection action. Our right to take any enforcement action with respect to the borrower or collateral of any of these loans is subject to the cooperation of the third-party lender who originated the loan. These purchased participation interests are included in Loans receivable in the Financial Statements.

During the year ended December 31, 2022, we sold participation interests in five loans to third parties for total proceeds approximating $23,450,003. During the year ended December 31, 2021, we repurchased from a third party a participation interest we had previously sold at par. During the year ended December 31, 2020, we sold a participation interest of 40% in one loan at par to a third party for total proceeds approximating $2,000,000. Our interest in participation loans continues to be included in our Loans receivable and totaled $54,217,855, $11,680,122, and $5,580,493 at December 31, 2022, 2021, and 2020, respectively. See Note 4 of the Financial Statements.

INVESTING ACTIVITIES

We maintain a portion of our assets in an investment portfolio pending utilization for Loan activities or for maintaining reasonable liquidity. Our current investment policy requires a minimum liquidity ratio of at least 8% of our principal balance of all outstanding Certificates (with no more than 2% from an available line of credit) with:

a. No more than 4% of an amount equal to the value of outstanding Certificates may be invested in market securities.

b. Market securities can consist of any of the following five asset classes of securities traded on a recognized American securities exchange, with no more than 3% of an amount equal to the value of outstanding Certificates being invested in any single asset class:

    i. U.S. Equities
    ii. Foreign equities
    iii. High Yield or Long Duration U.S. Bonds
    iv. High Yield or Long Duration Foreign bonds
    v. Alternative assets (REITs, futures, commodities, etc.)

c. Up to 3% of an amount equal to the value of outstanding Certificates may be invested in hedge funds, private equity, or limited partnerships.

d. All remaining portions of our investment portfolio must be invested in fixed income church extension fund and foundation securities, money market funds or accounts, short term duration bond funds, Certificates of Deposit, U.S. Treasury securities, or bank deposit accounts.

We may from time to time change our investment policies to include intermediate and long-term U.S. government and other fixed income securities or other types of investments.

The Board of Directors oversees the investment policy and reviews investment transactions on a semi-annual basis. The Chief Executive Officer and Chief Operating Officer have the responsibility of implementing the policy. See "Management." We currently utilize the services of four registered investment advisers, Ameriprise Financial, Inc., Merrill Lynch, Charles Schwab & Co., Inc., Cornerstone Management, Inc., and BIP Wealth, LLC to assist in the investment of our assets. Ameriprise (NYSE: AMP) is a financial planning and investment management company founded in 1894 that had more than $1 trillion in assets under management and administration as of December 31, 2022. Merrill Lynch is a subsidiary of Bank of America Corporation (NYSE: BAC), which had total client balances of more than $3.4 trillion as of December 31, 2022. Charles Schwab (NYSE: SCHW) is a financial services corporation that managed $7.05 trillion in client assets as of December 31, 2022. Cornerstone Management, which manages our funds held at Charles Schwab, is a privately held registered investment advisor that provides investment consulting and administrative solutions to Christian non-profit organizations. BIP Wealth, LLC is a privately held registered investment advisor. We may change any investment adviser(s) used from time to time.

Below is a summary of our cash and investments as of December 31, 2022:

Type of Investment	12/31/2022	% of Total
Cash and cash equivalents	$ 46,158,037	44.15%
Mutual funds	7,316,794	7.00%
Exchange traded funds	10,425,442	9.97%
U.S. Treasury securities	19,532,712	18.68%
Real estate investment trusts	1,955,742	1.87%
Stocks	134,085	0.13%
Certificates of deposit	965,000	0.92%
Limited partnerships	11,133,943	10.65%
Denominational loan fund certificates	6,916,340	6.62%
Total	$104,538,095	100%

During the fiscal year ended December 31, 2022, we had aggregate realized and unrealized loss of $6,178,301 on our investments.

SELECTED FINANCIAL DATA

Below is a summary in tabular form of certain selected financial data with respect to our operations for our five (5) most recent fiscal years. This data has been compiled by management from our Financial Statements, and it should be read in conjunction with our most recent Financial Statements (including the Notes thereto).

Description of Selected Financial Data	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Cash and cash equivalents	$ 46,158,037	$ 100,368,156	$ 83,213,203	$ 35,520,289	$ 18,461,494
Investments	58,380,058	40,316,060	15,537,870	31,245,622	16,655,888
Receivables:					
Loans receivable, net	741,842,871	613,214,237	498,957,800	442,895,996	399,887,877
Interest and other receivables	3,693,716	2,397,612	2,050,515	1,822,201	1,676,993
Unsecured Loans receivable					
As a percentage of total Loans	0.04%	0.05%	0.00%	0.00%	0.00%
Loan delinquencies 90 days or more past due					
As a percentage of total Loans	0.00%	0.00%	0.00%	0.00%	0.00%
Land, property and equipment, net	7,040,317	7,213,975	4,530,836	4,236,451	4,167,259
Total Assets	857,118,363	763,513,404	604,293,588	515,730,636	444,493,623
Investment certificates payable	781,728,533	697,684,071	552,241,312	467,010,398	392,395,530
Line of credit payable	-0-	-0-	-0-	-0-	12,138,792
Investment certificates redemptions					
for the year then ended	565,375,026	115,049,657	281,129,349	176,850,640	253,029,515
Total net assets	73,881,004	64,803,540	50,785,841	47,112,333	38,549,138
Total net assets without donor restrictions	73,237,202	64,135,948	50,135,207	46,467,534	37,377,385
Total net assets with donor restrictions	643,802	667,592	650,634	644,799	1,171,753
Change in total net assets for the year then ended	9,077,464	14,017,699	3,673,508	8,563,195	3,907,640
Change in net assets without donor restrictions	9,101,254	14,000,741	3,673,508	8,566,940	4,005,389
Change in net assets with donor restrictions	(23,790)	16,958	-0-	(3,745)	(97,749)

Management's Financial Summary

Our Board of Directors reviews our overall financial position quarterly. Our operating philosophy is to maintain a position of liquidity sufficient to provide for operating cash requirements, a capital position sufficient to support our financial position and operations, and a margin of assets over liabilities. A significant shift in interest rates or Loan demand may adversely affect actual performance. Our Board of Directors may modify existing procedures or implement new procedures to enable us to operate under changing economic conditions. Some of the key areas regularly reviewed are the following:

Source of Funds for Payment of Certificates – Under our method of accounting, interest payments on Certificates will be made from our operating income and unrestricted net assets, and principal payments on Certificates will be made from our assets.

Capital Adequacy – Our net assets are anticipated to support our ability to maintain our operations. As of December 31, 2022, our net assets of $73,881,004 were 8.6% (which is greater than the NASAA SOP minimum standard of 5%) of our total assets of $857,118,363. We strive to maintain a strong capital position to support our operations and growth.

Liquidity – It is our policy to maintain at all times an aggregate operating and reserve liquidity, comprised of cash, cash equivalents, readily marketable securities and immediately available funds through a line of credit (collectively, "Available Funds"), equal to at least 8% of our principal balance of all outstanding Certificates to provide for our cash requirements as well as reserve liquidity. As of December 31, 2022, we had Available Funds equal to 13.7% of the total outstanding Certificates (which is greater than the NASAA SOP minimum standard of 8%) as follows:

	12/31/2022	
Cash and cash equivalents	$ 46,158,037	
Readily marketable securities	45,290,373	
Immediately available funds from LOC	15,634,571	(limited to 2% of outstanding investment certificates payable)
Total Available Funds	$ 107,082,981	
Investment certificates payable	$ 781,728,533	
Available Funds Percentage of Certificates Payable	13.7%	

Cash Flow – The ratio of available cash, cash equivalents and readily marketable securities as compared to cash redemptions is expected to be at least one to one and, therefore, is anticipated to be sufficient to meet our cash requirements for expenses as well as payments of interest and principal due on Certificates. However, there is no guarantee that the anticipated results will occur. Our ratio of available cash to cash redemptions is at least one to one (1:1) for our three (3) most recent fiscal years ended December 31 as follows:

	2022	2021	2020
Net cash from operating activities	$30,761,581	$21,495,941	$19,637,793
Liquid assets, including cash, cash equivalents and marketable securities (at beginning of year, from Statements of Financial Position)	134,061,561	95,239,778	61,864,866
Available lines of credit (at beginning of year)	50,000,000	50,000,000	50,000,000
Loan Repayments	45,695,782	55,627,849	52,956,988
Cash from sale of Certificates	633,782,900	247,617,451	354,451,618
Loan Disbursements	(198,796,964)	(164,277,976)	(110,995,440)
Total Available Cash	$695,504,860	$305,703,043	$427,915,825
Redemptions of Certificates	$565,375,026	$115,049,657	$281,129,349
Ratio	1.23:1	2.66:1	1.52:1

Loan Delinquencies – As of the fiscal year ending December 31, 2022, none of our Loans were ninety (90) days or more past due.

