

CEF Agenda
2022 Minutes
Board of Trustees
Nominations Biographical Information
CEF 2024 Audit

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1 **Central Illinois District Church Extension Fund**
2 **10th Regular Convention**
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Agenda

Call to Order	President Darin Gehrke
Opening Prayer	Rev. Charles Olander
Minutes of the 9 th Regular Convention	President Darin Gehrke
Report of the President	President Darin Gehrke
Resolutions	President Darin Gehrke
Slate of Candidates	President Darin Gehrke
Report of Executive Director	Christine Anderson
Additional Floor Actions	President Darin Gehrke
Installation of new Board	CID Pres. Rev. Michael Mohr
Closing Prayer	Rev. Chad Lueck

**CENTRAL ILLINOIS DISTRICT
CHURCH EXTENSION FUND
9th REGULAR CONVENTION
JULY 18, 2022**

MINUTES

The Convention was called to order at 1:30 p.m. by President Kevin Schultz.

Trustee Rev. Terry O'Brien opened the Convention with prayer.

President Schultz reminded the 2022 Convention that the 2018 Convention passed a resolution authorizing the CID-CEF Board of Trustees to approve the minutes of the 2018 Convention, and it was so noted that said minutes of the 2018 Convention had been approved by the CID-CEF Board.

President Schultz gave the President's Report, in which he discussed changes in the Board, CID-CEF administrative activities, and financial results since the last convention.

President Schultz presented the David L. Goldhammer Award for Outstanding Service to former CID-CEF Trustee Kim Kleinschmidt, who previously served on the Board for twelve years, nine as President and three as vice-president. Mr. Kleinschmidt was not able to be in attendance due to illness.

The CID-CEF brought two resolutions to the Convention. Each was presented by President Schultz for separate vote by the delegates. The first resolution entitled "To Affirm the Central Illinois District Church Extension Fund" was presented with no request for discussion from the floor and passed unanimously by voice vote. The second resolution entitled "To Continue Uninterrupted Operations of the Central Illinois District Church Extension Fund" was presented, and discussion from the floor was requested, where the question was posed as to whether the language in this resolution should be similar to the language related to dissolution as used by the Endowment Fund. President Schultz explained that the situations are not similar. The second resolution passed unanimously by voice vote. No other resolutions were submitted during the allowed time, and discussion on resolutions ended.

The slate of candidates for the CID-CEF Board of Trustees was then presented by President Schultz. President Schultz called for nominations from the floor and requested that if such nominations were presented, the nominees would have already provided approval for their nomination. No nominations from the floor were received. President Schultz advised the delegates that there was one nominee per trustee position and called for a voice vote on the entire slate. The slate, consisting of nominees Darin Gehrke as President, David Ward as Vice President, Carol Radtke as Secretary/Treasurer, Rev. Chuck Olander and Rev. Chad Lueck as Trustees-Minister of Religion, and Kim Kleinschmidt and K. Rick Keller as Trustees, passed unanimously.

1 Executive Director Christine Anderson reviewed a PowerPoint presentation providing an update
2 to the delegates on the activities and financial results for the CID-CEF since the last convention,
3 including an update on new interest rates and an overview of the new CID-CEF website. The
4 significant drop in new investor activity in 2022 was also brought to the delegates' attention, with
5 a request to communicate the opportunity to invest in the future of the LCMS ministry in the CID
6 through investment in the CID-CEF.

7
8 President Schultz requested a resolution authorizing the Board of Trustees to approve the
9 minutes of the 2022 Convention at the next regular meeting of the CID-CEF. The motion was
10 made, seconded, and passed to allow this action.

11
12 Vice President/newly-elected President Darin Gehrke presented service recognition plaques to
13 the three members leaving the Board, thanking Dale Wolff for his seven years of service and legal
14 expertise, Rev. Terry O'Brien for his seven years of service and ministerial and financial expertise
15 brought to the Board, and President Kevin Schultz for his thirteen years of service and banking
16 expertise brought to the Board.

17
18 Central Illinois District President Mark Miller installed the following members of the Board of
19 Trustees: President Darin Gehrke, Vice President David Ward, Secretary/Treasurer Carol
20 Radtke, and Trustees Rev. Chuck Olander and Rev. Chad Lueck. Newly elected Trustees Kim
21 Kleinschmidt and K. Rick Keller were unable to be in attendance.

