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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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SECURITIES AND EXCHANGE COMMISSION
ANNUAL REPORT
FORM X-17A-5
PART III

SEC FILE NUMBER
8-66645

Washington, DC
Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/20 AND ENDING 12/31/20
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **CND FINANCIAL LTD**

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
31240 BECK RD

(No. and Street) **BULVERDE** **TEXAS** **78163**
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
MILTON C COLLIER **800-810-3355**
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

PHILLIP V. GEORGE, PLLC

(Name - if individual, state last, first, middle name)
5179 CR 1026 **CELESTE** **TEXAS** **75423**
(Address) (City) (State) (Zip Code)

CHECK ONE:

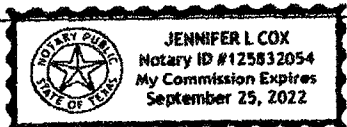
- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, MILTON C. COLLIER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CND FINANCIAL LTD, as of DECEMBER 31, 2020, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Milton C. Collier
Signature

PRESIDENT

Title

Jennifer L. Cox
Notary Public

This report ** contains (check all applicable boxes):

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income (as defined in §210.1-02 of Regulation S-X).
(d) Statement of Changes in Financial Condition.
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
(f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
(g) Computation of Net Capital.
(h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
(i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
(j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
(k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
(l) An Oath or Affirmation.
(m) A copy of the SIPC Supplemental Report.
(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17c-5(e)(3).

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CND FINANCIAL LTD.
STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2020

ASSETS	
Cash	\$ 126,067
Property and equipment, net	<u>594</u>
TOTAL ASSETS	<u>\$ 126,661</u>
LIABILITIES AND PARTNERS' CAPITAL	
Accounts payable and accrued expenses	<u>\$ 6,234</u>
Total Liabilities	<u>6,234</u>
Partners' Capital	<u>120,427</u>
TOTAL LIABILITIES & PARTNERS' CAPITAL	<u>\$ 126,661</u>

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

CND FINANCIAL LTD.

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

Revenues:

Underwriting and related fees	\$ 414,345
Total Revenues	<u>414,345</u>

Expenses:

Communications	21,302
Compensation and related costs	244,786
Occupancy and equipment costs	20,500
Professional fees	59,134
Promotion	3,290
Regulatory fees	14,856
Other expenses	339
Total Expenses	<u>364,207</u>

NET INCOME

\$ 50,138

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

CND FINANCIAL LTD.
STATEMENT OF CHANGES IN PARTNERS' CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Partner	Limited Partner	Total
Balances, December 31, 2019	\$ 22,936	\$ 73,353	\$ 96,289
Partner distributions	-	(26,000)	(26,000)
Net income	501	49,637	50,138
Balances, December 31, 2020	<u>\$ 23,437</u>	<u>\$ 96,990</u>	<u>\$ 120,427</u>

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

CND FINANCIAL LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income	\$ 50,138
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	1,500
Changes in assets and liabilities:	
Increase in accounts payable and accrued expenses	1,577
	<hr/>
Net cash provided by operating activities	53,215

CASH FLOWS USED FOR FINANCING ACTIVITIES:

Partner distributions	<hr/> (26,000)
Net increase in cash	27,215
Cash at beginning of year	<hr/> 98,852
Cash at end of year	<hr/> \$ 126,067 <hr/>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

There was no cash paid during the year for interest or income taxes

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

CND FINANCIAL LTD.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business:

CND Financial Ltd., (the Partnership) was organized in June 2004 as a Texas limited partnership. The Partnership is registered as a broker/dealer with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC).

The Partnership is considered a Non-Covered Firm exempt from 17 C.F.R. § 240.15c3-3 relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5. The Partnership limits its business activities exclusively to participating in distributions of securities (other than firm commitment underwritings) in accordance with the requirements of paragraphs (a) or (b)(2) of Rule 15c2-4.

The general partner of the Partnership is CND Holdings LLC (General Partner). The General Partner has the authority to manage and control the business affairs of the Partnership.

The Partnership terminates on December 31, 2054, unless sooner terminated or extended as provided in the partnership agreement.

The Partnership's operations consist primarily of providing best effort bond underwriting services for churches throughout the United States.

