

SUPPLEMENT TO OFFERING CIRCULAR

WESLEYAN INVESTMENT FOUNDATION, INC.

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This Supplement to Offering Circular supplements certain information given in Wesleyan Investment Foundation, Inc.'s Offering Circular dated November 24, 2021 (the "Offering Circular") as described below and should be read in conjunction with such Offering Circular.

Post-Affiliation Operations of Cornerstone

Effective November 9, 2021, Wesleyan Investment Foundation, Inc. ("WIF") became the sole member of Converge Cornerstone Fund ("Cornerstone") pursuant to an Affiliation Agreement by and among WIF, Converge, and Cornerstone (the "Affiliation"). Cornerstone is an Illinois nonprofit corporation whose purpose is to help Converge affiliated churches finance real property (re)development. For information regarding Cornerstone and the Affiliation, see "*Affiliation with Converge Cornerstone Fund*" in the Offering Circular. WIF and Cornerstone have generally received positive responses from their respective constituencies in response to the Affiliation, including requests from some Cornerstone investors and borrowers to transfer their respective Cornerstone investments/borrowings to WIF.

The parties anticipated that the Affiliation would benefit WIF, Cornerstone and their respective constituencies by permitting the organizations to share administrative resources to create operational synergies and cost efficiencies. Since the Affiliation, WIF has supported Cornerstone's operations by offering personnel to address Cornerstone staffing shortages. Due to additional personnel departures at Cornerstone, WIF personnel have assumed control over day-to-day operations of Cornerstone. This personnel integration has made clear to both Cornerstone and WIF that the anticipated synergies and cost efficiencies could be more immediately achieved if WIF integrated Cornerstone's back-office administration and technology systems into WIF's equivalent systems.

Merger of Cornerstone with and into WIF

In light of the positive response from both organizations' constituencies and the unexpected pace of operational integration, the Board of Directors of WIF and Cornerstone have each determined that it is in the best interests of both organizations to merge Cornerstone with and into WIF (the "Proposed Merger"). WIF currently anticipates that the Proposed Merger will be effectuated on May 1, 2022 (the "Merger Date"), at which point the entirety of Cornerstone's loan portfolio will be assumed by WIF by operation of law, the outstanding balances of any remaining Cornerstone securities will be liquidated and Cornerstone will cease to exist. WIF will not be required to pay Converge any additional consideration in connection with the Proposed Merger. In advance of the Proposed Merger, WIF is offering Cornerstone investors the opportunity to transfer the balance of their Cornerstone certificates into WIF Investments pursuant to those terms offered to any new WIF investor as described in the Offering Circular.

WIF believes the Proposed Merger will benefit WIF and its (and Cornerstone's) investors and church borrowers. Since WIF has already assumed the day-to-day operations of Cornerstone, the Proposed Merger will benefit both organizations by streamlining the duties of WIF personnel (via use of shared loan origination policies and documentation, integrated information technology platforms, and the offering of Investments solely via WIF's offering circular), eliminating costs arising from duplicate vendors and simplifying the accounting, payroll and legal functions. WIF expects that it will be able to pass-through the benefits of the operational synergies and cost efficiencies in the form of more competitive lending terms and investment opportunities.

The date of this Supplement to Offering Circular is January 5, 2022.



WESLEYAN INVESTMENT FOUNDATION, INC.
13300 Olio Road
Fishers, Indiana 46037
317.774.7300

OFFERING CIRCULAR

\$500,000,000

DEMAND INVESTMENTS AND TERM INVESTMENTS

We are making available up to \$500,000,000.00 worth of Demand Investments and Term Investments (collectively, the “Investments”) in this offering. The Investments are unsecured debt obligations of Wesleyan Investment Foundation, Inc. (“we”, “us”, “our” or “WIF”) and accrue interest at a variable rate as described herein. The Demand Investments are redeemable in full (i.e., principal plus accrued interest to date) upon demand and are offered in every state in which WIF is authorized to offer and sell securities except the State of South Carolina. In South Carolina, WIF offers Term Investments, which mature 30-days following the date of issue. Term Investments renew automatically unless the investor notifies us of his or her intent not to renew. Only persons who are, prior to such person’s first purchase of the Investments, members of, contributors to, or participants in the Wesleyan Church, WIF, or in any program, activity or organization which constitutes a part of the Wesleyan Church or WIF, or in other religious organizations that have a programmatic relationship with the Wesleyan Church or WIF, or any other person who has some reasonable association or affiliation with the Wesleyan Church, its religious programs or WIF may purchase the Investments. We will pay interest on the Investments at the rates set forth below. We may adjust the rates of interest we pay each January 1 and July 1. We use the Investments to finance loans we make to member churches and other church related organizations of the Wesleyan Church Corporation (the “Wesleyan Church”), to churches and church related organizations of various other denominations, churches that are currently or historically similar to the churches of the Wesleyan Church, and to churches broadly defined as “evangelical” for various capital purchases and building programs, and to purchase land and buildings and provide funding for other expenses and purchases undertaken or incurred by the churches or church related organizations. Interest rates as of the date of this Offering Circular are shown below. Please call us to obtain our current rates.

<u>Principal Amount Invested per Investor</u>	<u>Interest Rate</u>	<u>Annual Percentage Yield</u>
\$0-\$4,999	1.00%	1.00%
\$5,000-\$34,999	1.25%	1.25%
\$35,000 and up	1.50%	1.51%

In order to make an Investment, you must have a reasonable association or affiliation with WIF, the Wesleyan Church or its religious programs, including being a member of, attendee at, contributor to, or participant in the Wesleyan Church or us, or a program, activity or organization that is related to the Wesleyan Church or one of its associated organizations, or have a similar type of association or affiliation with a denomination or church to which we have made a loan or have an Investment relationship with.

This offering of Investments is not underwritten and no commissions will be paid on the sales of the Investments. Accordingly, we will receive 100% of the proceeds when Investments are made and we will bear all expenses incurred in connection with making the Investments available, which we anticipate will be less than one tenth of one percent of the total amount of Investments made available. We do not hire underwriters or outside selling agents to sell the Investments in this offering; generally, we offer and sell the Investments through our officers and employees. This offering is a continuous offering and we offer Investments until the Investments are all sold.

THIS OFFERING IS NOT A BANK DEPOSIT, IS NOT FDIC OR SIPC INSURED, AND IS SUBJECT TO RISKS, CERTAIN OF WHICH ARE DESCRIBED BEGINNING ON PAGE 3.

The date of this Offering Circular is November 24, 2021

THE INVESTMENTS ARE SPECULATIVE SECURITIES. THE INVESTMENTS 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 THE INVESTMENTS HAS NOT BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

THE INVESTMENTS ALSO ARE EXEMPT FROM REGISTRATION IN CERTAIN STATES BY STATE LAW, WHILE IN OTHER STATES THEY MAY HAVE BEEN REGISTERED. NEITHER THE STATE SECURITIES COMMISSIONS NOR THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION HAS IN ANY WAY PASSED UPON THE VALUE OF THE INVESTMENTS, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, PASSED UPON THE MERITS OR QUALIFICATIONS OF OR RECOMMENDED OR GIVEN APPROVAL TO THE INVESTMENTS, APPROVED OR DISAPPROVED THE OFFERING, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. WHEN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF WESLEYAN INVESTMENT FOUNDATION AND THE TERMS OF THE INVESTMENTS, INCLUDING THE MERITS AND RISKS.

THE INVESTMENTS ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, ANY STATE BANK INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IN THE INVESTMENTS IS DEPENDENT UPON OUR FINANCIAL CONDITION. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST. THE INVESTMENTS ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY, THE WESLEYAN CHURCH OR BY ANY DISTRICT OR LOCAL CONGREGATION OF THE WESLEYAN CHURCH OR ANY OTHER DENOMINATION OR CHURCH WITH WHOM WE HAVE A RELATIONSHIP.

IT IS NOT OUR GENERAL PRACTICE TO AUTHORIZE ANY THIRD PARTY OR PARTIES TO PROVIDE INFORMATION OR TO MAKE REPRESENTATION IN CONNECTION WITH THE INVESTMENTS OTHER THAN THOSE CONTAINED IN THIS OFFERING CIRCULAR. IF A THIRD-PARTY GIVES SUCH INFORMATION OR MAKES SUCH REPRESENTATION REGARDING THE INVESTMENTS, YOU SHOULD NOT RELY ON SUCH INFORMATION OR REPRESENTATION AS HAVING BEEN MADE BY WESLEYAN INVESTMENT FOUNDATION.

INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF INVESTMENTS THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS. INVESTORS SHOULD MAKE THEIR OWN DECISION WHETHER THIS OFFERING MEETS THEIR INVESTMENT OBJECTIVES AND RISK TOLERANCE LEVEL.

PLEASE NOTE THESE ADDITIONAL STATE-SPECIFIC DISCLOSURES

ALABAMA

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 8-6-10(8) OF THE ALABAMA SECURITIES ACT AND SECTION 3(A)(4) OF THE SECURITIES ACT OF 1933. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ALABAMA SECURITIES COMMISSION OR WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. NEITHER THE ALABAMA SECURITIES COMMISSION 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 PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

ARKANSAS

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER THE ARKANSAS SECURITIES ACT AND SECTION 3(A)(4) OF THE SECURITIES ACT OF 1933. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ARKANSAS SECURITIES DEPARTMENT OR WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. NEITHER THE DEPARTMENT NOR THE COMMISSIONER HAS PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASES, APPROVED OR DISAPPROVED THE OFFERING, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

CALIFORNIA

THE DEPARTMENT OF BUSINESS OVERSIGHT OF THE STATE OF CALIFORNIA DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF THESE SECURITIES NOR HAS THE DEPARTMENT PASSED UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR. WHEN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURE, MERITS AND RISKS INVOLVED. THE INVESTMENTS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT DETERMINED THE ACCURACY, ADEQUACY, TRUTHFULNESS, OR COMPLETENESS OF THIS DOCUMENT AND HAVE NOT PASSED UPON THE MERIT OR VALUE OF THE INVESTMENTS, OR APPROVED, DISAPPROVED OR ENDORSED THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FLORIDA

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER CHAPTER 517.051(9), FLORIDA STATUTES. THE CHURCH EXTENSION FUND IS REGISTERED WITH THE DEPARTMENT OF BANKING AND FINANCE AS AN ISSUER/DEALER. OFFERS AND SALES OF THESE SECURITIES WILL BE MADE ONLY THROUGH REPRESENTATIVES OF THE CHURCH EXTENSION FUND REGISTERED WITH

THE DEPARTMENT OF BANKING AND FINANCE AS ASSOCIATED PERSONS OF THE CHURCH EXTENSION FUND.

GEORGIA

THESE SECURITIES ARE OFFERED AND SOLD PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 10-5-10(7) OF THE GEORGIA UNIFORM SECURITIES ACT OF 2008. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE GEORGIA SECURITIES COMMISSION.

HAWAII

NEITHER THE HAWAII SECURITIES DIVISION NOR THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION HAS PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THE OFFERING, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY OR TRUTHFULNESS OF THIS DISCLOSURE, NOR WHETHER IT IS COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

IDAHO

NO FEDERAL OR STATE SECURITIES COMMISSION HAS APPROVED, DISAPPROVED, ENDORSED, OR RECOMMENDED THIS OFFERING. NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY OR TRUTHFULNESS OF THIS DISCLOSURE, NOR WHETHER IT IS COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS ILLEGAL.

ILLINOIS

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECRETARY OF STATE OF ILLINOIS OR THE STATE OF ILLINOIS, NOR HAS THE SECRETARY OF STATE OF ILLINOIS OR THE STATE OF ILLINOIS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

INDIANA

THE INDIANA SECURITIES DIVISION HAS NOT IN ANY WAY PASSED UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, THE SECURITIES HEREBY OFFERED, OR PASSED UPON THE ACCURACY OR ADEQUACY OF THE OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

KANSAS

THIS OFFERING CIRCULAR DOES NOT APPLY TO INVESTORS SUBJECT TO THE LAWS OF THE STATE OF KANSAS. PLEASE REFER TO OUR OFFERING CIRCULAR ISSUED TO INVESTORS IN THE STATE OF KANSAS TO LEARN MORE ABOUT OUR OFFERINGS (IF ANY) IN THE STATE OF KANSAS AT THIS TIME.

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.

MARYLAND

THESE SECURITIES ARE OFFERED FOR SALE IN MARYLAND PURSUANT TO A REGULATORY EXEMPTION FROM REGISTRATION. THE DIVISION OF SECURITIES OF THE OFFICE OF THE ATTORNEY GENERAL OF MARYLAND HAS NOT REVIEWED THE INFORMATION NOR PASSED IN ANY WAY UPON THE MERITS OF, RECOMMENDED, OR GIVEN APPROVAL TO THE SECURITIES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

MICHIGAN

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE DEPARTMENT OF LICENSING & REGULATORY AFFAIRS (LARA), CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU (CSCL), SECURITIES DIVISION. NEITHER THE CSCL 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.

NEBRASKA

THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER APPLICABLE STATE LAW AND SECTION 3(A)(4) OF THE FEDERAL SECURITIES ACT OF 1933. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE STATE SECURITIES COMMISSION OR WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. NEITHER THE STATE SECURITIES COMMISSION 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 THE OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS OFFERING CIRCULAR. ANY STATEMENT OR REPRESENTATION BY ANY PERSON WHICH IS NOT INCLUDED IN THIS OFFERING CIRCULAR MAY BE UNLAWFUL AND SHOULD NOT BE RELIED UPON AS HAVING BEEN MADE BY THE ISSUER.

NEW HAMPSHIRE

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

NEW YORK

THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

NORTH CAROLINA

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

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

PENNSYLVANIA

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES, NOR HAS THE DEPARTMENT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

A REGISTRATION STATEMENT WITH RESPECT TO THE SECURITIES OFFERED BY THIS OFFERING CIRCULAR HAS BEEN FILED IN THE OFFICES OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES AT 17 NORTH 2ND STREET, SUITE 1300, HARRISBURG, PENNSYLVANIA 17101. THE TELEPHONE NUMBER FOR THE DEPARTMENT IS 717-787-8059. THE REGISTRATION STATEMENT INCLUDES CERTAIN EXHIBITS ONLY SUMMARIZED OR ALLUDED TO IN THIS OFFERING CIRCULAR. THESE DOCUMENTS ARE AVAILABLE FOR INSPECTION AT THE OFFICES OF THE DEPARTMENT DURING REGULAR BUSINESS HOURS.

ANY INVESTOR WHO ACCEPTS AN OFFER TO PURCHASE INVESTMENTS SHALL HAVE THE RIGHT FOR A PERIOD OF TWO (2) BUSINESS DAYS AFTER SUCH INVESTOR RECEIVES

A COPY OF THIS OFFERING CIRCULAR TO WITHDRAW FROM HIS/HER PURCHASE AGREEMENT PURSUANT TO SECTION 207(M) OF THE PENNSYLVANIA SECURITIES ACT OF 1972 AND RECEIVE A FULL REFUND OF ALL MONIES PAID, WITHOUT INTEREST. SUCH WITHDRAWAL SHALL BE WITHOUT THE INVESTOR INCURRING ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, AN INVESTOR NEED ONLY SEND A WRITTEN NOTICE PRIOR TO THE END OF THE SECOND BUSINESS DAY TO THE ISSUER AT THE ADDRESS LISTED ON THE COVER OF THE OFFERING CIRCULAR, INDICATING AN INTENT TO WITHDRAW. IF AN INVESTOR CHOOSES TO WITHDRAW BY LETTER, IT IS PRUDENT TO SEND IT BY REGISTERED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT THE LETTER IS RECEIVED AND TO EVIDENCE THE TIME OF MAILING. AN INVESTOR MAKING AN ORAL REQUEST FOR WITHDRAWAL SHOULD ASK FOR WRITTEN CONFIRMATION THAT THE REQUEST HAS BEEN RECEIVED.