Operating Trends - We had a net surplus of income over expenses in each of our five most recent fiscal years. Our change in net assets was $9,077,464, $14,017,699, and $3,673,508 for the years ended December 31, 2022, 2021, and 2020, respectively. There is no guarantee that we will continue to have a net surplus of income over expenses in the future.

Senior Secured Indebtedness - As of December 31, 2022, we had no outstanding balance under our $40,000,000 secured bank line of credit with Truist and no outstanding balance under our $25,000,000 secured bank line of credit with Fifth Third Bank. To the extent we have any senior secured indebtedness, repayment of that indebtedness will have priority in our assets over all other unsecured creditors, including you.

Paycheck Protection Program Loan - During 2020, churches across the country were suggested or required to suspend in-person services for various periods by government authorities and infectious disease experts. The disruption to many of our borrowers' key activities caused us economic uncertainty, and we applied for and received a loan of $500,115 under the Paycheck Protection Program offered by the U.S. Small Business Administration ("**SBA**"). The SBA fully forgave the loan during the year ending December 31, 2020, and no balance remains outstanding. See Note 7 of the Financial Statements.

Interest Rate Management - Our method of determining interest rates on Certificates and Loans is based upon an effort to reduce the risks pertaining to the differential between borrowing and lending rates. Prior to closing a Loan, we limit the length of time to which we are committed to an initial Loan interest rate to twenty-one (21) day commitments. We charge a penalty for early redemption of Time Certificates unless it is occasioned by us exercising our redemption right or by a change in the way we propose to calculate interest rates. See "Redemption and Early Redemption Penalties." We have implemented these procedures to allow us to operate under fluctuating economic conditions.

DESCRIPTION OF CERTIFICATES

Investments offered by Christian Financial Resources, Inc. are not bank deposits or obligations and are not insured by the Federal Deposit Insurance Corporation (FDIC), the Securities Investor Protection Corporation (SIPC) or any other federal or state agency.

We may issue up to Six Hundred Million Dollars ($600,000,000) of our Certificates during the offering period covered by this Offering Circular. This amount may be issued in any one or more of the types of Certificates and may be issued throughout the fifty (50) states and the District of Columbia to the extent qualified for offer and sale in those jurisdictions. Certificates will be offered to eligible Investors and must be purchased in minimum face amounts of Two Thousand Dollars ($2,000) in the case of Demand Certificates and Twenty Thousand Dollars ($20,000) in the case of Time Certificates, though we may waive or lower this minimum investment amount in our discretion. The terms of any Certificates purchased pursuant to this Offering Circular will remain as described in this Offering Circular. However, no assurance can be given that the terms of any Certificates offered in future issues will remain the same as those described in this Offering Circular, including renewals of Certificates purchased under this Offering Circular.

All Certificates offered to individual Investors are also available as investments for self-directed IRAs of individual Investors. In order to purchase Certificates for a self-directed IRA, you may direct your IRA custodian to submit to us an IRA Certificate Request along with an investment application completed by you. We do not represent that a Certificate is a permitted investment for an IRA and, therefore, you should consult with your tax advisor and IRA custodian before directing a purchase of a Certificate for your self-directed IRA and should consider (i) whether the investment is in accordance with the documents and instruments governing your IRA, (ii) whether there is sufficient liquidity in the IRA should the IRA's beneficiary need to take a mandatory distribution, and (iii) whether the investment could constitute a non-exempted prohibited transaction under applicable law. Responsibility for establishing an IRA which will qualify for tax deferral under provisions of the tax law dealing with IRAs rests with you; however, we have made arrangements with a financial institution with trust powers to act as custodian of self-directed IRAs, and upon your direction, to invest funds with us. That institution is TMI Trust Company, located in Atlanta, Georgia. Please be aware that a processing fee may be assessed by TMI Trust Company for wire transfers, termination of an IRA account, and various other services. Detailed information about this arrangement is available either through us or TMI Trust Company, in the latter case addressed to TMI Trust Company, 1100 Abernathy Road, Suite 480, Atlanta, Georgia 30328. In order to comply with the USA Patriot Act, TMI Trust Company may require additional information to verify your identity; our privacy policy is provided to all potential IRA investors. For additional information regarding IRA investment options or required forms, contact us directly.

We will accept payment for Certificates in the form of cash, personal check, cashier's check, money order or electronic funds transfer. We offer no financing terms. The investments offered and issued by us are issued as uncertificated securities (*i.e.*, in book-entry form), your right in the investment will be reflected on our books and records. The terms and conditions of Certificates will be construed under and governed by Florida law. You will receive a periodic statement indicating the balance of a particular investment including any additions, redemptions, and any interest credited, paid or accumulated.

Interest

Funds received for the purchase of Certificates earn interest from the day of receipt calculated on a 365-day basis, except in leap years in which case interest is calculated on a 366-day basis. Interest is compounded daily and credited on the last day of each calendar quarter. Interest will be added to the principal amount unless, except in the case of a Certificate held for an IRA account, you request the interest to be paid monthly or quarterly to you either upon application for the Certificate, or in any subsequent written notice received by us. Your election to receive periodic monthly or quarterly payments of interest is available only on investments of $10,000 or more. This election may be changed at any time upon receipt by us of your written notice to change it. You will receive statements indicating the activities for the prior period at the end of each calendar quarter. Statements will be sent to you either in writing or, with your consent, electronically. You may choose to make a charitable contribution to us or to your church organization of interest earned on Certificates (see “Tax Aspects”).

Certificates will bear interest at a rate that is determined from time to time in accordance with our then current policies. Interest rates are currently established by us through a review of current interest rates paid by other institutions and insuring we maintain a spread to cover our operating costs. If you invest over $1,000,000 with us, the interest rate to be paid on your Certificates may be higher than the usual rates and will be specially negotiated between us. See “Flexible Certificates” below.

The interest rate on a Time Certificate does not vary over the initial term of the Certificate, or during any renewal term of the Certificate, though it may adjust upon each renewal. The interest rate on a Demand Certificate may be adjusted monthly. See “Demand Certificates” below. We will review certain factors, such as investment gap analysis, loan demand, cash flow needs and the current policy of the Federal Reserve, before establishing each month’s rate of interest. We will provide you with current interest rates on Certificates along with this Offering Circular prior to a rollover of your Certificate and at any other time upon request.

We reserve the right to change the method by which interest is determined or the frequency with which interest is paid to you or added to your Certificate. If we exercise our right to change the method by which interest is calculated or the frequency at which interest is paid on your Certificate, you would receive a written notice of that fact describing the changes. If upon receiving the notice, you wish to redeem your Certificate, you may do so (without penalty) within 30 days of receiving the notice. For the last payment of interest only, you may also be paid interest at the rates in effect for your Certificate during the preceding month, provided you notify us within the 30-day period.

We will establish interest rates on a monthly basis for Demand Certificates and for Time Certificates. We may, from time to time, establish separate interest rates for investments of only new funds that are different from the interest rates applicable to rollovers or reinvestments of existing investments. We also may, from time to time, establish separate interest rates for Certificates that are owned, or that are purchased with only new funds, by Investors who own or purchase one or more other types of Certificates.

Time Certificates

Time Certificates pay interest at rates which remain fixed throughout their term and are available for various terms. Interest rates may change upon a renewal of the Time Certificate. A minimum investment of Twenty Thousand Dollars ($20,000) is required for a Time Certificate, though we may waive or lower this minimum investment amount in our discretion. Additions of principal may be made to Time Certificates at any time.

Demand Certificates (Ready Access)

Demand Certificates (Ready Access) pay an adjustable interest rate that may be adjusted monthly. A minimum investment of Two Thousand Dollars ($2,000) is required for a Demand Certificate, though we may waive or lower this minimum investment amount in our discretion. Additions of principal may be made to Demand Certificates at any time. Redemptions from Demand Certificates may be made at any time without any penalty or service fee and are payable upon your request provided, however, that we reserve the right to require you to provide up to thirty (30) days written notice of any intended redemption before it is made. We also reserve the right to limit the amount of a partial redemption in a single day; as of the date of this Offering Circular that limit is $100,000 per day, though we may waive this limit in our discretion.

Flexible Certificates

A Flexible Certificate is a Time Certificate or Demand Certificate that we may issue to any Investor with aggregate investments with us over $1,000,000. The interest rate to be paid on Flexible Certificates will be higher than the usual rates and will be specially negotiated between you and us.

A Flexible Certificate is not a different type of Certificate, but rather, it is simply a designation used to describe a Time Certificate or Demand Certificate for which a higher fixed interest rate (for a Time Certificate) or adjustable interest rate (for a Demand Certificate) is specially negotiated with you. Other than the special negotiation of higher interest rate terms at the time of purchase, "Flexible Certificates" are <u>not</u> otherwise "flexible" or different in their terms from regular Time Certificates or Demand Certificates, as applicable.