Significant Accounting Policies:

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Substantially all of the Partnership's financial asset and liability amounts reported in the statement of financial condition are short-term in nature and approximate fair value.

Property and Equipment

Property and equipment is recorded at cost less accumulated depreciation. Depreciation is recorded using the straight-line method over estimated lives of three to five years.

CND FINANCIAL LTD.
NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Partnership participates in best efforts bond underwritings for churches that want to raise funds through a sale of debt securities. Underwriting revenue and related fees are recognized on the trade date. The Partnership believes that the trade date is the appropriate point in time to recognize revenue as there are no significant action which the Partnership needs to take subsequent to this date, and the issuer obtains the control and benefit of the offering amounts at that point. These amounts are considered variable consideration as the uncertainty is dependent on the achievement of certain levels of investment have been reached as specified in the offering documents, which is highly susceptible to factors outside the Partnership's influence. Revenues are recognized once it is probable that a significant reversal will not occur. Retainers and other fees received from customers are reflected as contract liabilities and are recognized over time as the performance obligations are simultaneously provided by the Partnership and consumed by the customer.

Leads, Marketing, and Promotion Costs

The Partnership expenses leads, marketing, and promotion costs as they are incurred.

Income Taxes

Taxable income or loss of the Partnership is included in the income tax returns of the partners; therefore, no provision for federal income taxes has been made in the accompanying financial statements. The Partnership is subject to the state income taxes.

As of December 31, 2020, open Federal tax years subject to examination include the tax years ended December 31, 2017 through December 31, 2019.

NOTE 2 – NET CAPITAL REQUIREMENTS

The Partnership is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2020, the Partnership has net capital of \$119,833 which was \$114,833 in excess of its required net capital of \$5,000. The Partnership's net capital ratio was .05 to 1.

CND FINANCIAL LTD.
NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment is carried at cost less accumulated depreciation and consists of the following:

Office equipment	\$26,174
Accumulated depreciation	<u>(25,580)</u>
	<u>\$ 594</u>

Depreciation expense totaled \$1,500 for year ended December 31, 2020 and is included in occupancy and equipment costs in the accompanying statement of income.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Partnership leases back office software under a software licensing agreement (Agreement) from a related party company controlled by an officer of the Partnership. The Agreement was for an initial one-year term and renews annually unless canceled by either party, and has automatically renewed through 2021. The Agreement requires a base payment of \$1,500 per month, with additional costs assessed for new users and custom programming. The related party company at its own discretion may waive any of the payments due under the Agreement. During 2020, no payments were waived by the related party. Amounts incurred and paid under this Agreement totaled \$18,000 for 2020 and is included in occupancy and equipment costs in the accompanying statement of income.

The limited partner, who is also the managing member of the General Partner, provides office space to the Partnership at no cost to the Partnership.

The related party transactions noted above were not consummated on terms equivalent to arm's length transactions.

NOTE 5 – CONCENTRATION OF REVENUE

The Partnership earned underwriting and related fees from four church bond underwritings totaling \$387,210, or approximately 93% of total revenue.

NOTE 6 – CONTINGENCIES

There are currently no asserted claims or legal proceedings against the Partnership, however, the nature of the Partnership's business subjects it to various claims, regulatory examinations, and other proceedings in the ordinary course of business. The ultimate outcome of any such future action against the Partnership could have adverse impact on the financial condition, results of operations, or cash flows of the Partnership.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated the Partnership's events and transactions that occurred subsequent to December 31, 2020, through February 9, 2021, the date which the financial statements were available to be issued.

CND FINANCIAL LTD.
Supplemental Information Pursuant to Rule 17a-5
As of December 31, 2020

COMPUTATION OF NET CAPITAL

Total partners' capital qualified for net capital	\$ 120,427
Deductions and/or charges:	
Non-allowable assets	
Property and equipment, net	594
Total deductions and/or charges	594
Net Capital	\$ 119,833
AGGREGATE INDEBTEDNESS	
Accounts payable and accrued expenses	6,234
Total aggregate indebtedness	\$ 6,234
Computation of basic net capital requirement	
Minimum net capital required (greater of \$5,000 or 6 2/3% of aggregate indebtedness)	\$ 5,000
Net capital in excess of minimum requirement	\$ 114,833
Ratio of aggregate indebtedness to net capital	.05 to 1

See accompanying report of independent registered public accounting firm.