RESIDENTS OF THE STATE OF PENNSYLVANIA MAY NOT INVEST IN CHARITABLE GIFT ANNUITIES.

SOUTH CAROLINA

INVESTMENTS WHICH HAVE NO FIXED MATURITY AND ARE PAYABLE ON DEMAND ARE NOT AVAILABLE TO, AND ARE NOT BEING OFFERED TO, RESIDENTS OF SOUTH CAROLINA. THE NOTES OFFERED AND SOLD TO RESIDENTS OF SOUTH CAROLINA WILL HAVE A FIXED, 30-DAY MATURITY. INVESTORS WILL NOT HAVE THE RIGHT TO REDEEM THEIR INVESTMENT IN SOUTH CAROLINA BEFORE ITS MATURITY. IF YOU ARE A SOUTH CAROLINA INVESTOR AND YOU DO NOT DESIRE TO RENEW YOUR INVESTMENT, YOU MUST PROVIDE US WITH WRITTEN NOTICE OF YOUR INTENT NOT TO RENEW ON OR PRIOR TO YOUR INVESTMENT'S MATURITY DATE. IF WE DO NOT RECEIVE SUCH NOTICE, YOUR INVESTMENT WILL AUTOMATICALLY RENEW AT THE THEN-EXISTING TERMS AND INTEREST RATE. IF WE RECEIVE SUCH NOTICE, WE WILL PAY YOU THE FUNDS DUE ON YOUR INVESTMENT UPON ITS MATURITY.

WITH REGARD TO SOUTH CAROLINA INVESTORS, IT WILL BE AN EVENT OF DEFAULT IF PRINCIPAL OR INTEREST ON THE INVESTMENT HELD BY ANY SUCH HOLDER IS NOT PAID FOR A PERIOD OF NINETY DAYS FROM THE DATE OF LAWFUL DEMAND BY SUCH HOLDER, OTHER THAN BY CLERICAL OR ADMINISTRATIVE OVERSIGHT, UNLESS DEFAULT IS WAIVED BY SUCH HOLDER OR LEGALLY CONTESTED BY WIF. SUCH AN EVENT OF DEFAULT ON THE SOUTH CAROLINA NOTES SHALL CONSTITUTE A DEFAULT ON ALL NOTES ISSUED TO ALL WIF NOTE HOLDERS. UPON SUCH AN EVENT OF DEFAULT, EACH SOUTH CAROLINA NOTE HOLDER SHALL HAVE THE RIGHT TO OBTAIN THE NAMES AND ADDRESSES OF ALL HOLDERS OF INVESTMENTS AND BY A VOTE OF 25% OR MORE OF ALL SUCH INVESTORS, TO DECLARE ALL SUCH NOTES DUE AND PAYABLE AT ONCE.

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 (DIVISION) NOR THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION HAS PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THE OFFERING, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

TENNESSEE

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

WASHINGTON

THIS OFFERING CIRCULAR DOES NOT APPLY TO INVESTORS SUBJECT TO THE LAWS OF THE STATE OF WASHINGTON. PLEASE REFER TO OUR OFFERING CIRCULAR ISSUED TO INVESTORS IN THE STATE OF WASHINGTON TO LEARN MORE ABOUT OUR OFFERINGS (IF ANY) IN THE STATE OF WASHINGTON AT THIS TIME.

WISCONSIN

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

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INTRODUCTION AND SUMMARY OF THE INVESTMENTS

This summary is provided for your convenience. Before investing, you should read this entire document and carefully review our audited consolidated financial statements. We will provide current investors with our audited consolidated financial statements upon written request within 120 days of the most recent fiscal year end.

Our Company

We are an Indiana non-member, nonprofit corporation with our principal offices located at 13300 Olio Road, Fishers, Indiana, 46037. Our mailing address is P.O. Box 7250, Fishers, Indiana, 46038. Our office phone number is 317-774-7300. We are affiliated with, but a separate legal organization from, the Wesleyan Church and the Converge Cornerstone Fund. See “History and Operations.”

Our Purpose

Our primary purpose is to assist churches and other church related organizations of the Wesleyan Church and independent churches and churches of various other denominations that are currently or historically affiliated with or similar to the churches of the Wesleyan Church (all of such types of churches and organizations are referred to hereinafter in this Offering Circular as “Church Related Organizations” or “CROs”) by providing financing at favorable rates for the purchase, construction, renovation and expansion of churches, parsonages and other buildings and property. We also provide loans to these churches and CRO’s for general expenses and other borrowing needs. The lending activities we conduct are financed primarily through the sale of the Investments, principal and interest payments received on our loans, income from other investments and contributions and donations. See “Financing and Operational Activities” and “Lending Activities.” However, our Articles of Incorporation and Bylaws do not limit the purposes of WIF business and allow WIF to operate for any legal purpose.

The Investments

We have made the Investments available in previous offerings and are now making available in this offering up to \$500,000,000.00 worth of Investments, which are our unsecured general debt obligations. We are not a bank, and therefore the Investments are not issued by, and are not obligations of, a bank. The Investments are not FDIC or SIPC insured. The Investments may be available as investments for individual retirement accounts (“IRAs”). Individuals who wish to invest in Investments through a self-directed IRA may do so through custodial agreements with Goldstar Trust Company. Because IRAs are subject to specific requirements under the Internal Revenue Code, an individual investor should consult with his or her tax advisor before directing a purchase of Investments for his or her IRA.

The Investments pay a higher interest rate for higher minimum balances maintained, on a three-tier level. We review, and may adjust, the interest rates paid on our Investments every six months. When such a review results in an adjustment to the interest rates paid on our Investments, we revise this Offering Circular, post the revised rates on our website and disclose the revised rates on the semi-annual statements available online to each investor. We compound interest on a semiannual basis and, at the investor’s election, either reinvest the interest in the investor’s account or send it to the investor. The Investments are repaid upon demand by the investor.

For most investors of Demand Investments, money can be invested in or redeemed from an Investment at any time in any increment. However, in limited circumstances, we may offer, and an investor may agree, to have their Investment used as security for a specified church loan pursuant to the

terms of a separate written agreement executed by both WIF and the investor. In those instances, an investor may be prohibited from redeeming such Investment until the church loan is satisfied, or as otherwise agreed by us and the subject church. Any Investment used as security for a specified church loan is subject to additional risk factors not otherwise addressed herein. Specifically, if the borrowing church defaults in the loan it received from WIF, an Investment that secured such loan may be utilized by WIF to cure such default. WIF expects to supplement this Offering Circular with additional information for an investor desiring to acquire Investments under any such arrangement.

South Carolina law prohibits WIF from offering Investments that are redeemable upon demand to residents in South Carolina. Therefore, WIF may only offer and sell to residents of South Carolina, Investments with a 30-day term, which generally, may be redeemed only at the end of the 30-day term. See “Description of the Investments” and the South Carolina legend on page vi. Term Investments are only available to Investors in the State of South Carolina at this time.

Selected Financial Information

The table below shows selected financial data for WIF’s most recent fiscal year ending August 31, 2021. This table should be read in conjunction with WIF’s audited consolidated financial statements attached to this Offering Circular.

<u>Description</u>	<u>Amount</u>
Cash, cash equivalents, certificates of deposit and readily marketable securities	\$438,121,010
Total loans receivable, net	\$1,029,063,383
Amount (and percent) of unsecured loans receivable	\$4,668,577 (0.45%)
Loan delinquencies as a percent of loans receivable	0.00%
Total assets	\$1,548,708,517
Total Investments payable	\$1,238,686,762
Amount of Investments redeemed during fiscal year	\$391,476,562
Other long-term debt	\$0
Net assets	\$303,135,433
Change in net assets	\$46,091,761

Use of Proceeds

We expect to use the cash proceeds from the Investments to make loans to churches and CROs, to acquire land and buildings, construct and remodel churches, parsonages, multi-purpose buildings, educational units and other similar structures, and to fund and finance other capital and general projects and expenses for churches and CRO’s and for our own investment purposes. See “Use of Proceeds.”

Risk Factors

This offering and making an Investment are subject to various risks. Please carefully review the following “Risk Factors” section.

RISK FACTORS

Making an Investment in this offering involves certain risks. You should carefully consider the risks described below together with all of the other information in this Offering Circular before you decide to make an Investment. If any of the following risks actually occur, our business, financial condition or results of operations could suffer. In that event, we may be unable to meet our obligations under the Investments and you may lose all or part of your Investment.

The Investments are our unsecured and uninsured general debt obligations.

The Investments are our unsecured and uninsured general debt obligations. The payment of principal and interest on the Investments is solely dependent upon our financial condition. Claims for repayment of Investments are subordinate to claims of any secured creditors. WIF currently has no debt other than outstanding Investments, and currently has no secured creditors. However, subject to WIF's policy restricting senior secured indebtedness to 10% of WIF's tangible assets, there are no restrictions on our ability to incur indebtedness and we could do so in the future by specific action of our Board of Directors. Although we cannot assure you that we will not issue secured investment obligations or incur secured debt having a higher priority to our assets in the future, it is not presently anticipated.

Holders of Demand Investments may demand redemption of the Investments at any time, and numerous such demands in a short period of time would materially adversely affect our ability to repay the Investments and our financial condition.

Holders of Demand Investments may request their Investments and any accumulated interest be repaid to them at any time. If many investors were to make such a request within a relatively short period of time, we would not be able to repay all such Investments and interest when requested or possibly at all, depending on the aggregate amount being requested. In such event, our financial condition would be materially adversely affected, as would our ability to continue to pay interest on Investments that were not the subject of the demand.

There is no sinking fund.

We do not use a sinking fund to provide for the payment of the Investments. Therefore, we have not set aside funds for the repayment of all of the Investments. We do, however, have a policy to maintain liquid assets of not less than 8% of our outstanding Investments for the purpose of providing short-term liquidity. Our ability to repay an Investment will be affected by our financial condition and liquidity at the time the Investment is to be repaid.

There is no trust indenture.

We have not established, and do not intend to establish, a trust indenture to provide for the payment of principal on the Investments. Accordingly, no trustee will monitor our ongoing affairs on your behalf, no agreement will provide for joint action by investors in the event we default on the Investments, and you will not have the other protections a trust indenture would provide. A default in payment of one individual's Investment will not be a default of other individuals' Investments.

We may be subject to potential claims under state securities laws.

Although we have taken, and are continuing to consider, steps to become in compliance with state securities laws relating to the Investments, there may remain some potential securities law liability exposure. Specifically, certain states may impose monetary fines on WIF as a result of any past failure to comply with applicable state securities laws. See "*Litigation and Other Material Transactions.*" Any

securities law claims against us, if successful, or many claims even if unsuccessful, could have an adverse effect on our ability to repay the Investments.

There is no guarantee by any Affiliated Organization.

Neither the Wesleyan Church, Converge Cornerstone Fund, nor any of their respective agencies, subsidiaries, districts, affiliates or member churches, nor any other denomination or church with whom we have a relationship have guaranteed the repayment of the Investments. You must rely solely on us for repayment.

The Investments are not insured by the FDIC or SIPC.

We are not a bank, and therefore the Investments are not issued by, and are not obligations of, a bank. The Investments are not FDIC or SIPC insured. The Investments therefore do not have the insurance protection afforded to demand deposit accounts at a bank. The Investments are subject to investment risks, including the potential to lose the entire principal amount that you invest and any accrued or compounded interest thereon.

The risk of investment in the Investments may be greater than implied by relatively low interest rates on the Investments and the Investments are not insured by any governmental agency or private insurance company.

Although investors may attribute lower risk with lower rates of return, the low rate of return on the Investments does not necessarily correspond to a lower risk of loss on funds invested. Investors will not be able to recover from a governmental agency or private insurance company if the Investment loses value.

Other investments may offer higher rates and greater security.

Other institutions and organizations may offer other debt securities or investments with higher rates of return and/or which provide greater security and less risk than our Investments.

The Investments may not be a suitable investment in the context of a specific investor's entire investment portfolio.

The Investments are not offered by an investment adviser or financial professional that performs suitability or an analysis that the investment is appropriate for any specific offeree. Each prospective investor is advised to consult with or retain his or her own professional investment advisor to consider whether the Investments are a suitable fit for the offeree based on the totality of his or her investment portfolio. Although the risk of loss on an investment (including the Investments) can never be eliminated, offerees are encouraged to diversify the investments in their portfolio to reduce the risk of loss.

The Investments are not transferable.

The Investments are not negotiable and cannot be transferred (except for certain family or estate planning transfers with our consent). Therefore, no public market for the Investments currently exists or will develop in the future.

We can redeem the Investments.

We can redeem any Investment at any time upon written notice from WIF to the investor. We occasionally redeem Investments when amounts invested in them fall below \$25.00 per account, but may

redeem investments for any other reason we deem appropriate. In any case, you will be repaid your entire Investment plus accrued interest in the event of a redemption.

We may be required to repay more Investments than we have in the past.

We have historically made available Investments to investors located in various states, and we continue to analyze the securities exemptions and registration requirements in such states. The Investments may not be registered or exempt in all states where we currently have investors. In such a case, we could be forced to repay all of the outstanding Investments in that state.

We are subject to a strict regulatory environment that could change, curtailing our ability to make Investments available.

Changes in state or federal laws, rules or requirements regarding the sale of debt obligations of religious, charitable or other nonprofit organizations or the sale of demand debt securities may make it more difficult or costly, or even impossible, for us to make Investments available in some states in the future. To the extent that we are dependent upon the proceeds of future Investments to provide liquidity to make timely interest and principal payments on our outstanding indebtedness, including the Investments, a cessation or substantial decrease in the Investments made would adversely affect our ability to repay the Investments.

The repayment of loans we make are dependent upon contributions to local churches.

Almost all of our loans have been made to churches and CROs. The ability of the churches or organizations to repay their loans generally will depend upon the contributions they receive from their members and attenders. To the extent that a church or organization experiences a reduction in contributions for whatever reason, its ability to repay a loan may be adversely affected. In addition, although loans to Wesleyan churches are generally guaranteed or co-signed by the Wesleyan District entity where the church is located for the benefit of the local church receiving the loan, in most instances the Districts also depend upon fluctuating contributions from the local churches as a primary source of their revenues. The inability of a borrower to make timely payments to us on its loan could adversely affect our ability to make interest and principal payments on the Investments.

We are not a commercial lender.

We cannot be compared to a commercial lender. We may make loans to borrowers that are often unable to obtain financing from other commercial sources. We sometimes make loans to new or start-up churches which, because of their small size and recent formation, may not meet commercial lending standards. In addition, because of our relationship with our borrowers, we may also be willing to accommodate partial, deferred or late payments and we have, in the past, made these accommodations in some circumstances for some borrowers.

Not all of our loans are secured.

The loans we make have typically been secured by a first lien on the real property purchased or in limited cases, by Investments with the consent of the investors, constructed or renovated with the funds provided by the loans. However, in some cases there is no lien on the underlying property because the loans are small, are relatively short term in nature, or we already have a first lien on other real property owned by the borrowing entity. Even in these cases, where the unsecured loans are made to Wesleyan churches, we have a guarantee on most of the loans by the Wesleyan District organization in which the local church is located, but this may not be true where the unsecured loans are made to non-Wesleyan churches.

Churches are single or limited purpose properties.

Church properties like those that are typically the collateral for our loans are generally single or limited purpose properties and have a limited resale market. In time, this may limit our ability to liquidate our loan collateral which could adversely affect our financial condition and our ability to make interest and principal payments on the Investments.

Our relaxed loan practices create many risks related to our loans that would not exist under normal commercial loans.