Maturity/Automatic Rollover

At least thirty (30) days prior to maturity of a Time Certificate, we will send a written notice and a new Offering Circular to you, unless you have previously received a current Offering Circular. The notice we give will state the maturity date of the Certificate and that the Certificate will be automatically renewed under the terms described in the then current Offering Circular at the current interest rate in effect on the date of maturity for that type and term of Certificate, except in the case of a Certificate initially purchased under a promotion which specified a different initial rollover term, in which case the Certificate would automatically renew for the specified term at the then current interest rate for that term, unless you elect in writing before, or within ten (10) days after, the Certificate's maturity date to redeem the Certificate or to reinvest the amount due thereunder into another type of Certificate. If we are offering a separate interest rate for investments of only new funds at that time, that separate interest rate will <u>not</u> apply to a rollover or reinvestment, and only the rate then applicable to rollovers or reinvestments not involving new funds will apply. In the event that you elect to redeem a Certificate, we will pay to the person named in your Certificate the full amount of principal outstanding plus any interest added to principal and not previously paid.

Early Redemption Right

We have the right to call Certificates for redemption at any time upon thirty (30) days written notice. In that event, interest will be paid to the date of redemption.

Redemption and Early Redemption Penalties

We are not required to redeem all or part of any Time Certificate prior to its maturity date. As a matter of policy, we may redeem Time Certificates prior to the maturity date at your request upon a showing of need. When we agree to redeem a Time Certificate prior to the maturity date, an early redemption penalty will apply. Our current penalty as of the date of this Offering Circular is equal to twelve months' interest on the Time Certificate.

Management may consider any extenuating circumstances which may force you to request an early redemption and may waive some or all of any early redemption penalty. In no event, however, will any early redemption penalty be applied in the case of a redemption of a Certificate occurring upon or as a result of the death of the Investor(s) in whose name(s) the Certificate was issued.

In addition, in the event that the balance of a Certificate would, upon a full or partial redemption, fall below $2,000 in the case of a Demand Certificate, below $20,000 in the case of a Time Certificate, or below $1,000,000 in the case of a Flexible Certificate (except in certain states; see "State Specific Information"), the balance of that Certificate may be fully redeemed without notice to you or, in lieu of a full redemption, the interest rate may be reduced during the period that the minimum amount is not maintained (i) in the case of a Time Certificate, to the then current rate applicable to Demand Certificates, and (ii) in the case of a Demand Certificate, to a rate of one percent (1%) per annum.

Unsecured General Obligation Status of Certificates

Except for certain secured indebtedness, the Certificates are of equal priority with all our other current indebtedness. As of December 31, 2022, we had no outstanding balance under our $40,000,000 secured bank line of credit with Truist and no outstanding balance under our $25,000,000 secured bank line of credit with Fifth Third Bank. To the extent we have any senior secured indebtedness, repayment of that indebtedness will have priority in our assets over all other unsecured creditors, including you. We reserve the right to issue future obligations, draw upon our existing secured lines of credit, or obtain additional lines of credit, secured by a first lien on our assets in an amount, together with our existing secured obligations, not to exceed ten percent (10%) of our tangible assets (total assets less intangible assets as defined by U.S. GAAP).

Additional Information

We reserve the right at any time to discontinue offering any of the Certificates described in this Offering Circular without the need to supplement this Offering Circular. We also reserve the right at any time to offer additional Certificates having terms different than the terms of the Certificates described in this Offering Circular. The Certificates are non-negotiable and may be assigned only upon our written consent.

PLAN OF DISTRIBUTION

The primary means for marketing the Certificates will be through promotional brochures and Offering Circulars distributed to Eligible Ministries and other non-denominational churches and individual members of Eligible Ministries and other non-denominational churches. Promotional materials will also be published on our homepage on the Internet (http://www.cfrministry.org). We will also make the Offering Circular and investment application form available on our Internet website and by e-mail. In addition, promotional materials will be distributed at church conferences, national and regional meetings, retreats and seminars. Our representatives may discuss the nature and purpose of our work at national or regional meetings or at church services or gatherings. You will be provided a copy of the Offering Circular prior to your purchase of a Certificate. No offers to purchase will be accepted prior to the time that you have executed an investment application form acknowledging that you received a current Offering Circular. All sales are made by our directors, officers and/or employees. No underwriting or selling agreements exist, and no direct or indirect remuneration will be paid to any person in connection with the offer and sale of Certificates. Certificates will be offered and sold only to eligible Investors.

TAX ASPECTS

You will not receive a charitable deduction upon the purchase of a Certificate. The interest payable on the Certificates will be taxable as ordinary income to you in the year it is paid or accrued, regardless of whether it is actually paid out to you. If interest is accrued over the life of the Certificate and paid at the maturity date, you must report that interest as income on your federal and state income tax returns as it accrues. Transferability of the Certificates is limited and it is unlikely that there could be a sale or exchange of a Certificate. Upon a transfer, however, the seller would generally report as either a short-term or long-term gain or loss depending upon the length of time held, the gain or loss equal to the difference between the purchase price and the amount received upon sale or exchange, less accrued interest. You will not be taxed on the return of the principal purchase price of your Certificate or on previously accrued and taxed interest. Any excess will be interest income taxable in the year of maturity.

If you are an individual and either you or you and your spouse have invested or loaned more than $250,000 in aggregate with or to us, you may be deemed to receive additional taxable interest under Section 7872 of the Internal Revenue Code. You should consult your tax advisors to be informed of the special income tax rules applicable to loans and investments, in the aggregate, greater than $250,000.

We will notify you of interest earned on Certificates by sending you IRS Form 1099 by January 31st of each year. If you do not provide us with your correct social security number or Federal tax identification number, you will be subject to backup withholding of 28% on interest earned as required by law.

If you choose to contribute interest earned to us, we will provide you with a letter indicating the amounts and dates of those contributions. Those contributions will qualify as charitable contributions for federal income tax purposes.

LITIGATION AND OTHER MATERIAL TRANSACTIONS

Except as stated in this paragraph, our Board of Directors and management are not aware of any action, proceeding, inquiry, or investigation at law or in equity, before any court or public agency, board or body pending or, to our knowledge, threatened against us (i) affecting our existence, (ii) seeking to prohibit, restrain or enjoin the issuance and sale of Certificates, (iii) in any way contesting or affecting the validity or enforceability of the Certificates, or (iv) in which an adverse determination would have an adverse material impact on us. Furthermore, our Board of Directors and management are not aware of any actual or threatened litigation involving any of our directors or officers pertaining to their duties as our director or officer. On April 22, 2022, The Solomon Foundation filed a complaint against us, Michael Kocolowski, our Chief Stewardship Officer, and Timothy Stephens, our former employee, captioned The Solomon Foundation v. Christian Financial Resources, Inc. et al, in the District of Maryland, alleging defamation resulting in damages greater than $75,000. The complaint was dismissed without prejudice for failure to state a claim on June 30, 2022, and an amended complaint was filed by The Solomon Foundation on August 29, 2022.

MATERIAL AFFILIATED/RELATED PARTY TRANSACTIONS

Except as set forth below or as otherwise disclosed in this Offering Circular or our Financial Statements, there have been no material transactions between us and any of our directors or officers, or any borrower or other entity with which one of our directors or officers is affiliated, during the three-year period immediately preceding the date of this Offering Circular. Any future transaction between us and one of our directors or officers, or any borrower or other entity with which one of our directors or officers is affiliated, will be made and entered into on terms no less favorable to us than those that we could obtain with an unaffiliated third-party. With respect to any future affiliated transaction, or any forgiveness of the Loan of a borrower with which one of our directors or officers is affiliated, a majority of our independent, disinterested directors must approve the affiliated transaction or Loan forgiveness.

During 2020, we transferred control of our former wholly-controlled subsidiary, Florida Church Planters, to Ministry Group, which, like us, is a 501(c)(3) ministry organized for the primary purpose of establishing and assisting Christian Churches and their associated ministries. We also initially funded Ministry Group with a grant of $1,000,000. We may have directors, officers, and employees in common with Ministry Group, and may in the future contract with it for certain services.

As of December 31, 2022, our directors, officers and employees, their immediate family members, and organizations with which they are affiliated (such as churches of which they are members) owned or controlled Certificates in the aggregate totaling $1,882,448, which represents 0.2% of our total outstanding Certificates payable. All of these Certificates were issued on the same terms as were available to others. As of December 31, 2022, there were two Loans made to Eligible Ministries of which one or more of our directors or officers was a board member or officer, including Florida Church Planters, in the aggregate totaling $5,881,190, which represents 0.8% of our total outstanding Loans. All of the above described Loans were made on terms no less favorable to us than those that would have been required of other similarly situated borrowers.