Schedule I (continued)

**CND FINANCIAL LTD.
Supplemental Information Pursuant to Rule 17a-5
As of December 31, 2020**

Reconciliation of Computation of Net Capital

The computation of net capital does not materially differ from the computation of net capital under Rule 15c3-1 as of December 31, 2020 as filed by CND Financial Ltd on Form X-17A-5. Accordingly, no reconciliation is necessary.

Statement Regarding Changes in Liabilities subordinated to Claims of General Creditors

No statement is required as no subordinated liabilities existed at any time during the year.

Statement Regarding Reserve Requirements and Possession or Control Requirements

The Partnership is considered a Non-Covered Firm exempt from 17 C.F.R. § 240.15c3-3 relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5. The Partnership limits its business activities exclusively to participating in distributions of securities (other than firm commitment underwritings) in accordance with the requirements of paragraphs (a) or (b)(2) of Rule 15c2-4. The Partnership does not hold customer funds or securities. As a Non-Covered Firm, the Computation for Determination of Reserve Requirements and Information Relating to the Possession and Control Requirements are not required.

See accompanying report of independent registered public accounting firm.

PHILLIP V. GEORGE, PLLC
CERTIFIED PUBLIC ACCOUNTANT

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners
CND Financial Ltd.

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of CND Financial Ltd. as of December 31, 2020, the related statements of income, changes in partners' capital, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of CND Financial Ltd. as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

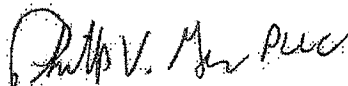
Basis for Opinion

These financial statements are the responsibility of CND Financial Ltd.'s management. Our responsibility is to express an opinion on CND Financial Ltd.'s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to CND Financial Ltd. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Auditor's Report on Supplemental Information

The supplemental information contained in Schedule I has been subjected to audit procedures performed in conjunction with the audit of CND Financial Ltd.'s financial statements. The supplemental information is the responsibility of CND Financial Ltd.'s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supplemental information contained in Schedule I is fairly stated, in all material respects, in relation to the financial statements as a whole.



PHILLIP V. GEORGE, PLLC

We have served as CND Financial Ltd.'s auditor since 2009.

Celeste, Texas
February 9, 2021

PHILLIP V. GEORGE, PLLC
CERTIFIED PUBLIC ACCOUNTANT

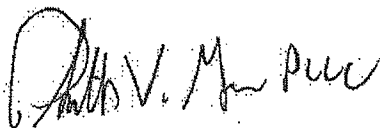
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners
CND Financial Ltd.

We have reviewed management's statements, included in the accompanying Exemption Report of CND Financial Ltd., in which (1) CND Financial Ltd. does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3, and (2) CND Financial Ltd. is filing the Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Partnership limits its business activities exclusively to participating in distributions of securities (other than firm commitment underwritings) in accordance with the requirements of paragraphs (a) or (b)(2) of Rule 15c2-4, and the Partnership (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Partnership); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception (Non-Covered Firm provision). CND Financial Ltd.'s management is responsible for compliance with the Non-Covered Firm provision and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about CND Financial Ltd.'s compliance with the Non-Covered Firm provision. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the Non-Covered Firm provision.



PHILLIP V. GEORGE, PLLC

Celeste, Texas
February 9, 2021

Exemption Report

CND Financial LTD (the "Partnership") is a registered broker-dealer subject to Rule 17a-5 promulgated by Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 §240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Partnership states the following:

(1) The Partnership does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3, and

(2) The Partnership is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Partnership limits its business activities exclusively to participating in distributions of securities (other than firm commitment underwritings) in accordance with the requirements of paragraphs (a) or (b)(2) of Rule 15c2-4, and the Partnership (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Partnership); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

CND Financial, LTD

I, Milton C. Collier swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

By: *Milton C. Collier*
Milton C. Collier
President

January 27, 2021