Most of the loans we make are used for the purchase of land, existing buildings, construction of new facilities or renovation of existing facilities. In some cases, there may not be a fixed-price construction contract for this work and the contractor may not be required to post a completion bond. In addition, possible delays in completion may occur due to, among other things, shortages of materials, possible strikes, acts of God or nature, war or civil unrest, acts of terrorists, delays in obtaining necessary building permits or architectural certifications, environmental regulations or fuel or energy shortages. We typically do not obtain architectural certification prior to disbursing partial construction payments and we normally rely instead on the representations of the borrower. Substantial increases in construction costs or delays in or failure to complete construction could adversely affect the borrower's ability to repay the loan. Only on rare occasions do we require an appraisal of the property that constitutes the collateral for the loan. While we typically and eventually conduct a site inspection for loans exceeding \$200,000 in principal amount, there can be no assurance that we will do so in all cases. In addition, we do not typically require an environmental audit before approving a loan.

We are involved in other activities that take our time and resources away from WIF.

In conjunction with the loan business that WIF has with churches and CROs, the employees of WIF engage in consulting with churches as a normal consequence of the due diligence process for loans on various matters relating to finance, operations, staffing, church health, church growth, leadership training and management of a church. These activities are normally provided at minimal or no cost to the church as a service by the employees of WIF. Certain directors and officers of WIF may also serve in a director and/or officer capacity in other organizations, including those organizations affiliated with WIF (see "Management").

We could be subject to claims of liability for debts of our Affiliated Organizations.

We are a separate legal entity from all of our affiliated entities and maintain strict adherence to that legal separation, and therefore we generally are not liable for claims against our affiliated entities, including the Wesleyan Church and the Converge Cornerstone Fund. However, in the event of claims against our affiliates, the claimants might contend that we are also liable. If such a claim were made, we would vigorously defend against it. If such a claim were made and upheld, our financial condition could be negatively affected.

There is no charitable deduction for making an Investment and interest is taxable to investors as ordinary income.

You will not receive a charitable deduction for making an Investment. Interest paid or payable on the Investments will be taxable to you as ordinary income regardless of whether the interest is paid to you or reinvested in your account.

Investment Risks

We may from time to time invest proceeds of the offering or other assets that are not used to make loans or cover other expenses in various securities, other financial instruments, property or other capital assets. See “Financing and Operational Activities—Short-Term and Other Investments.” These investments are subject to the same market and investment risks experienced by investors generally, and declines in the market values of those investments would result in realized or unrealized losses to us. In addition, our deposits and investments might not be made in investments covered by FDIC and SIPC, or our investments may exceed FDIC and SIPC account limits and may not, therefore, be protected by those insurance programs. There may also be periods of time when we are unable to obtain an average return on our investments and loans that is greater than our average interest payment obligations. There are also risks involved in specific transactions or arrangements, such as loan securitizations, undertaken or entered into. WIF is not and has not been involved in any securitizations as of the date of this Offering Circular. If WIF decides it is in its best interest to do so, WIF may securitize up to ten percent (10%) of its loan portfolio only if the loans are securitized and sold on a non-recourse basis predominantly to entities not affiliated with WIF, the use of such loan proceeds are within the parameters set forth in the section “Use of Proceeds” in this Offering Circular, and the securitization does not hinder the ability of WIF to repay the principal interest on the Investments.

Risks Related to COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a novel disease known as COVID-19 (f/k/a “the novel coronavirus”) a pandemic. On March 13, 2020, a nationwide emergency was declared pursuant to Section 501(b) of the Stafford Act, pursuant to which all 50 states, the District of Columbia and 4 territories have been approved for major disaster declarations. In an effort to contain the pandemic, some jurisdictions (including, but not limited to, Indiana) have enacted orders requiring non-essential businesses to cease physical operations and recommending residents to stay at home and follow a series of hygiene measures known colloquially “social distancing.” The enactment of these measures caused a general economic contraction, followed by an economic rebound in certain sectors of the economy. The long-term economic effects of the pandemic and the measures taken in response thereto are not currently known.

The Foundation has not experienced a material effect on its finances arising from the ongoing pandemic as of the date of this Offering Circular (either in the form of withdrawals of Investments or a rise in defaults on loans made to churches); however, the Foundation cannot guarantee that the pandemic will not trigger a material withdrawal of Investments or trigger the default by church borrowers on a material amount of loans made by the Foundation. The occurrence of either of the events described in the previous sentence would materially impact the Foundation’s ability to repay the Investments upon demand by an investor. The Foundation has and continues to monitor the impact of the COVID-19 pandemic on both its finances and its operations.

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HISTORY AND OPERATIONS

We are an Indiana nonprofit corporation incorporated under the name of Wesleyan Investment Foundation, Inc. in 1960. However, we have been in continuous business through predecessor entities since 1946. Our principal office is presently located at 13300 Olivo Road, Fishers, Indiana, 46037. Our mailing address is P.O. Box 7250, Fishers, Indiana 46038, and our telephone number is 317-774-7300. Fishers is a fast-growing suburb of Indianapolis, Indiana with an estimated population of 98,977 in 2020. Fishers has been recognized by many publications for its quality of life, including as one of the “Top 10 Best Places to Live in the U.S.” by *Money* in 2019 and prior years, one of the “10 Best Towns for Families,” by *Family Circle*, the safest city (2011-2012) or one of the safest cities in America by *CQ Press* and the “Best Affordable Suburb in Indiana” by *Businessweek* in 2010. WIF’s headquarters are located in an office park in Fishers, near one of the main interstate highways of Indiana.

We have no shareholders or members and our affairs are administered by our Board of Directors in accordance with our Articles of Incorporation and our Bylaws and operating policies adopted by our Board of Directors or CEO. Our Board of Directors is elected by the General Board of the Wesleyan Church and meets regularly one time per year as required by law and our organizational documents. Our Board transacts business at other times during the year by telephone conference call, facsimile transmission, regular mail or by electronic mail. Purchasing Investments does not entitle you to an equity interest in WIF and does not give you the right to vote on or participate in any corporate meetings or matters.

We are organized and operated exclusively for charitable and religious purposes and we are a tax exempt entity under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. No part of our net earnings inures to the benefit of any person or individual. Our primary purpose and operations are providing loan assistance to churches and CROs for various capital projects and building programs, but our Articles of Incorporation and Bylaws allow us to operate for any legal purpose.

Wesleyan Investment Foundation (in name) was started in 1959 when the Church Builder’s Revolving Fund of the Wesleyan Methodist Church changed its name to Wesleyan Investment Foundation. The predecessor body of the Wesleyan Methodist Church was started in 1955 as a response to churches that were experiencing difficulty in obtaining financing for church building projects from local banks. WIF continues to serve that purpose today by providing financing for churches and CROs and their capital projects and general purchasing needs so that these churches and CROs can fulfill the vision of reaching their communities for Christ. From time to time, WIF has sought to further that goal by aligning itself with like-minded CROs. The first of these activities occurred in 1968, when a CRO affiliated with The Pilgrim Holiness Church started in 1946 merged with and into WIF. Most recently, WIF affiliated with another CRO, the Converge Cornerstone Fund (“Cornerstone”), via affiliation. For more detail, see “*Affiliation with Converge Cornerstone Fund*” below.

In order to obtain funds to provide loan assistance to churches and CROs, we make available the Investments in almost all jurisdictions throughout the United States. For a more detailed description of the offering, see “Description of the Investments” and “Plan of Distribution.”

We occasionally purchase land and buildings for investment purposes. We also occasionally purchase land for purposes of holding the land for sale for future church development. The aggregate amount of these investments in land will not exceed ten percent of the total assets of WIF. As of August 31, 2021, WIF is the owner of twenty-two parcels of land held for sale, use and/or investment purposes. Some of these parcels have buildings, dwellings or other structures on them.

The Board of Directors of WIF has a policy in place that the aggregate amount of these investments in land, buildings and investment properties will not exceed ten percent of the total assets of

WIF. The aggregate amount of these investments on August 31, 2021 is approximately 5.0 percent of the total assets of WIF. Except for these properties, the Investments, which provide general obligation financing for WIF, are not specifically secured by particular loans to specific borrowing entities.

WIF purchased four acres of land in the Saxony Business Park on Olio Road in Fishers, Indiana in 2001, and donated the property to the Wesleyan Church in 2002. The Wesleyan Church built a new Headquarters building on the land that houses the administrative offices of the denomination. WIF loaned \$4,000,000 to the Wesleyan Church as a portion of the funds necessary to build the new Headquarters. WIF also committed to give grants of \$500,000 per year to the Wesleyan Church during each of its 2003 through 2007 fiscal years in order to assist the Wesleyan Church with the purchase costs of the new Headquarters building. WIF has already made all of the grants committed totaling \$2,500,000. These grant funds were used to pay down the principal amount of the loan taken out by the Wesleyan Church to fund the building of the Headquarters building. In June 2008, WIF gave an additional grant of \$815,000 to the Wesleyan Church to pay off the remaining loan balance owed on the new Headquarters building.

WIF occupies space in the Wesleyan Headquarters building and uses this space as the location of its principal office. The Wesleyan Church has agreed that part of this space will be provided to WIF in perpetuity without charge in exchange for the gift of the land and the grants provided by WIF to assist the Wesleyan Church with the principal payments on the loan taken out by the Wesleyan Church to fund the building of the new Headquarters building. WIF has also assumed month to month tenancy of additional office space in the Wesleyan Church Headquarters building for which it pays monthly rent to the Wesleyan Church at market rates.

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USE OF PROCEEDS

We expect to use the cash proceeds from the Investments to make loans to churches and CROs and entities related to churches and CROs to acquire, construct and remodel churches, parsonages, multi-purpose, educational buildings and other similar structures, to purchase land and to provide funds for other capital projects and expenses relating to the ministry of the churches and CROs. Although we do not expect to use any of the proceeds generated by this offering to pay operating expenses, we may do so in the future.

We will pay for all of the expenses in connection with the Investments, including printing, mailing, attorneys' fees, accountants' fees and securities registration and notice fees (if any). The expenses in connection with the Investments are anticipated to be less than one tenth of one percent of the total amount of Investments made available.

The cash proceeds from Investments that we do not use immediately for loans or operating expenses may be invested in interest-bearing and non-interest-bearing obligations and in other investments in which a secondary market may or may not exist.

We do not anticipate using any proceeds from the Investments to meet the interest or the principal payments on the Investments. However, if amounts from our loans receivable are less than anticipated and if repayment demands on our outstanding Investments exceed our historical experience, we may use the proceeds from the Investments, along with other available funds, to meet those requirements.

We do not hire outside underwriters or selling agents to participate in the offering of Investments. We do not pay any underwriting discounts or commissions in connection with the facilitation of the Investments.

Generally, we do not earmark any of the funds invested in our Investments for certain projects, and therefore we cannot assure you that the proceeds from this offering will be used for loans to any particular state, region, denomination, district, local congregation, church or CRO. However, in some instances, investors agree to have their Investments used as collateral for specific church loans.

AFFILIATION WITH CONVERGE CORNERSTONE FUND

On November 9, 2021, WIF consummated an affiliation transaction (the "Affiliation") pursuant to which WIF became the sole member of Cornerstone. Cornerstone is an Illinois nonprofit corporation exempt from federal income tax pursuant to Section 501(c)(3) of the Code and that is not a private foundation pursuant to Code Section 509(a)(1). Prior to the Affiliation, Cornerstone was a legal entity distinct from, but affiliated with, Converge (formerly known as the Baptist General Conference and also known as Converge Worldwide). For more information regarding Cornerstone, please see visit <https://www.cornerstonetoday.org>. Cornerstone remains a separate legal entity distinct from both WIF and Converge following the Affiliation.

WIF, Converge, and the Converge Cornerstone Fund each determined that it was in their respective interests to effectuate the Affiliation. Converge and the Wesleyan Church share common ties – both organizations have been members of the National Association of Evangelicals since 1948 (The Wesleyan Church) and 1966 (Converge) and share a purpose of serving Christ, honoring God, seeking justice and compassion for the poor, promoting peace and care for God's creation (among numerous other similarities). The Affiliation will further strengthen those ties between WIF and these CROs. Additionally, WIF believes the Affiliation will benefit all parties to the Affiliation and their respective conferences, member churches and investors by generating cost efficiencies and economies of scale that will allow both WIF and Cornerstone to serve more churches and investors.

Financial and Operational Impact of the Affiliation

In connection with the Affiliation, we agreed to pay Cornerstone consideration of \$60,400,000, of which \$55,000,000 was paid on November 9, 2021 and remainder will be paid in three equal annual installments. As discussed below, we do not believe payment of the amounts due in connection with the Affiliation will reduce our liquidity or change our net assets in a manner that would materially and adversely affect our ability to conduct our business as currently conducted and proposed to be conducted.

Per our financial statements for the year ended August 31, 2021, we had net assets of \$303,135,433; our current assets equaled 35.37% of our total Investments outstanding (for a five-year average of 23.08%), and we have no outstanding lines of credit. If we reviewed our books on an unconsolidated basis following the Affiliation (i.e., adding no asset to our books with respect to Cornerstone while accounting for the \$55,000,000 payment), the Affiliation would reduce our net assets to \$248,135,433 and our current assets would equal 20.03% of our total Investments outstanding. This ratio exceeds our performance in 2015, 2017, 2018 and falls within 2.5% of our current five-year average (which itself jumped over 2% in the last year alone due to 2020 fiscal year performance exceeding historic performance). In short, even under this conservative approach, we satisfy all of the NASAA SOP's minimum financial thresholds by a substantial margin.

Notwithstanding the Affiliation, Cornerstone continues to operate as a separate and distinct entity (from both WIF and Converge) in substantially the same manner as it operated prior to the Affiliation. Per Cornerstone's 2020 audited financial statements, Cornerstone has generated net operating income in each of the 2020, 2019 and 2018 fiscal years of Cornerstone, and Cornerstone expects to generate a net operating income for the 2021 fiscal year. Accordingly, the parties at this time plan for Cornerstone to use its own financial resources (rather than WIF's) to sustain and grow Cornerstone's operations. The organizations will, however, leverage each other's operational resources to reduce costs and expand respective operations (within the scope of their charitable purposes). In furtherance of this goal, WIF has agreed to supplement Cornerstone's current workforce with WIF personnel. Specifically, Mr. Kevin Batman is serving as a director of Cornerstone, Dr. Craig A. Dunn is serving as President of Cornerstone and director *ex officio*, and C. Norwood Davis is serving as a director of Cornerstone and its secretary. These individuals provide services to Cornerstone in addition to, and not in replacement of, their existing roles with WIF. All three individuals believe they can continue to serve WIF in substantially the same capacity as they have historically served WIF notwithstanding their additional responsibilities with Cornerstone.

As WIF and Cornerstone continue to assess each entity's operations following the Affiliation, it is possible that the entities may form even closer ties to achieve greater operational and financial synergies. These ties may be in the form of additional WIF personnel spending time on Cornerstone matters and vice-versa, closer pooling of financial resources, and/or merging or combining the entities together as a matter of law.

DESCRIPTION OF THE INVESTMENTS

General

We are making available up to \$500,000,000.00 worth of Investments. The Investments are unsecured general debt obligations of WIF and are not guaranteed by any other party.

Investments may be made in any increment, for any total principal amount of \$25.00 and above. Payment for the Investments may be made by check, money order, cash, electronic wire transfer, ACH transfer, electronic funds transfer or by any other method of legal money transfer available in the United States.

Investments are not transferable, except with our consent for transfers between accounts owned by the same individual, to certain family members or upon death. No trading market for the Investments exists or will develop.

Interest

The Investments accrue interest daily from the date of receipt of the principal. We compound interest semi-annually. You may elect to have the interest that accrues on the principal amount of your Investment be either paid to you by ACH transfer or check, or reinvested as principal on a semi-annual basis. We provide semi-annual electronic statements showing the principal and accrued interest on each Investment.