MANAGEMENT

Organizational Structure

We are a Florida not for profit corporation. Our articles of incorporation vest our management in a self-perpetuating board of directors.

Directors and Officers

Our articles of incorporation provide for as many as fifteen (15) directors or as few as three (3). Vacancies on the board of directors are filled by vote of the existing board of directors. Directors are elected for rotating 3-year terms with a limit of two consecutive terms and taking a year off before serving another term. As of the date of this Offering Circular, our directors and executive officers are as follows:

Directors

ROGER BLUMENTHAL is the Executive Pastor of Pantano Christian Church in Tucson, AZ. He earned a Bachelor of Arts from Hope International University. Mr. Blumenthal began serving his term October 1, 2021 and his term will expire September 30, 2024.

RAYMOND COEY retired in 2018 as the National Sales Director of Wrangler Jeans. Mr. Coey is a member at Whitewater Crossing Christian Church in Cleves, OH. Mr. Coey graduated with a Bachelor of Arts in Political Science and Minor in Business Administration from the University of Cincinnati. He has achieved post-graduate certificates from Wake Forest University and the University of North Carolina in Leadership Training and Financial Certification, respectively. He began serving his current term in 2020 and his current term will expire September 30, 2023.

TIMOTHY NISCHAN is the Financial Administrator of Northeast Christian Church in Louisville, KY, and an Online Adjunct Instructor at Liberty University – Online. He earned a Bachelor of Arts from Cincinnati Bible College, a Masters of Business Administration from the University of Cincinnati, and a Doctor of Business Administration from Nova Southeastern University. He began serving his term in 2022 and his term will expire September 30, 2025.

DOYLE ROTH is the Pastor of Harvester Christian Church in Saint Charles, MO. He earned a Master of Science in Music and a Bachelor of Arts in Ministry from St. Louis Christian College, a Master of Arts in Practical Ministry from Cincinnati Christian University, and a Master of Ministry from Kentucky Christian University. He began serving his term in 2022 and his term will expire September 30, 2024.

PATRICK SHURNEY is the owner of 3PC, LLC, a finance consulting business. He earned a Bachelor of Arts from Virginia Tech and Masters of Business Administration from Jack Welch Management Institute. Mr. Shurney began serving his term October 1, 2021 and his term will expire September 30, 2024.

Officers

DARREN R. KEY serves as our Chief Executive Officer. He holds a Bachelor of Christian Service from Manhattan Christian College, a Bachelor of Finance from Kansas State University and an MBA from the University of Louisville. Mr. Key has passed the Series 63 securities exam (Note: this does not itself confer any securities license). He is also a CERTIFIED FINANCIAL PLANNER™ practitioner. He was ordained into the ministry at Southwest Christian Church in Topeka, KS in 1995. Mr. Key began working with us in 1997. He is a member at Journey Christian Church in Apopka, FL and lives in Sanford, FL.

MICHAEL D. KOCOLOWSKI serves as our Chief Stewardship Officer. He holds a bachelor degree in Business Administration from the University of South Florida and an MA in Theology from Reformed Theological Seminary and has taken course work toward a PhD in Organizational Leadership from Regent University. Mr. Kocolowski has passed the Series 63 securities exam (Note: this does not itself confer any securities license). He is also credentialed as a Certified Fund Raising Executive (CFRE). Mr. Kocolowski was ordained into the ministry at Christian Church in the Wildwood in 2000 and began working with us in 2005. He is a member at Journey Christian Church in Apopka, FL and lives in Sorrento, FL.

ROBERT C. PEASE serves as our Chief Operations Officer. He holds a Bachelor of Science in Business Administration and an MBA from the University of Phoenix and is a graduate of the University of Wisconsin Graduate School of Banking. Mr. Pease has passed the Series 66 securities exam (Note: this does not itself confer any securities license). He is also credentialed as a Certified IRA Specialist (CIS) and Certified Banking Security Manager (CBSM). Mr. Pease was ordained into the ministry and previously served as Chief Information Officer and Chief Operating Officer for another church loan fund prior to joining us in 2020. He has also served as a Director of Park State Bank and Trust. Mr. Pease is a member of Lake Eustis Christian Church and also lives in Eustis, FL.

JOSE M. MALDONADO serves as our Corporate Secretary and the Senior Vice President of Lending. He holds a bachelor degree in Business Administration from the University of Central Florida. He was ordained into the ministry at Safeharbor Christian Church in Sanford, FL in 2016 and is also a member there. Mr. Maldonado has passed the Series 63 securities exam (Note: this does not itself confer any securities license). Mr. Maldonado began working with us in 2005 and lives in Sanford, FL.

MALCOLM J. PUCKETT serves as our Chief Development Officer. He holds a bachelor degree in Christian Ministries/Bible from Mid Atlantic Christian University and an MA in Management (Finance) from Regent University. Mr. Puckett has passed the Series 63 securities exam (Note: this does not itself confer any securities license). Mr. Puckett previously served as Vice President of Development at Mid Atlantic Christian University from 1990-2003. Thereafter, he served as Associate Minister with Avalon Church of Christ in Virginia Beach, VA. He began working with us in 2012 and lives in Chesapeake, VA.

JEROD L. WALKER serves as a Senior Vice President. He holds a bachelor degree in Christian Ministries from Central Christian College of the Bible. Mr. Walker has passed the Series 63 securities exam (Note: this does not itself confer any securities license). Mr. Walker has previously served as a pastor at several churches, and most recently served as founding and lead pastor at Legacy Christian Church in Menomonee Falls, WI. He began working with us in 2018 and lives in Germantown, WI.

Remuneration

Our board members do not receive compensation for their services but are reimbursed for expenses incurred in attending board meetings. Our officers are paid salaries and benefits, which may include employer 403(b) contributions, annual bonus, cell phone, auto usage, and insurance benefits. The aggregate compensation paid to our officers during our most recent fiscal year ended December 31, 2022, was $1,266,672.

INVESTOR REPORTS

Our current consolidated audited financial statements will be mailed to you within 120 days of the end of our last fiscal year, and will also be made available to you upon written request.

INDEPENDENT ACCOUNTANTS

Our Consolidated Statements of Financial Position as of December 31, 2022, 2021, and 2020 and the related Consolidated Statements of Activities and Consolidated Statements of Cash Flows for the years ended December 31, 2022, 2021, and 2020, have been audited by Capin Crouse LLP, Certified Public Accountants, as stated in their report attached to this Offering Circular.

CHRISTIAN FINANCIAL RESOURCES, INC. AND AFFILIATE

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2022, 2021, and 2020

CAPINCROUSE LLP

CHRISTIAN FINANCIAL RESOURCES, INC. AND AFFILIATE

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Christian Financial Resources, Inc. and Affiliate
Lake Mary, Florida

Opinion

We have audited the accompanying consolidated financial statements of Christian Financial Resources, Inc. and Affiliate, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities and cash flows for the years 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 Christian Financial Resources, Inc. and Affiliate as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the 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; this includes 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 Christian Financial Resources, Inc. and Affiliate's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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capincrouse.com

Board of Directors
Christian Financial Resources, Inc. and Affiliate
Lake Mary, Florida

Auditors' 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 auditors' 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, including omissions, 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 Christian Financial Resources, Inc. and Affiliate's internal control. Accordingly, no such opinion is
- 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 Christian Financial Resources, Inc. and Affiliate's ability to continue as a going concern for a reasonable period of time.

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

Prior Period Consolidated Financial Statements
The consolidated financial statements of Christian Financial Resources, Inc. and Affiliate as of December 31, 2020, were audited by other auditors whose report dated March 2, 2021, expressed an unmodified opinion on those statements.