The Investments have a three-tiered balance and interest amount and pay a higher interest rate for higher minimum balances maintained, as determined at each investment or withdrawal. We review the interest rates paid on our Investments every six months. Interest rates are determined by our Chief Executive Officer based on prevailing interest rate conditions in the financial markets of the United States, other factors in the general economy, and based on business conditions at WIF and other considerations that the CEO regards as important at the time. Interest rates on the Investments as of the date of this Offering Circular are set forth on the front cover of this Offering Circular. You may call us at any time to obtain information on the current interest rates on the Investments at 317-774-7300.

Repayment

For investors outside of South Carolina, the Demand Investments have no set repayment or maturity date. You may have your Investment repaid to you by us at any time and in any increment by requesting such in writing unless you agree otherwise with WIF upon making your investment that WIF may use your Investment as security for a specific loan. We will accept a facsimile of your signature as an original. There is no penalty or expense to you for requesting a repayment. We generally will pay you the repayment amount within five business days of your request.

As required by South Carolina law, residents of South Carolina, and only residents of South Carolina, may invest only in Term Investments. The Term Investments for South Carolina residents mature in 30 days from the date of issuer. You may request a withdrawal at any time during the term and such withdrawal will be honored on the maturity date. If you do not request a withdrawal on or before the end of the term, your Investment will automatically roll over for an additional 30-days at the end of every 30-day term. Interest rates will adjust at the same time and at the same rate as the interest rates of the other Investments.

We reserve the right at any time to repay an Investment in whole or in part upon written notice to you by us. In the past, we have sometimes elected to repay Investments if the principal amount thereunder falls below \$25.00 per account.

Claims for repayment of Investments will be subordinate to claims of any secured creditors of WIF. Subject to rules applicable to South Carolina investors, our failure to pay principal and interest due or requested on an Investment will be a default only as to that Investment and will not be a default as to any other outstanding Investments.

We do not use a sinking fund to provide for the repayment of the Investments. Therefore, we have not set aside funds for the repayment of all of the Investments. We do, however, have a policy to maintain liquid assets of not less than 8% of our outstanding Investments for the purpose of providing short-term liquidity. Our ability to repay an Investment will be affected by our financial condition and liquidity at the time the Investment is to be repaid.

Relationship to Other Debt

The Investments are unsecured general debt obligations of WIF. We have no other current debt. During the fiscal year ended August 31, 2021, an unsecured loan for \$479,582 from the Treasury of the United States under the Paycheck Protection Program was entirely forgiven under the rules and regulations promulgated by the U.S. Treasury for such type of loan. Subject to our policy of restricting senior, secured indebtedness to 10% of our tangible assets, there are no restrictions on our ability to incur indebtedness and any such indebtedness could be secured and/or senior to the Investments. We may also from time to time offer additional Investments or other debt securities which have different terms than the Investments in this state and other states, without notifying or obtaining the consent of the holders of the Investments. If we do create any senior or secured indebtedness in the future, the amount of senior, secured indebtedness will not exceed 10% of our tangible assets.

If we liquidate or distribute our assets upon bankruptcy, reorganization or similar proceedings, payment of the Investments will be subordinate to claims of any secured creditors. All Investments will have an equivalent claim to any remaining assets.

Book Entry System

We have implemented a book-entry system for our Investments. Under the book-entry system, you will not receive a paper certificate evidencing your Investment. Rather, upon investing your money, your Investment is registered in your name on our books only and you will receive an electronic receipt and confirmation of your Investment. Thereafter, any additions or redemptions with respect to the same book-entry account also would be entered on our books only and you will receive further confirmation and an electronic receipt of the transactions. In addition, you will receive the normal electronic semi-annual statements regarding the status of your account as reflected in our book-entry system.

SELECTED FINANCIAL DATA

The following table sets forth our selected financial information. We prepared this information using our audited consolidated financial statements for each of the fiscal years in the five-year period ended August 31, 2021, which have been audited by BKD, LLP. You should read this information with our audited consolidated financial statements and notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this Offering Circular. The selected financial information does not necessarily indicate the results to be expected in the future.

(See table on following page)

SELECTED FINANCIAL DATA

(Based on information from our audited consolidated financial statements)

<u>Assets</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Cash, cash equivalents, certificates of deposit and readily marketable securities	\$438,121,010	\$264,549,636	\$244,400,926	\$103,401,281	\$140,861,112
Total loans receivable, net	\$1,029,063,383	\$1,019,253,499	\$927,909,283	\$916,541,838	\$803,324,751
Amount and % of unsecured loans receivable	\$4,668,577 0.45%	\$3,811,315 0.37%	\$3,497,202 0.37%	\$3,869,721 0.42%	\$3,832,855 0.47%
Loan delinquencies as a percent of loans receivable	0.0%	0.0%	0.0%	0.07%	0.16%
Total assets	\$1,548,708,517	\$1,327,926,825	\$1,219,286,284	\$1,066,423,424	\$989,466,067
Total Investments payable	\$1,238,686,762	\$1,062,912,999	\$977,354,336	\$851,706,899	\$794,013,646
Amount of Investments redeemed during fiscal year	\$391,476,562	\$385,039,396	\$337,248,777	\$309,132,598	\$271,046,001
Other long-term debt	\$0	\$0	\$0	\$0	\$0
Net assets	\$303,135,433	\$257,043,672	\$230,483,429	\$207,179,976	\$188,618,928
Change in net assets	\$46,091,761	\$26,560,243	\$23,303,453	\$18,561,048	\$18,291,391

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As of August 31, 2021, the outstanding principal balance of our Investments was \$1,238,686,762 compared to \$1,062,912,999 as of August 31, 2020. Interest rates paid on the Investments did change during the 2021 fiscal year. There was \$567,250,325 in new principal amount invested and we repaid a total of \$391,476,562 during such year. We believe that the fact that we have historically paid above market interest rates on the Investments has been a contributing factor in the net investments for the 2021 fiscal year.

Our loan portfolio increased from \$1,019,253,499 as of August 31, 2020 to \$1,029,063,383 as of August 31, 2021. Contributing factors in this increase were management's proactive marketing of our loan services to churches, the competitive borrowing rates that we made available to churches in connection with loans, and the continued tight credit markets that have made borrowing difficult.

We consider a loan to be delinquent when interest or principal payments have been delinquent for over 90 days. As of August 31, 2021, there were no delinquent loans. Management credits our low delinquency experience to churches that take their loan payment responsibility seriously, and to WIF's quick and consistent follow-up with churches that experience difficulty with loan payments. Our loan loss reserve was raised during the fiscal year ended August 31, 2021 to \$17,000,000 to comply with the current policy of the Board of Directors instituted in April of 2010 that allows the reserve to be set in a range of 1% to 3% of the loan portfolio balance outstanding. As of August 31, 2021, the loan loss reserve was 1.6% of the loan portfolio, and this will be reviewed again by the management of WIF on or before August 31 of 2022.

Total net assets increased from \$257,043,672 as of August 31, 2020 to \$303,135,433 as of August 31, 2021, primarily due to continued strong interest and dividend income of \$52,595,849 this year compared to \$54,540,435 last year. The strong interest and dividend income during fiscal year 2021, along with bequests and gifts of \$21,397,953, were the major contributing factors in a gain in total net assets of \$46,091,761 during our 2021 fiscal year compared to the gain in total net assets of \$26,560,243 during our 2020 fiscal year.

We have a policy to maintain total liquid reserves of at least 8% of our outstanding Investments for the purpose of providing short-term liquidity. As of August 31, 2021, liquid reserves were \$438,121,010, or approximately 35% of our outstanding Investments. Loan commitments that we had made but had not yet disbursed (i.e., outstanding loans to the extent we have not yet disbursed funds and lines of credit that the borrower has either not yet drawn or has drawn and repaid) were \$209,084,000 as of August 31, 2021. We anticipate continuing to pay above market interest rates on Investments during our fiscal year ending August 31, 2022, and therefore we expect continued positive principal investments. However, if for any reason the net investment trend does not continue through fiscal year 2022 as anticipated, our liquidity could be negatively affected by the funding of new and committed loans.

Management believes that the favorable trends in investments and loans will continue through fiscal year 2022, and that the continuation of grants to churches, denominations, districts, church related entities and other organizations and entities will not negatively affect the operations of WIF.

Management will continue to closely monitor these trends and base future grant decisions and commitments on the continuation of the favorable trends.

In general, management expects to continue to maintain a clear focus on helping churches by marketing loans at favorable interest rates to churches and CROs and to provide a reasonable investment

opportunity to individuals and entities for the foreseeable future. While this clear focus has been successful in the past, there is no guarantee that it will continue to be successful in the future.

CAPITALIZATION

WIF is an Indiana non-member, nonprofit corporation, and does not have capital stock. Total liabilities of WIF as of August 31, 2021 and August 31, 2020 were \$1,245,573,084 and \$1,070,883,153, respectively. The liabilities consisted primarily of the amounts payable under the Investments (i.e., principal plus accrued interest), and trust and annuities payable as shown on the consolidated financial statements attached to this Offering Circular. As of August 31, 2021, there were outstanding Investments of \$1,238,686,762 sold under previous offerings. This offering will continue until all \$500,000,000 of the Investments have been sold.

FINANCING AND OPERATIONAL ACTIVITIES

General

We have historically generated the funds necessary for our loan operations primarily through the facilitation of Investments, loan repayments, interest earned on loans, income from other investments and contributions and donations.

Outstanding Investments and Prior Year Experience

As of August 31, 2021, there were 10,139 investors in our Investments, with an aggregate principal balance of \$1,238,686,762. Such Investments ranged in principal amount from \$5 to \$22,467,767 and bore interest at rates ranging from 1.00% to 1.50%. During our fiscal year ended August 31, 2021, we had received an aggregate of \$567,250,325 principal amount of Investments, and we repaid a total of \$391,476,562 in redemptions or partial withdrawals, equating to net investment funds received of \$175,773,763.

Short-Term and Other Investments

Funds that we do not use immediately for loans or operating expenses are invested in interest-bearing obligations and other investments. Our current policy is to maintain liquid assets (cash, interest-bearing and readily marketable equity securities) of not less than 8% of our outstanding Investments for the purpose of providing short-term liquidity. Historically, our liquid assets have been sufficient to meet normal repayment requests and commitment requirements.

The following table sets forth certain information regarding our liquid assets as of August 31, 2021:

<u>Description</u>	<u>Market Value</u>	<u>Percentage of Investments</u>
Money market funds	\$377,156,351	86.09%
US Government & agency securities	\$2,282	.00%
Corporate bonds	\$672,780	.15%
Fixed income mutual funds	\$1,871,645	.43%
Equity mutual funds and common stocks	\$4,868,489	1.11%
Cash and Cash Equivalents	\$16,492,859	3.76%
Certificates of Deposit	\$37,056,604	8.46%
Total Liquid Assets	\$438,121,010	100.00%

WIF's realized and unrealized gains from these investments in the aggregate for each of the last three fiscal years ended August 31 are set forth below:

	2021	2020	2019
Realized and unrealized gains from these investments	\$369,384	\$871,725	\$163,002

Our other investments consist typically of a small amount of real estate that will not exceed 10% of the total assets of WIF. As of August 31, 2021, these investments were equivalent to 5.0% of the total assets of WIF. We also maintain investments with a WIF company located in Australia amounting to less than a quarter of one percent of the total assets of WIF.

These investments are managed by our Chief Executive Officer with aid and assistance from our other employees, utilizing the services of outside professional investment advisors when appropriate and as needed at the discretion of our Chief Executive Officer.

See the notes to our audited consolidated financial statements set forth elsewhere in this Offering Circular for more information regarding our Investments.

LENDING ACTIVITIES

General

Our primary purpose is to provide loans to churches and CROs. Loans we approve are used to purchase land, to buy buildings, to construct new worship facilities, to renovate, remodel, expand and replace existing facilities, to relocate existing congregations, to purchase building sites, to refinance existing loans or to meet other capital and expense needs of the churches, organizations and entities.

We provide three types of loans to churches and CROs. "Mortgage loans" are secured by a first mortgage on the church property, either land or building, new or existing, and generally have a term between one and 30 years. "Note loans" are unsecured loans for smaller projects (typically in the \$5,000 to \$100,000 range) and typically have a term of between one and five years. "Quick note loans" are unsecured note loans for minor projects at churches and CROs (typically \$50,000 or less) and have a term of between one and five years. These types of loans are called "quick" because they are available on a quick basis due to the urgency of the project by the borrowers. The quick note loans require the same steps and documentation as note loans and are therefore considered and included in "note loans" for purposes of the remainder of this Offering Circular.

As of August 1, 2021, of the total principal amount of loans outstanding, approximately 99% were first mortgage loans, and less than 1% were note loans. Currently, we have a policy which restricts the percentage of unsecured note loans to 10% or less of WIF's total loans outstanding.

Loan Policies

All loans to churches and CROs are made pursuant to our loan guidelines and formal loan review process. A church or organization requests a loan from us by filing a written application. At the time a loan application is submitted, the applicant is required to provide a number of items related to the proposed project, its financial condition and the proposed collateral. Some of these items may include (where applicable) the resolution of the church or CRO detailing approval of the loan, the resolution of the District Board of Administration, District Advisory Board, Conference, Denomination or body having jurisdiction over the church or CRO (if any), and approval and certification of the willingness of the

overseeing authority to co-sign the note (if required and/or available), the church's most recent consolidated financial statements for the past two years and current year to date, and the church's current budget. Other requirements may be made at the discretion of the staff of WIF. All loans made to churches and CROs are required to be guaranteed and/or cosigned by the regional or national supervisory body which has jurisdiction over the area in which the borrower is located, if such is available. All loans to Wesleyan churches require District guarantees and signatures. Some loans to non-Wesleyan churches require a different body to guarantee or co-sign, and some require no secondary guarantee or co-signature.

We approve or disapprove each loan application based on some or all of the following factors: the current financial position of the church, the size and scope of the project, an analysis of the overall value of the project, the perceived ability of the church to repay the loan, the amount of funds that the church has or will commit to raise for the project, the size of the congregation, the length of tenure of the Pastor and Pastoral Staff, quality of Pastoral and lay leadership and various other tangible and intangible items such as the vision of church leadership for use of the project for ministry, and the expressed commitment of church leaders to the project. In addition, the CEO or staff of WIF may require additional information or assurances from the prospective borrower as needed.

We may or may not require surveys, appraisals, or environmental audits relating to the property. The maximum loan to a single borrower is generally limited to an amount which would not require annual debt payments, taking into account all outstanding indebtedness of the borrower, to be greater than 60% of the total anticipated annual revenues available to that borrower. We typically do not provide financing for the entire project, but instead require that the church provide a portion of the financing through member contributions. The amount of such contribution is set by our Chief Executive Officer on a case by case basis. Exceptions to these general requirements are frequently made for new churches, church planting projects, re-started churches, and other situations, all at the discretion of the CEO.

Loans may be made for terms ranging up to 30 years at our then current interest rate. Interest rates are set on a loan by loan basis by our Chief Executive Officer and are generally based on comparable rates available to commercial borrowers on the open market in the geographic area of the loan location at the time of the loan. Interest rates may be adjusted on a regular basis, subject to the terms of each loan. We generally require payment of principal and interest on all loans in equal monthly installments, but provisions are made on some loans for interest only arrangements for a period of time, or for partial payments of interest and/or principal for a period of time. Loans may generally be prepaid at any time, but pre-payment penalties will apply in cases where we have specifically contracted for such. We may, in our sole discretion, change the interest rate for new mortgage loans (not yet closed) at any time. We generally require title insurance or an attorney's opinion of title where title insurance is not available, and we require standard form fire and extended coverage insurance that names WIF as an additional insured on all mortgage loans.

We charge a standard loan service fee for each loan of up to 1% of the principal amount of the loan, with a minimum loan service fee of \$100.00. This fee is subject to change and negotiation at the discretion of the Chief Executive Officer.

Our Board of Directors and/or our Chief Executive Officer determine our general loan policies and may revise them at any time. Therefore, we cannot assure you that the loan policies described above will not be changed from time to time.

Mortgage Loans

As of August 31, 2021, we had outstanding mortgage loans with gross balances receivable aggregating \$1,041,394,806. The current principal amounts of these loans, which are secured by first mortgages on property located in 47 states, ranged from \$782 to \$28,608,474, with interest rates ranging from 3.5% to 8.75%. The weighted average of the interest rates on both mortgage loans and note loans as

of August 31, 2021 was 4.82%. During the year ended August 31, 2021, interest earned on mortgage and note loans totaled \$50,991,578 and the amount of principal paid on both types of loans totaled \$110,969,541. This number represents both principal repaid on notes and mortgages in the ordinary course of loan payments, prepayments in advance of scheduled payments and principal payments made in conjunction with refinancing of a loan. The following table reflects approximate mortgage loan principal maturities due in the ordinary course of repayment during the periods indicated:

<u>Year Ending August 31</u>	<u>Principal Maturing</u>
2021	\$67,233,949
2022	\$70,544,374
2023	\$74,017,796
2024	\$77,662,240
2025	\$81,486,127
After 2025	\$670,450,320

We have historically refinanced a substantial portion of our loans and have received substantial principal prepayments on a number of un-matured loans each year. Therefore, the amount shown as maturing may vary from the principal repayments that we actually receive.

Note Loans

As of August 31, 2021, we had 32 outstanding note loans aggregating \$4,668,577. The current principal amounts of these loans ranged from \$857 to \$2,042,122, with interest rates ranging from 3.0% to 8.5%. The weighted average of the interest rates on both mortgage and note loans as of August 31, 2021 was 4.82%. There is no restricted reserve fund for payment of note loans. The interest earned on note loans is not tracked separately by WIF, and the interest earned on note loans is part of the total interest earned for both mortgage and note loans during the 2021 fiscal year. The amount of principal returned during the year ended August 31, 2021 on both note and mortgage loans totaled \$110,969,541.

Outstanding Loans Receivable

The table below shows the categories of outstanding loans the Investments funded as of August 31, 2021, the principal outstanding and an estimate of the interest receivable for each category.

Type of Debt	Principal Outstanding	Accrued Interest Receivable
Mortgage Loans	\$1,041,394,806	\$2,492,850
Unsecured Loans	\$4,668,577	\$11,172

Loan Delinquencies

We consider a loan to be delinquent when interest or principal payments have been delinquent for over 90 days. As of August 31, 2021, there were no delinquent loans.

Due to the nature of our relationship with our borrowers, we have generally been willing to make accommodations and refinancing arrangements with borrowers whose payments are not current, including allowing interest only payments or foregoing payments of any kind for a period of time. Although no

assurance is given to borrowers that we will be able or willing to refinance delinquent loans or make accommodations in response to delinquencies, we have on occasion aided borrowers in meeting their debt repayments without foreclosure. Accordingly, our delinquency experience cannot be compared to a commercial lender.

Our allowance for loan losses as of August 31, 2021, was \$17,000,000. The allowance for loan losses is based on management's continuing review and evaluation of the loan portfolio and its judgment as to the impact of economic conditions on the portfolio. The evaluation by management includes consideration of past loss experience, changes in composition of the portfolio, the current condition and the amount of loans outstanding, and the probability of collecting all amounts due. This evaluation is inherently subjective and required estimates are susceptible to significant revision over time. Our Board of Directors has established a policy that dictates that the allowance for loan losses be maintained within a range of 1% to 3% of the outstanding loans at August 31 of each year.

As of August 31, 2021, the loan loss reserve was 1.6% of the outstanding loans. We have had no loan losses incurred that were charged to the loan loss reserve during the last 21 fiscal years.

Material Loans to a Single Borrower

WIF considers individual loans in excess of five percent of the total assets of WIF to be material. As of August 31, 2021, there were no individual loans with outstanding principal loan balances equal to or greater than five percent of the total assets of WIF, and there were no single borrowers with outstanding principal loan balances aggregating five percent or more of the total assets of WIF.

OTHER ACTIVITIES

In addition to our lending activities, we provide assistance and counseling to churches in their planning for expansion, relocation, building and other capital projects. These services are normally rendered at minimal to no charge to the churches and are designed to assist the churches. In addition, WIF occasionally makes limited grants available to departments, organizations and entities of the Wesleyan Church and other denominations, districts, local churches, and to various other charitable organizations and entities that qualify as tax exempt under Section 501(c)(3) of the Internal Revenue Code. The amount of grants given and the recipients of those grants are determined by our Board of Directors and/or CEO.

We also offer charitable gift annuities to individuals, other than residents of the State of Pennsylvania, who wish to receive an income stream for life or a fixed period of years with any remaining portion of a gift being designated for our general purposes and other charitable purposes at the death of the donor. In addition, we have agreed to accept charitable gift annuities on behalf of other organizations when the individuals purchasing those charitable gift annuities include WIF in the distribution of the remainder interest to the extent of a predetermined and pre-negotiated percentage. The amount of that percentage is set by our Chief Executive Officer and varies depending on the particular circumstances relating to the specific annuity. The annuity amounts are set by using a percentage of the remainder principal amount. WIF uses the rates published by the Conference on Charitable Gift Annuities (as may be changed from time to time) as guidelines to set the payout percentage, and on occasion will set a different rate for a particular annuity at the discretion of our CEO.

WIF also manages and/or serves as a trustee of several charitable remainder trusts and donor advised funds on behalf of individuals, entities or estates. As the trustee of these instruments, WIF has a fiduciary obligation to administer the trusts and funds in accord with the instructions of the trust and fund instruments. WIF may or may not receive compensation for these services and may or may not be

entitled to receive a portion of the remainder interest in said trusts or funds upon the maturity of the instruments, all in accordance with the directions contained in the instruments.

PLAN OF DISTRIBUTION

We do not retain, and there are not involved in the offering of the Investments, any individuals or organizations whose sole purpose is to offer or facilitate the placement of the Investments, and therefore no underwriting or facilitation agreements exist. Generally, the Investments are made available through the Chief Executive Officer and employees of WIF who have substantial job responsibilities other than the facilitation of the Investments, and no one receives any commission, fees or other special remuneration for or in connection with the facilitation of the Investments. See “Litigation and Other Material Transactions.”

A potential investor may apply to invest in the Investments via accessing our website at www.wifonline.com or by calling us at 317-774-7300. Once a potential investor has made an initial investment, the investor will have the ability to redeem his or her investment or invest more with us via the website using the investor’s customized login information or by calling us.

We will mail an Offering Circular and related documentation to a potential investor upon the request of such investor. This material is also available online to potential investors located in certain states at www.wifonline.com. If you wish to make an Investment, you must complete the Investment Agreement which accompanies the Offering Circular and send it to us with a check or other appropriate means of payment for the principal amount of Investment being made. Instead of issuing to you a paper certificate evidencing your Investment, we will register your Investment on our books only and send you an electronic confirmation of receipt of payment for the Investment in the applicable amount.

WIF allows investors to invest in the Investments through self-directed IRAs, if desired. Upon request, the materials required for an investment through a traditional IRA and/or a Roth IRA will be distributed to you with the Offering Circular. Individuals who wish to hold their Investments in an IRA may do so through an arrangement with a third-party provider of IRAs, Goldstar Trust Company. Goldstar, as the custodian of a self-directed IRA, invests funds with WIF as directed by the investor.

Note that special tax rules apply to IRAs. You may be charged a fee upon termination of your IRA and for other matters relating to the IRA, and withdrawals from an IRA may take a week to ten days to receive. No investor should invest through an IRA without consulting a tax advisor.

In order to make an Investment, you must have a reasonable association or affiliation with us, the Wesleyan Church or its religious programs, or one of the other church groups or CROs served by WIF, including being a member of, contributor to, or participant in the church or us, or a program, activity or organization that is related to the Wesleyan Church, one of its associated organizations or affiliated entities, or one of the other church groups or CROs served by WIF in a loan or investment relationship.

TAX ASPECTS

The interest paid or accrued on the Investments is taxable as ordinary income to you in the year it is paid or accrued. Even if you reinvest interest over the life of an Investment and it is not paid until the time of redemption, you must still report the interest as income on your federal income tax returns, and state income tax returns if applicable, as it is earned over the life of the Investment. We will notify you of interest earned each year on your Investment by providing you a Form 1099 or comparable form by January 31 of each following year. We may withhold federal income tax from each payment of interest if you fail to provide us with your social security number (for individuals) or employer identification

number (for entities) when you make an Investment or if we are notified that you have underreported your income to the Internal Revenue Service.

You will not be entitled to a charitable deduction for making an Investment, and you will not receive a receipt for a charitable contribution.

You should consult with your tax advisor to determine your particular federal, state, local or foreign income or other tax consequences from an investment in the Investments. This section summarizes some federal income tax consequences from making an Investment based upon the Internal Revenue Code, the regulations promulgated thereunder and existing administrative interpretations and court decisions. Future legislation, regulations, administrative interpretations or court decisions could change these authorities either prospectively or retroactively. This summary does not address all aspects of federal income taxation that may be important to you in light of your particular circumstances or if you are subject to special rules, such as rules applicable to financial institutions or tax-exempt organizations or if you are not a citizen or resident of the United States.

LITIGATION AND OTHER MATERIAL TRANSACTIONS

As of the date of this Offering Circular, there is no known present, pending or threatened material legal proceeding, including those that are known to be contemplated by governmental authorities, administrative bodies or other persons to which we or our property is or may become a party except as set forth herein.

We must comply with the different securities laws of every state in which we offer and sell Investments. Generally, we must register our Investments in each state before we can offer securities there unless an exemption to registration applies under the laws of that state. Many states have automatic exemptions from registration for organizations formed solely for nonprofit purposes and comply with guidelines laid out in the North American Securities Administrators Association (NASAA) Statement of Policy Regarding Church Extension Fund securities (the “Church Extension SOP”).¹ Some states, however, require that a non-profit organization also notify its state securities regulator of its intent to offer securities in the state, apply for exemption from registration of its securities in the state or file a registration statement in the state before it may sell its securities in such state. Adherence to the Church Extension SOP made us compliant with many states’ securities laws; however, we learned in 2016 that we were not compliant in those states with additional notice or filing requirements. Consequently, we filed the appropriate filings in those states.

Upon receipt of our initial securities filings in some states, the states’ securities regulators requested additional information about our prior offers and sales of Investments. We provided all information requested and addressed any past violations through making retroactive filings, paying fines or penalties, executing consent orders, and/or conducting rescission offers, in each case as determined or recommended by the applicable securities regulator. As of the date of this Offering Circular, we have remediated all known past state securities violations to the satisfaction of the applicable authorities and have been granted authority by each state in which we previously offered securities to prospectively offer the Investments again in that jurisdiction except with respect to the State of Washington, where we are not currently offering securities pending approval of our registration application (as discussed in more detail herein).² Upon request, WIF will provide any investor with a copy of any order or similar agreement that

¹ The NASAA Church Extension SOP may be found at http://www.nasaa.org/wp-content/uploads/2011/07/39-Church_Extension_Fund_Securities.pdf.

² From time to time, a securities regulator may fail to complete their review of WIF’s request to renew securities-related applications before WIF’s authority to offer securities in such jurisdiction expires. In such an event, WIF pauses its securities offerings in that jurisdiction until its authority has been renewed.

any securities regulator has issued with respect to WIF. Such orders may also be available on the website of the applicable securities regulator. Set forth below is information regarding negotiations we undertook with certain states in order to remediate securities law matters, presented in reverse chronological order in accordance with the date of final resolution of such matter:

In the State of Washington, we filed a notice of exemption in June of 2017 and a renewal in 2018 on the basis of their non-profit issuer exemption. The Washington Department of Financial Institutions, Securities Division (the “Washington Division”) approved both applications. We did not disclose the existence of past offers and sales in the State at that time. In July of 2018, the Washington Division clarified its position as to the scope of its non-profit exemption rules with respect to church extension funds. The Washington Division’s clarification, coupled with existing laws there was no reasonably practicable way for us to rely on either the non-profit issuer exemption or register our securities. The Washington Division’s clarification affected us along with (to our knowledge) every other church extension fund operating in the State. In 2019, we filed a routine notice of exemption before learning of this statutory reinterpretation. We received no response from the Washington Division to our 2019 correspondence. Consequently, we ceased offering and selling securities in Washington upon expiration of our 2018 exemption. In 2020, the legislature in Washington revised its securities laws such that the Foundation could offer its securities under registration by qualification. Accordingly, the Foundation applied for registration of its securities. In response to that application, the Washington Division inquired into our pre-2017 sales in the State. In response, we disclosed all known sales made in the State of Washington. In February of 2021, we agreed to a consent order with the Washington Division and paid a fine of \$10,000 and investigative costs of \$1,500. As of the date of this Offering Circular, we are working with the Washington Division to remediate past securities violations and resume offering and selling securities in the State. Until a resolution is approved by the Washington Division, we have paused offers and sales of Investments in the State of Washington.

After filing an initial securities registration application in the State of Oregon, the Oregon Department of Consumer and Business Services, Division of Financial Regulation (the “Oregon Division”) conducted a review into our previous offerings in the State. In connection with such review, we agreed to an administrative order requiring that we pay a civil penalty and cease and desist offering and selling its securities in violation of Oregon securities laws pending satisfaction of the terms of such order. In December of 2020, we agreed to a second administrative order with the Oregon Division as a result of subsequent unregistered sales made in Oregon. The second order waives a portion of the civil penalty assessed after a three-year period of compliance with the terms and conditions of such order. As of the date of this Offering Circular, we have complied with the terms of both administrative orders in Oregon, have registered our securities with the Oregon Division, and offer our securities for sale in the State under the authority of such registration.

In the State of Ohio, we submitted our initial application to register the Investments with the Ohio Division of Securities (the “Ohio Division”) on October 16, 2016. In connection with this application, we disclosed to the Ohio Division that we had made offerings and sales of unregistered securities to Ohio investors. We then worked with the Ohio Division to demonstrate that all existing and previous Ohio investors have always (1) been credited with the stated interest accrued on their Investments to date, (2) had the right to receive the entire balance of their account (including accrued interest) on demand, and (3) received repayment of their Investments from us promptly upon request therefor. Upon demonstrating the foregoing and disclosing past sales of unregistered securities in this Offering Circular, the Ohio Division registered the Investments as of October 12, 2017. Beginning in approximately of July 2019, the Ohio Division opened a separate investigation into our relationship with Crossroads Community Church, Inc. (“Crossroads”) after discovering that certain ministers affiliated with Crossroads solicited their congregants regarding the Investments. We cooperated fully with such investigation. The investigation resulted in the following findings of violations by us and our Chief Executive Officer: (1) we sold the Investments in 2015 to Ohio residents that were not properly registered with the Ohio Division, (2) we

made statements in certain advertising materials that contained statements that were at material variance with our offering circular, and (3) we entered into investment contracts with certain individuals with terms that varied from our form investment contract, and thus those terms were also at material variance with documents filed with the Ohio Division.³ In response to these findings, both WIF and Dr. Dunn executed a consent order acknowledging the foregoing effective as of June 8, 2020. On March 1, 2021, the Ohio Division approved our application for registration of the Investments and we resumed offering and selling the Investments in the State. We continue to support the faith-based activities of Crossroads, but no longer coordinate with Crossroads regarding the offer or sale of the Investments.