Capin Crouse LLP

Naperville, Illinois
March 22, 2023

CHRISTIAN FINANCIAL RESOURCES, INC. AND AFFILIATE

Consolidated Statements of Financial Position

	December 31, 2022	2021	2020
ASSETS:			
Cash and cash equivalents	$ 46,158,037	$ 100,368,156	$ 83,213,203
Investments	58,380,058	40,316,060	15,537,870
Prepaid expenses and other assets	3,364	3,364	3,364
Receivables:			
Loans receivable, net	741,842,871	613,214,237	498,957,800
Interest and other receivables	3,693,716	2,397,612	2,050,515
	745,536,587	615,611,849	501,008,315
Land, property and equipment, net	7,040,317	7,213,975	4,530,836
Total Assets	$ 857,118,363	$ 763,513,404	$ 604,293,588
LIABILITIES AND NET ASSETS:			
Liabilities			
Accounts payable and accrued expenses	$ 921,748	$ 392,238	$ 372,788
Investment certificates	781,728,533	697,684,071	552,241,312
Charitable gift annuities	462,626	503,268	757,527
Pooled income funds	124,452	130,287	136,120
Total liabilities	783,237,359	698,709,864	553,507,747
Net assets:			
Net assets without donor restrictions	73,237,202	64,135,948	50,135,207
Net assets with donor restrictions	643,802	667,592	650,634
Total net assets	73,881,004	64,803,540	50,785,841
Total Liabilities and Net Assets	$ 857,118,363	$ 763,513,404	$ 604,293,588

See notes to consolidated financial statements

CHRISTIAN FINANCIAL RESOURCES, INC. AND AFFILIATE

Consolidated Statements of Activities

	Year Ended December 31, 2022	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:			
Support and Revenue:			
Donations and gifts	$ 6,594,656	$ 2,741,869	$ 1,392,044
Loan interest income	31,881,011	26,678,207	23,365,792
Investment income	(3,664,091)	7,640,481	(3,622,501)
Loan processing fees	1,333,344	1,308,307	473,842
Rental income	299,797	223,242	377,786
Grant revenue	678,626	-	500,115
Other	636,418	401,658	159,326
Net assets released from restrictions	42,736	-	13,215
Total Revenue	37,802,497	38,993,764	22,659,619
Expenses:			
Interest expense	16,911,534	13,953,724	13,235,478
Provision for loan losses	1,000,000	1,000,000	-
Grants	3,046,717	3,380,505	816,939
Operating expenses	7,742,992	6,658,794	4,933,694
Total Expenses	28,701,243	24,993,023	18,986,111
Change in Net Assets Without Donor Restrictions	9,101,254	14,000,741	3,673,508
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:			
Donations and gifts	1,500	-	-
Investment income	17,446	16,958	13,215
Net assets released from restrictions	(42,736)	-	(13,215)
Change in Net Assets With Donor Restrictions	(23,790)	16,958	-
Change in Net Assets	9,077,464	14,017,699	3,673,508
Net Assets, Beginning of Year	64,803,540	50,785,841	47,112,333
Net Assets, End of Year	$ 73,881,004	$ 64,803,540	$ 50,785,841

See notes to consolidated financial statements

CHRISTIAN FINANCIAL RESOURCES, INC. AND AFFILIATE

Consolidated Statements of Cash Flows

	Year Ended December 31, 2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Change in net assets	$ 9,077,464	$ 14,017,699	$ 3,673,508
Adjustment to reconcile change in net assets to net cash flows provided (used) by operating activities:			
Depreciation	355,488	259,818	147,218
Loan forgiveness	-	-	(500,115)
Interest reinvested by certificate holders	15,636,588	12,874,965	11,908,645
(Gain) loss on investments	6,178,301	(5,410,504)	5,276,178
Provision for loan losses	1,000,000	1,000,000	-
Amortization of deferred loan and discount fees	(673,189)	(658,298)	(304,570)
Changes in:		-	-
Interest and other receivables	(1,296,104)	(347,097)	(228,314)
Prepaid expenses and other assets	-	-	6,713
Accounts payable and accrued expenses	529,510	19,450	(415,802)
Charitable gift annuities	(40,642)	(254,259)	80,167
Pooled income funds	(5,835)	(5,833)	(5,835)
Net Cash Provided by Operating Activities	30,761,581	21,495,941	19,637,793
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of investments	69,395,404	96,045,665	99,385,213
Purchase of investments	(93,637,703)	(115,413,351)	(88,953,639)
Purchase of land, property and equipment	(181,830)	(2,942,957)	(441,603)
Payments received for deferred loan fees	1,098,047	829,703	215,309
Payments received for loan discount fees	-	-	227,041
Collections on loans receivable	45,695,782	55,627,849	52,956,988
Issuance of loans receivable	(198,796,964)	(164,277,976)	(110,995,440)
Net Cash Used by Investing Activities	(176,427,264)	(130,131,067)	(47,606,131)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments on loan participation interest	(402,313)	(6,777,715)	(161,132)
Proceeds from sale of loan participation interest	23,450,003	-	2,000,000
Proceeds from issuance of certificates	633,782,900	247,617,451	354,451,618
Redemption of certificates	(565,375,026)	(115,049,657)	(281,129,349)
Proceeds from note payable	-	-	500,115
Proceeds from line of credit	-	-	39,894,247
Payments on line of credit	-	-	(39,894,247)
Net Cash Provided by Financing Activities	91,455,564	125,790,079	75,661,252
Net Change in Cash and Cash Equivalents	(54,210,119)	17,154,953	47,692,914
Cash and Cash Equivalents, Beginning of Year	100,368,156	83,213,203	35,520,289
Cash and Cash Equivalents, End of Year	$ 46,158,037	$ 100,368,156	$ 83,213,203
SUPPLEMENTAL INFORMATION:			
Matured investment certificates reinvested	$ 118,975,599	$ 181,666,156	$ 85,672,018
Cash paid during the year for interest	$ 1,187,415	$ 1,063,295	$ 1,326,833
Loan forgiveness recognized as revenue	$ -	$ -	$ 500,115

See notes to consolidated financial statements

1. NATURE OF ORGANIZATION:

Christian Financial Resources, Inc. (CFR) is a non-profit corporation formed in July 1980 for the purpose of assisting non-denominational Christian Churches and associated para-church ministries. CFR was established to make loans to such churches for the purchases of property and for construction and major improvements of churches, parsonages, church schools and other church buildings. The principal source of funds to make these loans is the sale of debt securities by CFR to investors. CFR is exempt from federal and state income taxes under the provisions of the Internal Revenue Code Section (IRC) 501(c)(3) and applicable state statutes and is not a private foundation under IRC Section 509(a)(1).

2. SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements include the financial statements of CFR and Florida Church Planters, Inc. (FCP). FCP is a nonprofit corporation formed in April 1965 for the purpose of establishing new non-denominational Christian Churches and associated para-church ministries in Florida and to assist in such establishment by supplying funds as needed. Intercompany transactions and balances have been eliminated for consolidated financial statement purposes. In November, 2020, all operations of FCP were transitioned to Ministry Group, Inc. (an uncontrolled entity), to operate as a subsidiary of that organization.

BASIS OF ACCOUNTING

The consolidated financial statements of CFR 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.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking and money market accounts. CFR considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash accounts may, at times, exceed federally insured limits. At December 31, 2022, 2021, and 2020, CFR's cash balances exceeded federally insured limits by $44,727,945, $34,160,852, and $39,767,606, respectively. CFR has not experienced any losses in such accounts.

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. Limited partnership interests are reported at fair value, determined by management using independent appraisals, discounted future cash flows or sales of similar investments. Discounts for lack of liquidity or marketability are taken into consideration when applicable. Investment in some interest bearing deposits are recorded at cost plus accrued interest. Investment income and realized and unrealized gains and losses are included in investment income without donor restrictions unless a donor or law temporarily or permanently restricts their use.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

LOANS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL LOANS

Loans receivable are reported at their outstanding principal balances net of loan participation interests sold and allowance for loan losses. Interest income on loans is accrued and credited to income based on the principal amount outstanding. The accrual of interest income is discontinued when, in management's judgment, the scheduled interest may not be collectible within the stated term of the loan. Interest income is recognized on a cash basis for loans classified as nonaccrual loans, with subsequent payments applied first to interest and fees, if any, and then to principal. Loans classified as nonaccrual loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

The allowance for doubtful accounts is maintained at a level that, in management's judgment, is adequate to absorb possible loan losses. This amount is based upon an analysis of the loan portfolio by management and includes, but is not limited to, past loan loss experience, specific impaired loans, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and current economic conditions. This process is based on estimates, and ultimate losses may vary from current estimates. As changes in estimates occur, adjustment to the level of the allowance is recorded in the provision for potential loan losses in the period in which they become known. After CFR has exhausted its remedies with respect to the foreclosure of the real property collateralizing the loan, any remaining balance on the loan will be immediately written off. A loan is considered impaired when, based upon current information and events, it is probable that CFR will be unable to collect all amounts due according to the contractual terms of the loan agreement. Loans are classified as delinquent when payments are 90 or more days overdue whether or not the loan is in default.

DEFERRED LOAN FEES

Loan administration fees collected at the inception of the loan receivable, net of the costs of originating the loan, are deferred and amortized over the life of the loan as an adjustment of yield using the effective interest method. These loan administration fees are recorded as part of loans receivable, net in the consolidated statements of financial position. Net amortization of such deferred fees was $673,189, $658,298, and $304,570, for the years ended December 31, 2022, 2021, and 2020, and is included in interest income in the consolidated statements of activities.

LAND, PROPERTY AND EQUIPMENT

Land, property and equipment purchases are stated at cost less accumulated depreciation. Donated assets are recorded at fair value at the date of the gift. Donated services that enhance non-financial assets are capitalized at fair market value at the date of the service provided. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years. All acquisitions of land, property and equipment in excess of $10,000, and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS
CFR reports amounts separately by classes of net assets as follows:

Net assets without donor restrictions are those currently available at the discretion of the Board for use in CFR's operations, those designated by the Board for specific purposes, and those resources invested in land, property and equipment.