In the State of Arizona, we filed an application for registration in Arizona in November 30, 2017, during which we disclosed that we made offers and sales in the State prior to the date of the application. In response to this disclosure, the Arizona Corporation Commission (the “Arizona Commission”) requested that we cease offering securities in Arizona pending conclusion of the Arizona Commission’s review of the application. The State and WIF executed a Consent Order on September 17, 2018 under which WIF paid a fine of \$25,000 and agreed not to sell any further securities to Arizona residents unless said securities are properly registered. As of the date hereof, we offer and sell our securities under registration by qualification with Arizona.

In addition to the matters described above, WIF settled matters with additional states arising from the same “failure to file” issue discussed above. Below is a list of those states, the date of resolution of such matter, and the remedial actions WIF took to resolve the matter:

<u>State</u>	<u>Remedial Actions Taken</u>	<u>Date of Resolution</u> (via Consent Order or written authority to issue securities)
Arkansas	<ul style="list-style-type: none"> • \$10,000 penalty • Agreement to not offer securities until approved 	2/9/2018 (consent order)
Florida	<ul style="list-style-type: none"> • Agreement to not offer securities until approved 	N/A
Indiana	<ul style="list-style-type: none"> • \$9,000 fine, plus \$500 in investigation fees • Rescission offered to all Indiana investors • Agreement to not offer securities until approved 	2/7/2017 (consent order)
Kentucky	<ul style="list-style-type: none"> • \$11,250 fine • Rescission offered to all Kentucky investors 	6/19/2019 (consent order)
Maryland	<ul style="list-style-type: none"> • Payment of \$5,600 in past-due filing fees 	N/A
Michigan	<ul style="list-style-type: none"> • \$20,000 fine • Agreement to not offer securities until approved 	9/25/2018 (consent order)
North Carolina	<ul style="list-style-type: none"> • \$15,000 fine 	8/22/2018 (consent order)
Oklahoma	<ul style="list-style-type: none"> • Rescission offered to all Oklahoma investors 	N/A
Pennsylvania	<ul style="list-style-type: none"> • Rescission offered to all Pennsylvania investors 	1/18/2018 (consent order)
South Carolina	<ul style="list-style-type: none"> • Payment of \$3,000 in past-due filing fees 	N/A
South Dakota	<ul style="list-style-type: none"> • \$10,000 fine • Agreement to not offer securities until approved 	2/7/2018 (consent order)
Tennessee	<ul style="list-style-type: none"> • Payment of \$13,000 in past-due filing fees • Agreement to not offer securities until approved 	5/1/2018 (consent order)

³ Specifically, the Ohio Division found the following violative statements: (i) we compared the Investments to FDIC insured bank savings accounts without disclosing the difference between us and an FDIC insured bank, (ii) we stated our interest rates “are often higher than similar accounts at many other financial institutions” in contrast to disclosures in this Offering Circular that other financial institutions may offer higher interest rates, (iii) we stated “[e]ach dollar invested in WIF is used to provide loan assistance to churches” and “[w]ant a retirement savings account that will preserve principal and not be affected by the market?” in contrast to statements in this Offering Circular stating that investments may from time to time be used to invest in other assets, and (iv) we made statements to congregants of Crossroads describing a partnership with Crossroads that contrasted with our general solicitation strategy stated in this Offering Circular.

MANAGEMENT

Board of Directors

Our affairs are governed by our Board of Directors. Pursuant to our By-Laws, our Board of Directors consists of eleven directors, 2/3 of whom must be members in good standing with the Wesleyan Church. The remaining 1/3 of the members of the Board of Directors may be non-Wesleyan Church members. Currently, we have eleven individuals serving on the Board of Directors. Our Chief Executive Officer currently serves as an ex-officio voting member and Chairman of the Board of Directors. The remaining members of our Board of Directors are elected by the General Board of The Wesleyan Church from nomination(s) presented by our Chief Executive Officer. Directors may be removed for cause by a majority vote of the General Board of The Wesleyan Church. Our Board members typically are elected for four-year terms, and there are no term limits for serving on our Board. Our Board of Directors elects a President (Chairman), Vice-President (Vice-Chairman), Secretary and Treasurer from among the members of the Board to serve for terms of four years, provided that their membership on our Board has not expired.

Our Board meets regularly at least once each year on or before October 31st, and at other times as called by the Chairman. Business which requires a vote by the Board of Directors may be handled by phone, in writing, by e-mail or other type of electronic communication or media.

An Executive Committee of the Board of Directors is vested with the authority to exercise the powers of the Board of Directors in the management of the business of WIF between meetings of the Board of Directors. The Executive Committee consists of our President (Chairman), Vice-President (Vice-Chairman), Secretary and Treasurer.

An Audit Committee of the Board of Directors represents and assists the Board in fulfilling its oversight responsibility relating to the integrity of the consolidated financial statements and the financial reporting process, the systems of internal accounting and financial controls, the annual independent audit of the consolidated financial statements, and the independent auditors' qualifications and independence. Current members of the Audit Committee are Mr. James E. Perry, Mr. Kevin Batman, Mr. Craig A. Dunn, and Mr. Norwood Davis (Chairman of this Committee).

A Compensation Committee of the Board of Directors represents and assists the Board in fulfilling its responsibility in setting the compensation of the Chief Executive Officer. The salary and other compensation of the CEO is reviewed by the Board of Directors at the annual meeting. Any changes are based on the recommendation of the Compensation Committee. Current members of the Compensation Committee are Mr. James E. Perry, Mr. Norwood Davis (Chairman of this Committee) and Mr. Kevin Batman.

As of the date of this Offering Circular, our Board of Directors consists of the following individuals:

Mr. Kevin Batman, Fishers, Indiana. Member of the Board of Directors, Executive Committee, Audit Committee, Compensation Committee and elected as Treasurer of WIF. Born May 30, 1960. Treasurer of World Hope International, Inc., Alexandria, Virginia; Treasurer ex officio of Wesleyan Pension Fund, Inc.; Director of Converge Cornerstone Fund. Currently employed as General Treasurer of The Wesleyan Church Corp. since 2007. Previously served as Secretary and Treasurer of Needham-Storey Funeral Services, Inc., Marion, Indiana. Director since 2007 and current term expires in October 2022.

Mr. C. Norwood Davis, Norcross, Georgia. Member of the Board of Directors, Audit Committee and Compensation Committee of WIF. Born November 7, 1969. Member of the Board of Directors of Wesleyan Pension Fund, Inc. Board Chair of Street Grace, Atlanta, Georgia. Trustee of the Georgia Gwinnett College Foundation. Board member of the Gwinnett Chamber of Commerce. Board member of Gwinnett Medical Center. Director and secretary of Converge Cornerstone Fund. Currently employed as Chief Financial Officer at 12Stone Church in Lawrenceville, Georgia since March of 2005. Previously served for 12 years in executive roles with Duke Energy. Director of WIF since 2018 and current term expires in October 2023.

Rev. Oliver B. Dongell, Plymouth, Indiana. Member of the Board of Directors of WIF. Born February 26, 1953. Currently employed as Senior Pastor of Plymouth Wesleyan Church, Plymouth, Indiana since 2004. Previously employed as Senior Pastor of El Cajon Wesleyan Church, El Cajon, California. Director since 1993 and current term expires in October 2022.

Craig A. Dunn, Fishers, Indiana. Chief Executive Officer, Chairman of the Board of Directors, President, member of the Executive Committee and member of the Audit Committee of WIF. Born August 31, 1960, earned a law degree from Indiana University. Employed as Chief Executive Officer by the Board of Directors of WIF on September 1, 2000, and more recently employed for an additional term of four years beginning September 1, 2020 and ending December 31, 2024. Elected as Chairman of the WIF Board of Directors and President in October 2014. Also employed as Chief Executive Officer, Member of the Board of Directors, member of the Audit Committee, member of the Investment Committee and member of the Executive Committee for Wesleyan Pension Fund, Inc., since January 1, 2003, for a current 4 year term expiring May 31, 2022. Appointed President of Converge Cornerstone Fund on November 9, 2021 and serves as *ex officio* Director thereof. Previously employed by The Wesleyan Church as Assistant General Secretary from May 18, 1987 to August 31, 2000. Dr. Dunn is the son of Dr. John A. Dunn, who was the former CEO of Wesleyan Investment Foundation for 25 years from 1976 to 2000.

Rev. Donald W. Milstead, Central, South Carolina. Member of the Board of Directors of WIF. Member of the Executive Committee and elected as Secretary of WIF. Born July 20, 1947. Member of the Board of Trustees of Southern Wesleyan University, Central, South Carolina. Retired and formerly employed as the Senior Pastor of Trinity Wesleyan Church, Central South Carolina where he had served since 2006. Previously employed as Senior Pastor of Brevard Wesleyan Church, Brevard, North Carolina. Director since 1990 and current term expires in October 2024.

Rev. Kevin Myers, Lawrenceville, Georgia. Member of the Board of Directors of WIF. Born July 9, 1961. Currently employed as the Senior Pastor of 12Stone Church, Lawrenceville, Georgia, where he has served since 1997. Member of the Board of Trustees of Indiana Wesleyan University, Marion, Indiana and member of the Board of Trustees of Southern Wesleyan University, Central, South Carolina. Director since 2016 and current term expires in October of 2024.

Mr. James E. Perry, Enid, Oklahoma. Member of the Board of Directors, Compensation Committee and Audit Committee of WIF. Born May 16, 1949. Director of John W. Clark Sand and Gravel, Inc., a trucking company. Currently self-employed as a Certified Public Accountant. Serves as Treasurer of the Tri-State District of The Wesleyan Church and as Treasurer of Cedar Ridge Wesleyan Church, Enid, Oklahoma. Director since 1992 and current term expires in October 2023.

Rev. Ed Rotz, Topeka, Kansas. Member of the Board of Directors of WIF. Born March 16, 1951. Retired and formerly employed as the District Superintendent of the Kansas District of The Wesleyan Church since 2007. Previously served as Senior Pastor of the Fairlawn Heights Wesleyan Church in Topeka, Kansas. Director since 2004, and current term expires in October 2022.

Mr. Joe Schmidt, Durham, North Carolina. Member of the Board of Directors of WIF. Born September 14, 1971. Currently employed as the CEO of Freedom United since 2013. Formerly employed as Senior Vice President responsible for all retail channels worldwide for Cafepress since 2010. Previously employed as President, CEO and Founder of Canvas On Demand since 2005. Director since 2011 and current terms expires in October of 2025.

Rev. Shawn Cossin, Moline, Illinois. Member of the Board of Directors of WIF. Born April 14, 1971. Currently employed as Leadership Development Specialist with the Texas Department of Public Safety. Previously employed as the Senior Pastor of Heritage Church, Moline, Illinois, where he has served since 2013. Member of the Board of Trustees of Indiana Wesleyan University, Marion, Indiana. Previously served as Senior Pastor of Sandy Lake Wesleyan Church, Sandy Lake, Pennsylvania. Director of WIF since 2020 and current term expires in October of 2025.

Rev. Claudia Smith Dupin, Jenison, Michigan. Member of the Board of Directors of WIF. Born May 4, 1952. Currently retired. Previously employed as the Executive Pastor of Daybreak Church, Hudsonville, Michigan, where she served since 1989. She is the co-founder of Daybreak Church. Member of the Board of Never The Same (a national youth ministry organization) since 2018. Director of WIF since 2020 and current term expires in October of 2025.

Unless otherwise noted, the principal occupation of each director and officer has been the same for at least the last ten years. Currently, no seats on the Board of Directors are vacant.

Officers

One of our three executive officers is a Board member: Craig A. Dunn, in his capacity as Chief Executive Officer, Chairman, and President. The remaining two executive officers are appointed by the Chief Executive Officer: Karen Pfister serves as Chief Financial Officer, Larry Moore serves as Chief Operating Officer. Two of our other officers are elected by our Board of Directors and include Board members Donald W. Milstead (Secretary) and Kevin Batman (Treasurer). In addition, Regina Sharrow serves as General Counsel. The biographies of those officers not currently serving on the Board of Directors are listed below:

Larry Moore, Chief Operating Officer. Larry Moore is the Chief Operating Officer at Wesleyan Investment Foundation. He was formerly the General Director of Stewardship Ministries for The Wesleyan Church and Director of Finance for the Wesleyan Pension Fund and began working at Wesleyan Investment Foundation on June 1, 2007. He earned a bachelor's degree in Christian Education (United Wesleyan College), a Master of Education in Educational Administration (Pensacola Christian College), a PhD in Church Administration from Trinity College and Seminary, and an MBA in Business Administration from Indiana Wesleyan University.

Karen Pfister, Chief Financial Officer. Karen Pfister is the Chief Financial Officer at Wesleyan Investment Foundation. She was formerly an Accounting Manager and began working at Wesleyan Investment Foundation on May 1, 2007. Karen received her bachelor's degree from Manchester College where she majored in Accounting and minored in Computer Science.

Regina Sharrow, General Counsel. Regina Sharrow is the General Counsel at Wesleyan Investment Foundation. She began her employment with WIF on November 22, 2021. Regina worked in private practice from 1992, including as an Associate and Partner at Sommer Barnard (now, Taft Stettinius & Hollister), a Partner at Baker Daniels LLP (now, Faegre Drinker Biddle & Reath LLP), and most recently as an attorney for Ascension. She holds a Bachelor of Arts in English degree (University of Michigan) and a juris doctorate (University of California, Berkeley – Boalt Hall School of Law).

Including the officers listed above, we have twenty-three fulltime employees. Other employees include: Senior Vice President of Church Loans (2), Senior Loan Officer (1), Loan Managers (6), Director of Marketing (1), Account Managers (5), Office Communications Coordinator (1), Executive Assistant (1), Information Technology (1), Director of Finance (1), and Vice President of Business Development (1).

Management anticipates that one or two employees may be added within the next twelve months in order to assist with increased demand for loans and Investments and other business.

Compensation

The members of our Board of Directors receive reimbursement for expenses incurred in attending Board meetings and for any other direct expenses they incur while providing service to WIF at the request of our Chief Executive Officer. Expenses are reimbursed at actual cost and at the IRS approved reimbursement rate for mileage. Members of our Board receive no other compensation from WIF and are paid no salary, fee or stipend for their services, with the exception of the Chief Executive Officer.

Two of the three officers of WIF who also serve as members of our Board of Directors receive no remuneration of any kind for their services to WIF, other than the reimbursement for expenses incurred in providing service to WIF as detailed in the paragraph above. Our Chief Executive Officer, who serves ex-officio as Chairman of the WIF Board of Directors and President of WIF, is employed by the Board of Directors as CEO to oversee the day-to-day operation and management of WIF and employ, oversee and manage the WIF office staff. During our fiscal year ended August 31, 2021, we paid salary and other compensation and benefits to our three executive officers of \$1,664,000 in the aggregate. For the current fiscal year ending August 31, 2022, we expect to pay salary and other compensation and benefits to our three executive officers of \$1,709,000 in the aggregate. Although our executive officers receive a salary and other compensation and benefits for their services as our employees, they do not receive any commissions, discounts or other forms of remuneration in connection with the facilitation and placement of the Investments.

Our Board of Directors hired our Chief Executive Officer on September 1, 2000 and has extended his employment contract for successive four-year terms since that time. The Board of Directors extended his employment contract for a sixth, four-year term that began September 1, 2020 and expires December 31, 2024. There is no written employment agreement, but a legal obligation exists for employment of the Chief Executive Officer with salary, benefits and other compensation through December 31, 2024. None of our other employees have employment agreements with WIF, and each of them serves on an “at will” basis at the discretion of the CEO of WIF.

Certain Transactions

WIF made grants to various denominations, districts, churches and church related entities in the 2021 fiscal year in the aggregate amount of \$3,613,064. In exchange for certain grants and the gift in 2002 of the land where the Wesleyan Church Headquarters is located, WIF receives use of its original primary office space without charge in perpetuity. WIF is also leasing additional office space from The Wesleyan Church at market rates.