Net assets with donor restrictions are those subject to donor-imposed stipulations that will be met either by actions of CFR and/or the passage of time. When a donor restriction expires, that is, when a 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 consolidated statements of activities as net assets released from restrictions.

SUPPORT AND REVENUE
Contributions are reported as income when made, which may be when cash is received, unconditional promises to give are made or when ownership of donated assets is transferred. All contributions are considered available for use without donor restrictions unless specifically restricted by the donor or subject to legal restrictions. Gifts of cash and other assets are classified as support with donor restrictions if they are received with donor-imposed restrictions that limit the use of donated assets. Donated goods are recorded at the fair market value at the time of donation.

Management has determined that the significant portion of CFR’s revenues are not subject to the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), including interest income from loans, investment income from investments, donations and gifts, and rental income from leases. Management has determined several smaller revenue streams fall under the scope of Topic 606, including capital campaign revenue, loan processing fees, and deposit-related fees. Certain of those contracts have a single performance obligation, while others have more than one performance obligation that are distinct from one another. The transaction price for the latter contracts is allocated to the separate performance obligations. For loan processing fees, reimbursable expenses, such as documentary stamps, title fees, recording fees, and legal fees, are recognized against revenue consistent with the progress of the respective performance obligation. Further disclosures surrounding Topic 606 have been excluded due to immateriality.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

EXPENSES
Expenses are recorded when incurred in accordance with the accrual basis of accounting. The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and occupancy-related costs, which are allocated on a square footage basis, as well as salaries and benefits, travel, and certain office expenses, which are allocated on the basis of estimates of time and effort, as shown in Note 12 below.

3. INVESTMENTS:
Investments consist of the following:

	December 31,		
	2022	2021	2020
At fair value:			
Mutual funds	$ 7,316,794	$ 6,180,261	$ 26,102
Exchange traded funds	10,425,442	17,819,593	4,632,040
U.S. Treasury securities	19,532,712	-	-
Real estate investment trusts	1,955,742	948,548	1,025,566
Business development companies	-	-	117,358
Stocks	134,085	407,115	335,708
Certificates of deposit	965,000	82,343	-
Limited partnerships	11,133,943	5,674,107	2,368,371
	51,463,718	31,111,967	8,505,145
At cost:			
Denominational loan fund certificates	6,916,340	9,204,093	7,032,725
	6,916,340	9,204,093	7,032,725
	$ 58,380,058	$ 40,316,060	$ 15,537,870

At December 31, 2022, the certificates of deposit and denominational loan fund certificates mature as follows:

Within one year	$ 4,817,268
After one year through five years	3,064,071
	$ 7,881,340

4. LOANS RECEIVABLE, NET:

Loans receivable are made available to eligible ministries and are collateralized by first and second mortgages on real property or investment certificates held at CFR. The loans generally mature in three to twenty years and may be extended by CFR. Repayment schedules are computed based on an amortization of the principal over a period of up to twenty-five years.

A summary of loans receivable is as follows:

	December 31,		
	2022	2021	2020
Loans receivable	$ 749,605,926	$ 619,552,435	$ 504,124,593
Allowance for doubtful accounts	(6,000,000)	(5,000,000)	(4,000,000)
Unamortized discount on loans	(69,164)	(148,103)	(227,041)
Deferred loan fees, net of cost	(1,693,891)	(1,190,095)	(939,752)
Total loans receivable, net	$ 741,842,871	$ 613,214,237	$ 498,957,800

An analysis of the allowance for doubtful loans is as follows:

	December 31,		
	2022	2021	2020
Beginning of year	$ 5,000,000	$ 4,000,000	$ 4,000,000
Provision for losses	1,000,000	1,000,000	-
Write-downs	-	-	-
End of year	$ 6,000,000	$ 5,000,000	$ 4,000,000

4. LOANS RECEIVABLE, NET, continued:

CFR evaluates loans for impairment on an individual basis if the loan is more than 90 days delinquent. These loans are then given a specific allowance based on the estimated net realizable value of property serving as collateral. All other loans are evaluated for a loan allowance on a collective basis. Impaired loans include delinquent loans but also include loans adjusted to interest only payments in troubled debt restructurings during the term of the note. At times, management of CFR elects to allow borrowers to have a forbearance period of interest only to help with cash flow beyond the terms of the current loan note. This forbearance is granted only at the discretion of CFR management. CFR had three impaired loans totaling $4,032,674 at December 31, 2022, three impaired loans totaling $4,118,068 at December 31, 2021, and two impaired loans totaling $932,803 at December 31, 2020, that were modified in a troubled debt restructuring during the term of the existing loan. All impaired loans were situations which management allowed interest-only payments. None of the impairments were due to a delinquent payment. Management believes there is no risk of loss due to sufficient collateral for each loan. The allowance related to these impaired loans totaled approximately $42,000, $38,000, and $6,000 for the years ended December 31, 2022, 2021, and 2020, respectively.

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 delinquent is greater than 60 days in the previous month. The following table presents credit exposure by performance status for the years ended December 31, 2022, 2021 and 2020:

	December 31,		
	2022	2021	2020
Performing	$ 749,605,926	$ 619,552,435	$ 504,124,593
Nonperforming	-	-	-
	$ 749,605,926	$ 619,552,435	$ 504,124,593

An aging analysis of the principal of past due loans receivable is as follows:

	December 31,		
	2022	2021	2020
Past due:			
Greater than 30 days	$ -	$ -	$ -
Current	749,605,926	619,552,435	504,124,593
	$ 749,605,926	$ 619,552,435	$ 504,124,593

4. LOANS RECEIVABLE, NET, continued:

CFR classifies loans as past due if the loan is more than 30 days past due but less than 90 days delinquent. There were no past due loans or loans classified as delinquent as of December 31, 2022, 2021, and 2020.

Loans receivable at December 31, 2022, will mature as follows:

Year	Amount
2023	$ 12,217,764
2024	86,883,988
2025	50,187,204
2026	11,293,200
2027	30,236,389
Thereafter	558,787,381
	$ 749,605,926

At December 31, 2022, CFR had 425 outstanding loans with balances as follows:

Loan Balance	Number of Loans	Principal Outstanding	Percent of Loan Portfolio
$250,000 and less	112	$ 12,327,958	2%
$250,001 - $500,000	56	21,205,098	3%
$500,001 - $1,000,000	80	58,333,564	8%
$1,000,001 - $2,000,000	65	92,324,002	12%
$2,000,001 - $5,000,000	70	223,574,594	29%
$5,000,001 - $10,000,000	33	223,516,844	30%
Over $10,000,000	9	118,323,866	16%
	425	$ 749,605,926	100%

4. LOANS RECEIVABLE, NET, continued:

Although CFR has no geographic restrictions within the United States on where loans are made, aggregate loans equal to or in excess of five percent of total balances at December 31, 2022, were located in the following states:

Loan Balance	Number of Loans	Principal Outstanding	Percent of Loan Portfolio
Florida	98	$ 122,227,259	16%
Illinois	22	82,240,548	11%
Ohio	41	59,666,114	8%
Kentucky	22	42,425,806	6%
Virginia	28	41,211,726	5%
	211	$ 347,771,453	46%

As of December 31, 2022, CFR had one unsecured loan totaling $266,904, and twelve loans totaling $2,794,121 secured by other assets. The loans receivable earn interest at fixed or variable rates which ranged from 3.00 percent to 9.00 percent at December 31, 2022.

Although CFR has a diverse portfolio of loans, concentrations of credit risk may exist with respect to individually significant borrowers, which are defined as those equal to or exceeding five percent of the total loan portfolio. At December 31, 2022, there were no individually significant borrowers whose balances exceeded five percent of the total loan portfolio.

As of December 31, 2022, CFR had undrawn loan commitments totaling $89,784,953. In addition, CFR has extended lines of credit totaling $2,085,000 of which $554,123 was outstanding at December 31, 2022, and is included in loans receivable in the consolidated statements of financial position.

Based on the terms of the participation agreements, for a loan less than 100% sold, CFR maintains all records, performs all servicing requirements for a fee, and remits monthly the appropriate interest and principal amounts collected. CFR's interests are included in loans receivable in the accompanying consolidated statements of financial position. Participation loans consist of the following:

	December 31,		
	2022	2021	2020
Total participation loans	$ 88,110,668	$ 22,525,245	$ 23,203,330
Portions sold to other lenders	(33,892,813)	(10,845,123)	(17,622,837)
	$ 54,217,855	$ 11,680,122	$ 5,580,493

5. LAND, PROPERTY AND EQUIPMENT, NET:

Land, property and equipment consists of the following:

	December 31, 2022	December 31, 2021	December 31, 2020
Land	$ 447,990	$ 447,990	$ 447,990
Building and improvements	6,310,719	6,320,719	3,977,480
Furniture and equipment	877,173	833,182	232,350
Vehicles	582,394	434,555	196,010
Construction in progress	-	-	277,371
	8,218,276	8,036,446	5,131,201
Less accumulated depreciation	(1,177,959)	(822,471)	(600,365)
	$ 7,040,317	$ 7,213,975	$ 4,530,836

6. INVESTMENT CERTIFICATES:

Each investor in CFR receives a "statement of account" certifying that the holder has made an investment of a specified dollar amount and is entitled to participate in the assets held for the benefit of the investors. These investment certificates fall into two basic categories (Demand Certificates and Timed Certificates), each with varying requirements. Interest is compounded daily, paid or reinvested monthly and quarterly, and is subject to forfeiture under certain circumstances for early redemption. Certificates are redeemable at end of terms ranging from one to ten years or on demand and earn interest at variable rates (from 1.42% to 3.92% at December 31, 2022).

CFR was indebted on investment certificates as summarized below:

	December 31, 2022	December 31, 2021	December 31, 2020
Demand	$ 333,973,602	$ 257,845,460	$ 215,635,925
Term:			
Flexible	84,535,887	63,018,424	32,456,305
One year	77,281,738	82,949,233	36,510,606
15 month fixed rate	25,416,870	36,295,764	54,879,309
Three year	166,934,320	162,455,835	124,814,919
Five year	40,442,919	43,515,013	40,849,215
Seven year	48,005,204	46,719,459	45,612,730
Ten year	5,137,993	4,884,883	1,482,303
	$ 781,728,533	$ 697,684,071	$ 552,241,312

6. INVESTMENT CERTIFICATES, continued:

Amounts are presented in the schedule below based on the year in which the investment certificates are scheduled to mature. Notwithstanding the foregoing, CFR will pay any redemption of an investor's demand certificate within 30 days after receiving the request; term certificates may not be redeemed without CFR's consent before they mature and any redemptions prior to maturity may be subject to penalties.

Year of Maturity	Amount
Demand	$ 333,973,602
2023	215,274,430
2024	131,989,993
2025	61,704,700
2026	18,774,345
2027	12,452,469
Thereafter	7,558,994
	$ 781,728,533

At December 31, 2022, CFR had 1,758 certificates with balances of $100,000 or more as follows:

Certificate Balance	Number of Certificates	Amount	Percent of Certificate Balances Outstanding
$100,000 - $200,000	964	$ 106,609,473	14%
$200,001 - $300,000	410	78,361,152	10%
$300,001 - $500,000	130	43,674,548	6%
Greater than $500,000	254	154,449,050	20%
	1,758	$ 383,094,223	50%

At December 31, 2022, CFR had 7,322 total certificates, with the primary concentrations by state as follows:

State	Number of Certificates	Aggregate Investment Certificate Balances	Percent of Certificate Balances Outstanding
Florida	3,404	$ 321,558,666	41%
Indiana	279	73,192,324	9%
North Carolina	358	57,195,017	7%
Virginia	398	55,760,601	7%
Georgia	393	52,799,056	7%
	4,832	$ 560,505,664	71%

7. PAYCHECK PROTECTION PROGRAM LOAN:

In March 2020, CFR was a recipient of a Paycheck Protection Program (PPP) loan of $500,115 granted by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act (CARES ACT). Under the program terms, PPP loans are forgiven and recognized as a contribution if the loan proceeds are used to maintain compensation costs and employee headcount, and other qualifying expenses (mortgage interest, rent and utilities) incurred following receipt of the loan. CFR received notice from its lender during the year ended December 31, 2020, that the full amount of the loan had been forgiven.

8. POOLED INCOME FUNDS:

CFR is the beneficiary of several split-interest agreements (pooled income funds). The funds from different donors are unitized and donors are assigned a specific number of units based on the relationship of the fair value of their contribution to the fair value of the pool as a whole at the time the donor enters the pool. During the term of the life income gifts, the donor (or beneficiaries specified by the donor) receives the actual income earned on the donor's units in the pool. The agreements provide for annual payments at the investment rate of the donor's related certificate over the beneficiary's lifetime. As of December 31, 2022, 2021 and 2020, assets totaled $270,000 each year and are valued at fair value when received. The liability is valued at fair value using present value techniques. Changes in fair value of pooled income funds are reflected as changes in net assets with donor restrictions. On an annual basis, CFR reviews the need to revalue the liability based on any changes to the donors' life expectancy. The present value of the estimated future payments was $124,452, $130,287, and $136,120 at December 31, 2022, 2021 and 2020, respectively. There was no contribution revenue recognized for the years ended December 31, 2022, 2021 and 2020, respectively.

9. CHARITABLE GIFT ANNUITIES:

CFR is the beneficiary of several split-interest agreements (charitable gift annuities). The agreements provide for annual payments from $520 to $12,500, at fixed rates from 5% to 7.1%, over the donors' lifetimes for the years ended December 31, 2022, 2021, and 2020. Assets totaled $707,688, $893,393, and $1,049,530 as of December 31, 2022, 2021 and 2020, respectively, and are valued at fair value when received. The liability is valued at fair value using present value techniques. Changes in fair value of charitable gift annuities are reflected as changes in net assets without donor restrictions. On an annual basis, CFR reviews the need to revalue the liability based on any changes to the donor's life expectancy. The present values of the estimated future payments ($462,626, $503,268, and $757,527 at December 31, 2022, 2021 and 2020, respectively) are calculated using discount rates of 3.4% to 5.9%, and applicable mortality tables. Contribution revenue of $0, $0, and $83,468, is recorded in donations and gifts in the consolidated statements of activities for the years ended December 31, 2022, 2021 and 2020, respectively.

10. FAIR VALUE MEASUREMENTS AND DISCLOSURES:

CFR uses appropriate valuation techniques to determine fair value based on inputs available. When available, CFR 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 were 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 at December 31, 2022, 2021 and 2020:

	Total	Level 1	Level 2	Level 3
2022:				
Mutual funds	$ 7,316,794	$ 7,316,794	$ -	$ -
Exchange traded funds	10,425,442	10,425,442	-	-
U.S. Treasury securities	19,532,712	19,532,712	-	-
Real estate investment trusts	1,955,742	-	-	1,955,742
Stocks	134,085	134,085	-	-
Certificates of deposit	965,000	-	965,000	-
Limited partnerships	11,133,943	-	-	11,133,943
	$ 51,463,718	$ 37,409,033	$ 965,000	$ 13,089,685

	Total	Level 1	Level 2	Level 3
2021:				
Mutual funds	$ 6,180,261	$ 6,180,261	$ -	$ -
Exchange traded funds	17,819,593	17,819,593	-	-
Real estate investment trusts	948,548	-	-	948,548
Stocks	407,115	407,115	-	-
Certificates of deposit	82,343	-	82,343	-
Limited partnerships	5,674,107	-	-	5,674,107
	$ 31,111,967	$ 24,406,969	$ 82,343	$ 6,622,655

10. FAIR VALUE MEASUREMENTS AND DISCLOSURES, continued:

	Total	Level 1	Level 2	Level 3
2020:				
Money market mutual funds	$ 60,723,945	$ 60,723,945	$ -	$ -
Mutual funds	26,102	26,102	-	-
Exchange traded funds	4,632,040	4,632,040	-	-
Real estate investment trusts	1,025,566	-	-	1,025,566
Business development compani	117,358	-	-	117,358
Stocks	335,708	335,708	-	-
Limited partnerships	2,368,371	-	-	2,368,371
	$ 69,229,090	$ 65,717,795	$ -	$ 3,511,295

Valuation techniques: Fair values for mutual funds, exchange traded funds, U.S. Treasury securities, real estate investment trusts and stocks are determined by reference to quoted market prices and other relevant information generated by market transactions. The fair value of certificates of deposit are based on yields currently available on comparable securities of issuers with similar credit ratings.

The money market funds in the tables above at December 31, 2020, are grouped with cash and cash equivalents on the consolidated statements of financial position, as they meet the definition of cash and cash equivalents, and because they were held for operational purposes.

CFR has investments in several limited partnerships. During the years ended December 31, 2022, 2021, and 2020, CFR made additional capital contributions into limited partnership investments totaling $4,565,000, $3,208,182, and $0, respectively. CFR has outstanding capital commitments totaling $6,132,913, $5,057,913, and $0 as of December 31, 2022, 2021 and 2020, respectively. All limited partnership investments held by CFR have life of fund lockup provisions, with various fund termination dates ranging from 2023 through 2033, with the potential for additional termination extensions as determined by the general partner of each fund.