Our executive officers and directors had aggregate Investments in WIF of \$3,928,763 and \$3,608,627 as of August 31, 2021 and 2020, respectively. All Investments made by our directors and executive officers have been made on the same terms as those available to all other investors at that time. Maximum investment amounts may be set for these individuals by our Chief Executive Officer on the same basis as all other investors. Our Chief Executive Officer may refuse investments from any investor in his discretion, or over a limit set in his discretion as sound business decisions would dictate.

The table below sets forth the Investments held by our executive officers and directors as of August 31, 2021:

Name	Investments	% of all Investments
Total for Officers and Directors Group	\$3,928,763	00.32%
Total investors (without Group)	\$1,234,757,999	99.68%
Grand Total	\$1,238,686,762	100.00%

In the past, and currently, we have made, or have outstanding, numerous loans to churches and other organizations of The Wesleyan Church and other denominations. Some of these loans have been made to congregations and other organizations whose officers and clergy included our officers or members of our Board of Directors. Such loans in all instances have been made in the ordinary course of business and at the prevailing terms and interest rates available to similarly situated borrowers at the time of the origination of the loans, and the affected officers or directors took no part in the final decisions relating to such loans. We have instituted a Related Person Transaction Approval Policy to ensure that transactions between or among us, the Wesleyan Church, our directors and/or officers are conducted in accordance with an arm's length transaction standard. This policy provides, among other matters, that our Board of Directors may not approve a transaction if the transaction is less favorable to us than a similar transaction that we could have executed with an unaffiliated third party.

LEGAL MATTERS

Taft Stettinius & Hollister LLP, One Indiana Square, Suite 3500, Indianapolis, Indiana 46204, has advised us on certain legal matters relating to the Investments and this Offering Circular.

FINANCIAL STATEMENTS; INDEPENDENT AUDITORS

Our audited consolidated financial statements as of and for the fiscal years ended August 31, 2021, August 31, 2020 and August 31, 2019, which are included hereafter in this Offering Circular, have been audited by BKD, LLP, 200 E. Main Street, Suite 700, Fort Wayne, Indiana 46802, independent auditors, as stated in their reports appearing herein. Any partial-year financial statements provided with this Offering Circular have not been audited.

For exempt offering documents with which an auditor is involved that are initially distributed, circulated, or submitted on or after June 15, 2018, Statement on Auditing Standards No. 133, Auditor Involvement with Exempt Offering Documents, addresses an auditor's responsibilities when the auditor's report on financial statements is included in the offering and the auditor reads the exempt offering document at the issuer's request.

Consent of Independent Auditors

We agree to the inclusion in the Offering Circular dated November 24, 2021, of our reports, dated September 29, 2021 and September 29, 2020, on our audits of the consolidated financial statements of Wesleyan Investment Foundation, Inc. as of August 31, 2021, 2020 and 2019, and for the years then ended.

BKD, LLP

BKD, LLP

Fort Wayne, Indiana
November 24, 2021

Wesleyan Investment Foundation, Inc.

Independent Auditor's Report and
Consolidated Financial Statements

August 31, 2021 and 2020

Wesleyan Investment Foundation, Inc.

August 31, 2021 and 2020

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Independent Auditor's Report

Board of Directors
Wesleyan Investment Foundation, Inc.
Fishers, Indiana

We have audited the accompanying consolidated financial statements of Wesleyan Investment Foundations, Inc. (Foundation), which comprise the consolidated statements of financial position as of August 31, 2021 and 2020, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wesleyan Investment Foundation, Inc. as of August 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Fort Wayne, Indiana
September 29, 2021, except for Note 15 as to
which the date is November 24, 2021

Wesleyan Investment Foundation, Inc.
Consolidated Statements of Financial Position
August 31, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	\$ 16,492,859	\$ 12,262,073
Certificates of deposit	37,056,604	16,443,255
Investments	384,571,547	235,844,308
Loans, net of allowance for loan losses of \$17,000,000 and \$16,000,000 at August 31, 2021 and 2020, respectively	1,029,063,383	1,019,253,499
Accrued interest receivable	2,504,022	2,593,823
Deposit with foreign affiliate	816,686	824,070
Real estate held for investment	78,203,416	40,705,797
	<u>\$1,548,708,517</u>	<u>\$1,327,926,825</u>
Liabilities		
Demand and term investments	\$1,238,686,762	\$1,062,912,999
Accrued interest payable	2,999,095	3,907,613
Trust accounts and annuities payable	3,887,227	4,062,541
Total liabilities	<u>1,245,573,084</u>	<u>1,070,883,153</u>
Net Assets		
Without donor restrictions	295,831,123	249,939,269
With donor restrictions	7,304,310	7,104,403
Total net assets	<u>303,135,433</u>	<u>257,043,672</u>
	<u>\$1,548,708,517</u>	<u>\$1,327,926,825</u>
Total liabilities and net assets		

Wesleyan Investment Foundation, Inc.
Consolidated Statements of Activities
Year Ended August 31, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Interest and dividend income	\$ 52,271,786	\$ 324,063	\$ 52,595,849
Loan servicing fees	1,495,063	-	1,495,063
Bequests and gifts	21,397,953	-	21,397,953
Net realized and unrealized gains	369,384	-	369,384
Net foreign currency translation adjustments	303,539	-	303,539
Gain on sale of real estate held for investment	458,345	-	458,345
Other	141,032	-	141,032
Total	76,437,102	324,063	76,761,165
Net assets released from restriction	124,156	(124,156)	-
Total revenue, gains and other support	76,561,258	199,907	76,761,165
Expenses			
Interest	19,146,830	-	19,146,830
Salaries, payroll taxes and benefits	4,308,985	-	4,308,985
Grants	3,613,064	-	3,613,064
Travel	1,189,288	-	1,189,288
Provision for loan losses	1,000,000	-	1,000,000
Office expenses	801,323	-	801,323
Rent	109,615	-	109,615
Other operating expenses	500,299	-	500,299
Total expenses	30,669,404	-	30,669,404
Change in Net Assets	45,891,854	199,907	46,091,761
Net Assets, Beginning of Year	249,939,269	7,104,403	257,043,672
Net Assets, End of Year	<u>\$ 295,831,123</u>	<u>\$ 7,304,310</u>	<u>\$ 303,135,433</u>

Wesleyan Investment Foundation, Inc.
Consolidated Statements of Activities
Year Ended August 31, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Interest and dividend income	\$ 54,131,435	\$ 409,000	\$ 54,540,435
Loan servicing fees	1,030,051	-	1,030,051
Bequests and gifts	230,476	-	230,476
Net realized and unrealized gains	871,725	-	871,725
Net foreign currency translation adjustments	280,110	-	280,110
Gain on sale of real estate held for investment	1,213,616	-	1,213,616
Gain on removal of deferred compensation arrangement	3,000,000	-	3,000,000
Other	356,305	-	356,305
Total	61,113,718	409,000	61,522,718
Net assets released from restriction	155,600	(155,600)	-
Total revenue, gains and other support	61,269,318	253,400	61,522,718
Expenses			
Interest	25,297,319	-	25,297,319
Salaries, payroll taxes and benefits	3,646,380	-	3,646,380
Grants	2,195,539	-	2,195,539
Travel	1,492,462	-	1,492,462
Provision for loan losses	1,000,000	-	1,000,000
Office expenses	641,151	-	641,151
Rent	119,124	-	119,124
Other operating expenses	570,500	-	570,500
Total expenses	34,962,475	-	34,962,475
Change in Net Assets	26,306,843	253,400	26,560,243
Net Assets, Beginning of Year	223,632,426	6,851,003	230,483,429
Net Assets, End of Year	<u>\$ 249,939,269</u>	<u>\$ 7,104,403</u>	<u>\$ 257,043,672</u>

Wesleyan Investment Foundation, Inc.
Consolidated Statements of Cash Flows
Years Ended August 31, 2021 and 2020

	2021	2020
Operating Activities		
Change in net assets	\$ 46,091,761	\$ 26,560,243
Items not requiring (providing) operating activities cash flows		
Provision for loan losses	1,000,000	1,000,000
Gain on sale of real estate held for investment	(458,345)	(1,213,616)
Net realized and unrealized gains on investments	(369,384)	(871,725)
Net foreign currency translation adjustments	(303,539)	(280,110)
Gain on acquisition of real estate held for investment through loan forgiveness	(20,750,000)	-
Changes in		
Accrued interest receivable	89,801	474,745
Accrued interest payable and accrued expenses	(908,518)	(3,431,711)
Net cash provided by operating activities	<u>24,391,776</u>	<u>22,237,826</u>
Investing Activities		
Net change in certificates of deposit	(20,613,349)	(412,847)
Proceeds from sales of real estate held for investment	1,793,524	3,904,330
Purchases of real estate held for investment	(82,798)	(234,501)
Net change in deposit with foreign affiliate	7,384	(78,573)
Net increase in loans	(28,506,345)	(92,064,106)
Purchases of investments	(205,325,829)	(165,895,736)
Proceeds from disposition of investments	56,967,974	152,856,722
Net cash used in investing activities	<u>(195,759,439)</u>	<u>(101,924,711)</u>
Financing Activities		
Net increase in demand and term investments	175,773,763	85,558,663
Net change in trust accounts and annuities payable	(175,314)	(46,654)
Net cash provided by financing activities	<u>175,598,449</u>	<u>85,512,009</u>
Net Increase in Cash and Cash Equivalents	4,230,786	5,825,124
Cash and Cash Equivalents, Beginning of Year	<u>12,262,073</u>	<u>6,436,949</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 16,492,859</u></u>	<u><u>\$ 12,262,073</u></u>
Supplemental Cash Flows Information		
Interest paid	\$ 20,055,348	\$ 25,729,030
Non-Cash Transactions		
Real estate held for investment acquired through loan forgiveness	38,750,000	-

Wesleyan Investment Foundation, Inc.

Notes to Consolidated Financial Statements

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Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Wesleyan Investment Foundation, Inc. (Foundation) was incorporated as a not-for-profit organization in February 1960 under the laws of the state of Indiana. The Foundation, and its wholly-owned subsidiaries, Mesa Development, LLC, Tree Lane Development, LLC, Mesa Braselton, LLC, Mesa Buford, LLC, Mesa Hamilton Mills, LLC and Stone Crossing Medical I, LLC (collectively, Subsidiaries) is a not-for-profit corporation organized to loan funds to churches and other church-related organizations located throughout the United States and abroad for various building programs. The Subsidiaries are primarily engaged in holding real estate. The funds for these loans are obtained from individual members and affiliated organizations of the Wesleyan Church. This activity comprises the one main program of the Foundation.

Principles of Consolidation

The consolidated financial statements include the accounts of the Foundation and Subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates. A material estimate in the financial statements is the allowance for loan losses.

Net Assets

Net assets and related activity are classified as without donor restrictions and with donor restrictions as follows:

- *Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions. The net asset without donor restrictions class included general assets and liabilities of the Foundation and may be used at the discretion of management to support the Foundation's purposes and operations.
- *Net Assets With Donor Restrictions* – Net assets that are subject to donor-imposed restrictions that will be met either by actions of the Foundation or the passage of time or are to be maintained in perpetuity by the Foundation. Unconditional promises to give that are due in future periods are classified as net assets with donor restrictions. Generally, the donors of assets with donor restrictions permit the Foundation to use all or part of the income earned on related investments for general or specific purposes. Donor-imposed restrictions limiting the use of the assets or their economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose.

Wesleyan Investment Foundation, Inc.
Notes to Consolidated Financial Statements
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Cash and Cash Equivalents

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in short-term investment accounts are not considered to be cash and cash equivalents. At August 31, 2021, cash equivalents exceeded federally insured limits by approximately \$18,476,000.

Cash and cash equivalents include approximately \$1,149,000 and \$1,924,000 of cash in foreign bank accounts at August 31, 2021 and 2020, respectively.

Certificates of Deposit

Certificates of deposit are deposits at other financial institutions. They are carried at cost and mature in November 2021.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Cash and certificates of deposits are carried at cost. Investment return includes dividends, interest and other investment income, realized and unrealized gains and losses on investments carried at fair value and realized gains and losses on other investments.

Investment return is reflected in the statements of activities as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoffs are reported at their principal amount outstanding, adjusted for the allowance for loan losses. Interest income is accrued on the principal balances of loans. The accrual of interest on loans is discontinued when, in management's opinion, the borrower may be unable to meet payments as they become due. All interest accrued but not collected that are placed on nonaccrual are reversed against interest income. The interest on these loans is accounted for on the cash basis until qualifying for return to accrual. Loans are returned to accrual status when amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to income. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

Wesleyan Investment Foundation, Inc.

Notes to Consolidated Financial Statements

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The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance consists of allocated and general components. The allocated component relates to loans that are classified as impaired. For those loans that are classified as impaired, an allowance is established when the discounted cash flows, collateral value or observable market price of the impaired loan is lower than the carrying value of that loan. The general component covers nonclassified loans and is based on historical charge-off experience and expected loss given default derived from the Foundation's internal risk rating process. Other adjustments may be made to the allowance after an assessment of internal or external influences on credit quality that are not fully reflected in the historical loss or risk rating data.

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

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and a similar provision of state law. The Foundation is not considered to be a private foundation. The Foundation is a subordinate organization of The Wesleyan Church Corporation and does not file any income tax returns in the U.S. federal, state or foreign jurisdictions.

Real Estate Held for Investment

Real estate held for investment is valued at the lower of cost or fair value. These properties are held for future potential sale and evaluated for impairment on a periodic basis. In the year ending August 31, 2021, the Foundation acquired three properties valued at \$38,750,000 in exchange for forgiving a loan in the amount of \$18,000,000, resulting in a gain of \$20,750,000. The gain from this transaction is recorded in bequests and gifts in the consolidated statement of activities.

Wesleyan Investment Foundation, Inc.
Notes to Consolidated Financial Statements
August 31, 2021 and 2020

Revenue Recognition

The majority of the Foundation's revenues are derived from interest income on loans, which is computed daily based on the principal amount of the loans outstanding.

The Foundation reports gifts of cash and other assets as net assets without donor restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restriction. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Foundation also recognizes certain revenues within the scope of Topic 606, *Revenue from Contracts with Customers*, as the Foundation satisfies its obligations. Revenues of this nature are included within loan servicing fees and other revenue on the statements of activities.

Foreign Currency Translation Adjustments

Canadian loans and the deposits with foreign affiliates require annual adjustments for the currency exchange gain or loss at year-end. The net foreign currency translation adjustments are reflected in the consolidated statements of activities.

Deposit With Foreign Affiliate

The deposit with foreign affiliate is being accounted for at cost plus reinvested earnings and is adjusted annually for the currency exchange gain or loss at year-end.

Reclassifications

Certain reclassifications have been made to the 2020 consolidated financial statements to conform to the 2021 consolidated financial statement presentation. These reclassifications had no effect on net earnings.