CHRISTIAN FINANCIAL RESOURCES, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2022, 2021 and 2020

11. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	December 31, 2022	December 31, 2021	December 31, 2020
Subject to expenditure for specified purpose:			
Disaster relief	$ 78,749	$ 97,249	$ 97,249
Other purpose restrictions	419,505	430,630	419,505
	498,254	527,879	516,754
Subject to the passage of time:			
Pooled income funds	145,548	139,713	133,880
Total net assets with donor restrictions	$ 643,802	$ 667,592	$ 650,634

12. FUNCTIONAL ALLOCATION OF EXPENSES:

The following tables present the functional allocation of expenses for the years ended December 31, 2022, 2021 and 2020.

	For the Year Ended December 31, 2022			
		Supporting Services		
	Program Services	General and Administrative	Fundraising	Total
Interest expense	$ 16,911,534	$ -	$ -	$ 16,911,534
Loan loss provision	1,000,000	-	-	1,000,000
Grants	3,046,717	-	-	3,046,717
Salaries and benefits	2,137,919	1,943,785	-	4,081,704
Professional fees	50,400	432,457	-	482,857
Information technology	-	758,700	-	758,700
Maintenance and repair	-	134,914	-	134,914
Travel	519,806	166,487	-	686,293
Occupancy	-	65,652	-	65,652
Office expenses	150,198	234,074	-	384,272
Depreciation	236,992	118,496	-	355,488
Other	374,569	418,543	-	793,112
Total	$ 24,428,135	$ 4,273,108	$ -	$ 28,701,243

12. FUNCTIONAL ALLOCATION OF EXPENSES, continued:

	For the Year Ended December 31, 2021			
		Supporting Services		
	Program Services	General and Administrative	Fundraising	Total
Interest expense	$ 13,953,724	$ -	$ -	$ 13,953,724
Loan loss provision	1,000,000	-	-	1,000,000
Grants	3,380,505	-	-	3,380,505
Salaries and benefits	1,840,210	2,015,056	-	3,855,266
Professional fees	74,145	268,416	-	342,561
Information technology	-	669,926	-	669,926
Maintenance and repair	-	101,021	-	101,021
Travel	398,450	130,022	-	528,472
Occupancy	49,448	24,724	-	74,172
Office expenses	169,083	308,137	-	477,220
Depreciation	173,212	86,606	-	259,818
Other	234,626	115,712	-	350,338
Total	$ 21,273,403	$ 3,719,620	$ -	$ 24,993,023

	For the Year Ended December 31, 2020			
		Supporting Services		
	Program Services	General and Administrative	Fundraising	Total
Interest expense	$ 13,235,478	$ -	$ -	$ 13,235,478
Loan loss provision	-	-	-	-
Grants	816,939	-	-	816,939
Salaries and benefits	1,666,454	1,357,849	-	3,024,303
Professional fees	32,400	216,858	-	249,258
Information technology	-	379,565	-	379,565
Maintenance and repair	-	79,495	-	79,495
Travel	258,583	86,212	-	344,795
Occupancy	46,543	23,271	-	69,814
Office expenses	134,059	177,168	7,929	319,156
Depreciation	98,145	49,073	-	147,218
Other	162,536	157,554	-	320,090
Total	$ 16,451,137	$ 2,527,045	$ 7,929	$ 18,986,111

13. RETIREMENT PLAN:

403(b) Plan

Vanguard functions as the retirement plan administrator. Under the plan, CFR contributes 5-15% of each participant's budgeted salary, with contributions for the years ended December 31, 2022, 2021, and 2020, totaling $213,543, $175,855, and $135,760, respectively. The contributions are invested in various mutual funds. Participants can direct their accounts to be invested in various funds with varying investment objectives. There is no age or service requirement to participate in the plan.

14. RELATED PARTY TRANSACTIONS:

As further explained in Notes 4 and 6, CFR makes loans to eligible ministries and churches and also accepts investments from these organizations and affiliated individuals. Certain of these individuals are employees or serve on the board of directors of CFR, or are their immediate family members. The individuals and organizations who have investment certificates with CFR totaled $1,882,448, $1,891,388, and $5,941,752, in the aggregate as of December 31, 2022, 2021 and 2020, respectively. At December 31, 2022, there were two loans with eligible ministries of which a director or officer of CFR was a board member or officer in the aggregate totaling $5,881,190. At December 31, 2021, there were four loans totaling $11,180,576. At December 31, 2020, there were four loans totaling $23,875,284.

15. CONCENTRATION OF CREDIT RISK:

Financial instruments that potentially subject CFR to concentrations of credit risk consist principally of cash, cash equivalents, marketable securities and loans receivable. From time to time, cash deposits are in excess of FDIC insured limits; while management is mindful of the FDIC limits, they realize that cash balances generated in ordinary course of business will generally exceed FDIC insured limits. At December 31, 2022, approximately $47,000,000 of CFR's cash and investment portfolio was held by the investment management firm of Charles Schwab & Co., Inc. CFR has not experienced any losses on these accounts.

A substantial portion of the investment certificates issued by CFR are demand instruments or will be maturing within the next two years. In addition, all demand investment certificates are payable upon 30 days written notice subject to availability of funds. CFR has insufficient liquid assets to satisfy repayment of this amount. Management anticipates, similar to past history, that a substantial portion of these certificates will be reinvested or rolled over into new certificates with CFR.

16. <u>LIQUIDITY AND FUNDS AVAILABLE:</u>

The following reflects CFR's financial assets as of December 31, 2022, 2021 and 2020, 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, donor-restricted funds restricted by purpose or time, unfunded portions of line of credit commitments, liquidity reserve limits required for church extension funds, investments held for pooled income funds, or investments held for annuities.

	December 31, 2022	December 31, 2021	December 31, 2020
Financial assets:			
Cash and cash equivalents	$ 46,158,037	$ 100,368,156	$ 83,213,203
Investments	58,380,058	40,316,060	15,537,870
Loans receivable (gross)	749,605,926	619,552,435	504,124,593
Less: allowance for doubtful loans	(6,000,000)	(5,000,000)	(4,000,000)
Less: unamortized discount on loans	(69,164)	(148,103)	(227,041)
Less: deferred loan fees, net of cost	(1,693,891)	(1,190,095)	(939,752)
Interest and other receivables	3,693,716	2,397,612	2,050,515
Total financial assets	850,074,682	756,296,065	599,759,388
Less those unavailable for general expenditures within one year, due to:			
Loans receivable collectible beyond one year	(737,388,162)	(556,991,907)	(455,108,750)
Unfunded line of credit commitments	(1,530,877)	(457,912)	(2,701,621)
Investments not convertible to cash within next 12 months	(16,153,756)	(11,999,323)	(6,239,071)
Church extension fund required liquidity reserves*	(46,903,712)	(41,861,044)	(33,134,479)
Donor-imposed purpose restrictions	(498,254)	(527,879)	(516,754)
Investments held for pooled income funds	(270,000)	(270,000)	(270,000)
Investments held for annuities	(707,688)	(893,393)	(1,049,530)
Financial assets available to meet cash needs for general expenditures within one year	$ 46,622,233	$ 143,294,607	$ 100,739,183

* 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 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.

16. LIQUIDITY AND FUNDS AVAILABLE, continued:

CFR structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. CFR also has two line of credit agreements as follows:

CFR has a bank line of credit with Truist, allowing for maximum borrowings of $40,000,000. The line of credit matures in October, 2023, and is secured by loans receivable, with interest variable at the secured overnight financing rate (SOFR) with a floor of 3.00%, with an outstanding balance of $0 at December 31, 2022, 2021 and 2020. Interest expense related to this line of credit totaled $0, $0, and $9,367, during the years ended December 31, 2022, 2021 and 2020, respectively.

CFR entered into a bank line of credit with Fifth Third Bank in November 2022, allowing for maximum borrowings of $25,000,000. The line of credit matures in November 2023, and is secured by loans receivable, with an interest variable at SOFR, with an outstanding balance of $0 at December 31, 2022. Interest expense related to this line of credit totaled $0 for the year ended December 31, 2022.

CFR had a bank line of credit with Synovus Bank, that allowed for maximum borrowings of $15,000,000. The line of credit matured and was not renewed in June 2022, and was secured by loans receivable, with interest variable at 30-day Libor rate plus 2.4% with an outstanding balance of $0 at December 31, 2022, 2021, and 2020. Interest expense related to this line of credit totaled $0, $0, and $30,685 during the years ended December 31, 2022, 2021 and 2020, respectively.

17. EMPLOYEE RETENTION CREDIT:

CFR claimed a tax credit of $678,626, through the Employee Retention Credit (ERC) program offered through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The credit is claimed in relation to qualified wages owed for the year ended December, 2021. The full amount of the credit was recognized as grant revenue on the consolidated statement of activities in the year ended December 31, 2022.

Laws and regulations concerning government programs, including the ERC, established by the CARES Act are complex and subject to varying interpretation. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge CFR's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon CFR.

18. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through March 22, 2023, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.