Wesleyan Investment Foundation, Inc.
Notes to Consolidated Financial Statements
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Note 2: Investments and Investment Return

The Foundation's investments at August 31 consisted of the following:

	2021	2020
Money market funds	\$ 377,156,351	\$ 227,049,941
U.S. Government and agency securities	2,282	2,234
Corporate bonds	672,780	678,426
Fixed income mutual funds	1,871,645	2,317,685
Equity mutual funds and common stocks	4,868,489	3,733,452
Precious metals	-	2,062,570
	<u> </u>	<u> </u>
Total	<u><u>\$ 384,571,547</u></u>	<u><u>\$ 235,844,308</u></u>

The following schedule summarizes the investment return and its classification in the consolidated statements of activities for the years ended August 31, 2021 and 2020:

	2021	2020
Dividends and interest, net of expenses	\$ 280,864	\$ 2,355,898
Net realized and unrealized gains on investments	<u>369,384</u>	<u>871,725</u>
	<u> </u>	<u> </u>
Total return on investments	<u><u>\$ 650,248</u></u>	<u><u>\$ 3,227,623</u></u>

Note 3: Loans

The Foundation's mortgage loans and notes are as follows:

	2021	2020
First mortgage loans	\$ 1,041,394,806	\$ 1,031,442,184
Notes	<u>4,668,577</u>	<u>3,811,315</u>
	1,046,063,383	1,035,253,499
Allowance for loan losses	<u>(17,000,000)</u>	<u>(16,000,000)</u>
	<u><u>\$ 1,029,063,383</u></u>	<u><u>\$ 1,019,253,499</u></u>
	<u> </u>	<u> </u>
	First	First
	Mortgage	Mortgage
	Loans - 2021	Loans - 2020
Allowance for loan losses		
Balance, beginning of year	\$ 16,000,000	\$ 15,000,000
Provision charged to expense	<u>1,000,000</u>	<u>1,000,000</u>
	<u> </u>	<u> </u>
Balance, end of year	<u><u>\$ 17,000,000</u></u>	<u><u>\$ 16,000,000</u></u>

There was no allowance for loan losses attributable to notes at August 31, 2021 or 2020, and no related activity for 2021 or 2020.

Wesleyan Investment Foundation, Inc.

Notes to Consolidated Financial Statements

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Mortgage loans and unsecured notes bear interest at rates ranging from 3.00 percent to 8.75 percent. All mortgage loans are real estate mortgages and are secured by church property. The terms of the loans range from 15 to 30 years for mortgages and no more than three years for notes. The Foundation offers adjustable rates to borrowers based on the prevailing rate being charged by the Foundation at the time. Rates are adjusted every three years. The majority of all loans are made to borrowers located within the United States of America. At August 31, 2021 and 2020, 0.95 percent and 0.86 percent or \$9,871,376 and \$8,875,003, respectively, of the total mortgages and notes were made to foreign borrowers.

Internal Risk Categories

Loan grades are numbered 1 through 3. The use and application of these grades by the Foundation will be uniform and shall conform to the Foundation's policy.

Satisfactory (1) Loans or notes rated satisfactory have continued expectation of timely repayment, all obligations of the borrower are current, and the borrower complies with material terms and conditions of the loan agreement.

Special Mention (2) Loans or notes that have potential weakness that deserve management's attention and if left uncorrected may, at some future date, result in the weakening of the repayment prospects for the loan or note. These potential weaknesses may be due to circumstances being experienced by the borrower. These loans or notes are not adversely classified and do not expose the Foundation to sufficient risk to warrant adverse classification. Ordinarily, special mention loans or notes have characteristics which corrective management action would remedy.

Substandard (3) Loans or notes are inadequately protected by the current sound worth and paying capacity of the borrower. Borrower has a well-defined weakness that jeopardizes the repayment of the loan or note and has a probability of payment default with the distinct possibility that the Foundation will sustain some loss if noted deficiencies are not corrected.

Risk characteristics applicable to each segment of the loan portfolio are described as follows:

First Mortgage Loans: First mortgage loans typically involve larger principal amounts and repayment of these loans is generally dependent on the successful operations of the church securing the loan. These loans are viewed primarily as cashflow loans and secondarily as loans secured by real estate. Credit risk in these loans may be impacted by the creditworthiness of a borrower, property values and the local economies in the church's market areas.

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Notes: The note portfolio consist of various term and line of credit loans that are unsecured. Repayment of these loans is generally dependent on the successful operations of the church securing the loan. These loans are viewed primarily as cashflow loans and secondarily as loans secured by real estate. Credit risk in these loans may be impacted by the creditworthiness of a borrower, property values and the local economies in the church's market areas:

	2021		2020	
Grade	First Mortgage Loans	Notes	First Mortgage Loans	Notes
Satisfactory (1)	\$ 994,117,949	\$ 4,668,577	\$ 986,272,119	\$ 3,811,315
Special mention (2)	47,276,857	-	45,170,065	-
Substandard (3)	-	-	-	-
Total	<u>\$ 1,041,394,806</u>	<u>\$ 4,668,577</u>	<u>\$ 1,031,442,184</u>	<u>\$ 3,811,315</u>

At August 31, 2021 and 2020, the Foundation had 35 and 50 first mortgage loans amounting to \$41,681,752 and \$74,014,496, respectively, that were modified in troubled debt restructurings. The modification of terms of such loans was to become interest only for a period of time. There were no notes that were modified in troubled debt restructurings during the years ended August 31, 2021 and 2020. There were no troubled debt restructurings modified in the past 12 months that subsequently defaulted.

There were no accruing first mortgage loans delinquent 90 days or more at August 31, 2021 or 2020. There were no first mortgage loans delinquent 90 days or more that were not accruing interest or that had a specific valuation allowance at August 31, 2021 or 2020. There were no notes delinquent 90 days or more at August 31, 2021 and 2020. The remaining balance of mortgage loans and notes are considered to be current.

A loan is considered impaired, in accordance with the impairment accounting guidance (ASC 310-10-35-16), when based on current information and events, it is probable the Foundation will be unable to collect all amounts due from the borrower in accordance with the contractual terms of the loan. Impaired loans include nonperforming loans but also include loans modified to interest only payments in troubled debt restructurings.

Impaired first mortgage loans totaled \$47,276,857 and \$41,244,887 at August 31, 2021 and 2020, respectively. There was no allowance for loan losses relating to impaired first mortgage loans as of August 31, 2021 and 2020, as the discounted cash flows or collateral value exceeded the carrying value of the loans. There were no impaired notes at August 31, 2021 and 2020, or during the years then ended.

Interest of approximately \$2,576,027 and \$2,244,655 was recognized on average impaired first mortgage loans of \$48,149,636 and \$41,308,560 for 2021 and 2020, respectively. There was \$2,633,820 and \$2,209,740 of interest recognized on the cash basis during 2021 and 2020, respectively.

Wesleyan Investment Foundation, Inc.
Notes to Consolidated Financial Statements
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Note 4: Employee Benefits

Foundation employees are eligible to participate in the Wesleyan Pension Fund, Inc. which is a defined contribution plan for The Wesleyan Church's elders, licensed ministers, commissioned lay missionaries and other qualified personnel. The Foundation contributes 12 percent of qualifying employee wages to the plan for its employees. The plan is noncontributory. The Foundation contributed \$283,492 and \$256,895 to the plan on behalf of its employees for the years ended August 31, 2021 and 2020, respectively.

Note 5: Demand and Term Investments

The Foundation's demand and term investment accounts (formerly titled 'savings' accounts), which are not federally or privately insured, are held by the following:

	2021	2020
The Wesleyan Church Corporation and World Mission accounts	\$ 9,986,019	\$ 7,414,829
Wesleyan pension fund	82,934,409	75,471,109
Other, members and affiliates	<u>1,145,766,334</u>	<u>980,027,061</u>
	<u><u>\$ 1,238,686,762</u></u>	<u><u>\$ 1,062,912,999</u></u>

Demand accounts are due on demand and bear interest at August 31 as follows:

	2021	2020
Under \$5,000	1.00%	1.00%
\$5,000 to \$34,999	1.25	1.50
\$35,000 and over	1.50	2.00

Note 6: Trust Accounts and Annuities Payable

The Foundation administers accounts under various trust, gift and annuity agreements, whereby the Foundation acts as trustee and distributes income earned on the accounts to the designated beneficiaries. The assets received from the donor are recorded at fair value. The Foundation has recorded \$3,887,227 and \$4,062,541 at August 31, 2021 and 2020, respectively, which represents the estimated future payments required by the trust, gift or annuity agreements.

Wesleyan Investment Foundation, Inc.
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Note 7: Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions at August 31 are restricted to:

	2021	2020
Future program activities	\$ 504,310	\$ 479,403
Investment in perpetuity, the income of which is expendable to support various Wesleyan program activities	<u>6,800,000</u>	<u>6,625,000</u>
	<u><u>\$ 7,304,310</u></u>	<u><u>\$ 7,104,403</u></u>

Net Assets Released From Restriction

Net assets released from restriction were related to the following programs:

	2021	2020
Missions	\$ 69,716	\$ 87,373
Education	48,391	60,647
Other programs	<u>6,049</u>	<u>7,580</u>
	<u><u>\$ 124,156</u></u>	<u><u>\$ 155,600</u></u>

Note 8: Endowment

The Foundation's endowment consists of individual funds established for a variety of purposes. The endowment includes only donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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The Foundation's governing body has interpreted the State of Indiana Prudent Management of Institutional Funds Act (Indiana UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by Indiana UPMIFA. In accordance with Indiana UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Foundation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Investment policies of the Foundation

The composition of net assets by type of endowment fund at August 31, 2021 and 2020, was:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 7,304,310	\$ 7,304,310

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 7,104,403	\$ 7,104,403

Wesleyan Investment Foundation, Inc.
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Changes in endowment net assets for the years ended August 31, 2021 and 2020, were:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 7,104,403	\$ 7,104,403
Investment return	-	324,063	324,063
Appropriation of endowment assets for expenditure	-	(124,156)	(124,156)
Endowment net assets, end of year	\$ -	\$ 7,304,310	\$ 7,304,310

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 6,851,003	\$ 6,851,003
Investment return	-	409,000	409,000
Appropriation of endowment assets for expenditure	-	(155,600)	(155,600)
Endowment net assets, end of year	\$ -	\$ 7,104,403	\$ 7,104,403

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Foundation is required to retain as a fund of perpetual duration pursuant to donor stipulation or Indiana UPMIFA. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions. As of August 31, 2021 and 2020, there were no instances where the donor-restricted endowment funds were below the amount required to be maintained.

The Foundation does not have a formal investment and spending policy for endowment assets as of August 31, 2021, however, the endowment assets are generally invested in a manner that is intended to produce results that meet the Foundation's highest rate offered on investor deposits during each year. Additionally, the Foundation has historically expended approximately 90 percent of the donor-restricted endowment return on investments during the year.

Wesleyan Investment Foundation, Inc.
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Note 9: Related Parties

Certain members of the Board of Directors of the Foundation also serve as members of the General Board of the Wesleyan Church Corporation. The Foundation provides services to certain units of the Wesleyan Church with which its officers and Board of Directors are affiliated. These transactions are in the normal course of business and on the same terms, including interest rates and collateral, as those available for comparable transactions.

The Foundation accepts demand investments from the Wesleyan Church Corporation as disclosed in Note 5. The Foundation rents space on a month-to-month basis and rent charged by the Wesleyan Church Corporation to the Foundation was \$109,615 and \$119,124 for 2021 and 2020, respectively. The Foundation awards grants to The Wesleyan Church Corporation and Departments of The Wesleyan Church Corporation.

Note 10: Commitments

As of August 31, 2021, the Foundation had approved but not disbursed approximately \$209,084,000 in new loans and unused portions of construction loans and lines of credit to various member churches and church-related organizations for building programs. This amount does not include any foreign loan commitments.

Note 11: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Wesleyan Investment Foundation, Inc.
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Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at August 31, 2021 and 2020:

2021				
Fair Value Measurements Using				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
Investments				
Money market funds	\$ 377,156,351	\$ 377,156,351	\$ -	\$ -
U.S. Government and agency securities	2,282	-	2,282	-
Corporate bonds	672,780	-	672,780	-
Fixed income mutual funds	1,871,645	1,871,645	-	-
Equity mutual funds and common stocks	4,868,489	4,868,489	-	-

2020				
Fair Value Measurements Using				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
Investments				
Money market funds	\$ 227,049,941	\$ 227,049,941	\$ -	\$ -
U.S. Government and agency securities	2,234	-	2,234	-
Corporate bonds	678,426	-	678,426	-
Fixed income mutual funds	2,317,685	2,317,685	-	-
Equity mutual funds and common stocks	3,733,452	3,733,452	-	-
Precious metals	2,062,570	2,062,570	-	-

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended August 31, 2021. The Foundation has no liabilities measured at fair value on a recurring basis. Additionally, the Foundation has no assets or liabilities measured at fair value on a nonrecurring basis.

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Investments

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. Level 1 investments include money market funds, common stocks and mutual funds. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. Level 2 securities include U.S. Government and agency securities and corporate bonds. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy. The Foundation has no investments classified as Level 3.

Note 12: Functional Expenses

The Foundation's expenses on a functional basis are as follows at August 31, 2021 and 2020:

	2021		
	Loan Services Program	Management and General	Total
Interest	\$ 19,146,830	\$ -	\$ 19,146,830
Salaries, payroll taxes and benefits	3,231,739	1,077,246	4,308,985
Grants	3,613,064	-	3,613,064
Travel	891,966	297,322	1,189,288
Provision for loan losses	1,000,000	-	1,000,000
Office expenses	600,992	200,331	801,323
Rent	82,211	27,404	109,615
Other operating expenses	375,224	125,075	500,299
	<u>\$ 28,942,026</u>	<u>\$ 1,727,378</u>	<u>\$ 30,669,404</u>

	2020		
	Loan Services Program	Management and General	Total
Interest	\$ 25,297,319	\$ -	\$ 25,297,319
Salaries, payroll taxes and benefits	2,734,785	911,595	3,646,380
Grants	2,195,539	-	2,195,539
Travel	1,119,347	373,115	1,492,462
Provision for loan losses	1,000,000	-	1,000,000
Office expenses	480,863	160,288	641,151
Rent	89,343	29,781	119,124
Other operating expenses	427,875	142,625	570,500
	<u>\$ 33,345,071</u>	<u>\$ 1,617,404</u>	<u>\$ 34,962,475</u>

Wesleyan Investment Foundation, Inc.
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Note 13: Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of August 31, 2021 and 2020, comprise the following:

	2021	2020
Cash and cash equivalents	\$ 16,492,859	\$ 12,262,073
Certificates of deposit	37,056,604	16,443,255
Investments	384,571,547	235,844,308
Loan receivable (over the next 12 months)	77,190,000	79,232,000
Accrued interest receivable	2,504,022	2,593,823
Deposit with foreign affiliate	816,686	824,070
Total financial assets, at year-end	<u>518,631,718</u>	<u>347,199,529</u>
Less those unavailable for general expenditure within one year, due to contractual or donor-imposed restrictions		
Restricted by donor with time or purpose restrictions	<u>(7,304,310)</u>	<u>(7,104,403)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 511,327,408</u></u>	<u><u>\$ 340,095,126</u></u>

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize investment of its available funds. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents, certificates of deposit, investments and others.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing mission-related activities as well as the conduct of services undertaken to support those activities to be general expenditures. Loans receivable are not considered to be available to meet general expenditures because principal and interest on those loans are used to make new loans.

In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The statements of cash flows identifies the sources and uses of the Foundation's cash.

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Note 14: Risks and Uncertainties

The Foundation invests in various investment securities. Investment securities could be exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities could occur in the near term and that such changes could affect the amounts reported in the accompanying consolidated balance sheets.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Foundation and in particular the collectability of the loan portfolio. The duration of these uncertainties and the ultimate financial effects cannot fully be reasonably estimated at this time.

Note 15: Subsequent Events

On November 9, 2021, the Foundation consummated an affiliation transaction in which the Foundation became the sole member of Converge Cornerstone Fund (Cornerstone), an Illinois nonprofit corporation. Cornerstone is a church extension fund and as such, its operations are substantially the same as WIF. Cornerstone has historically issued loans to churches affiliated with Converge (f/k/a Baptist General Conference) and offered unsecured debt investment opportunities to investors related to Converge. In connection with the affiliation transaction, the Foundation agreed to pay consideration of \$60,400,000, of which \$55,000,000 was paid on November 9, 2021, and the remainder will be paid in three equal annual installments.

Subsequent events have been evaluated through November 24, 2021, which is the date the consolidated financial statements were available to be issued.