22
23 Newly elected President Gehrke called for a motion from the floor to adjourn the Convention.
24 The motion was seconded and passed.

25
26 Trustee Rev. Chuck Olander closed with prayer.

27
28 The Convention adjourned at 2:00 p.m.
29
30
31

32 Respectfully Submitted,

33
34 Christine Anderson
35 *Executive Director*
36 *Acting Secretary*
37

1 **Central Illinois District Church Extension Fund**
2 **Board of Trustees 2022 - 2025**
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6 **President** – Mr. Darin Gehrke
7

8
9 **Vice President** – Mr. David Ward
10

11
12 **Secretary/Treasurer** – Mrs. Carol Radtke
13

14
15 **Trustees** – Mr. Rick Keller
16 Mr. Kim Kleinschmidt
17 Rev. Chad Lueck
18 Rev. Charles Olander
19

Central Illinois District Church Extension Fund

Nominations

CID-CEF President

(One person to be elected)

Mr. Darin Gehrke – Salem Lutheran Church, Jacksonville

Current Employment: Senior Vice President, Market Leader Central and Southern Illinois – SomerCor (a Certified Development Company that processes the SBA 504 loan program).

Prior Relevant Employment/Other Experience: President, Commercial Lender – Town and Country Bank, Jacksonville, Illinois. Village President – Woodson, Illinois.

LCMS/Charitable Organization Activities: Has served as Elder, Treasurer, and Athletic Director at Salem.

Anticipated Contribution to CID-CEF Board of Trustees: Brings 18 years of lending experience in a combination of commercial and SBA lending to the Board.

CID-CEF Vice President

(One person to be elected)

Mr. David Ward – St. Paul's Lutheran Church, Varna

Current Employment: Retired from the banking industry.

Prior Relevant Employment/Other Experience: A career in banking spanning 40 years - most recently as President of North Central Bank – Hennepin, served as board member and Group Director of the Community Bankers' Association of Illinois, on the Regulatory Review Committee of the Independent Community Bankers of America, Founding President of the Hennepin Business and Betterment Association.

LCMS/Charitable Organization Activities: District Life Coordinator for CID, directed Creation Science Program for CID Lutheran schools. Has served as Co-treasurer, Elder, and Trustee at St. Paul's.

Anticipated Contribution to CID-CEF Board of Trustees: Broad experience in banking administration, lending, and real estate loans.

1
2
3 **CID-CEF Secretary/Treasurer**

4 *(One person to be elected)*

5 **Mr. Dale Dirks** – Immanuel Lutheran Church, Springfield

6
7 *Current Employment:* Tax CPA – Eck, Schafer & Punk, LLP, CPAs, Springfield – 2025.

8
9 *Prior Relevant Employment/Other Experience:* 18 years as a sole CPA practitioner after over 24
10 years with larger firms in the Springfield area, and 31 years operating a family grain farm
11 business.

12
13 *LCMS/Charitable Organization Activities:* CID Treasurer for 7 years, active in member churches
14 over the years as Sunday School Superintendent, Sunday School teacher, church treasurer,
15 and church board member, active in local and professional activities in the Athens and
16 Springfield area as a volunteer and advisor.

17
18 *Anticipated Contribution to CID-CEF Board of Trustees:* With my extensive experience with
19 clients as their advisor and operating my own business, I understand what the investors expect
20 and what the congregations need. I look forward to being a part of the continuing long-term
21 success of the CID-CEF.

22
23
24
25 **CID-CEF Ministers of Religion**

26 *(Two persons to be elected)*

27
28 **Rev. Chad Lueck** – Good Shepherd Lutheran Church, Bloomington

29
30 *Current Employment:* Pastor at Good Shepherd, Bloomington since 1999.

31
32 *Prior Relevant Employment/Other Experience:* Pastor – Hope Lutheran in Shawnee Kansas
33 from 1996 - 1998, Pastor – Emmanuel Lutheran in Littlefield Texas from 1991 – 1995,
34 accountant for family business.

35
36 *LCMS/Charitable Organization Activities:* CID Circuit Visitor, Texas Circuit Secretary, Texas
37 LWML Zone Counselor, Kansas LLL Zone Counselor, Media Coordinator for Lutheran Hour
38 Ministries, LCMS 150th Anniversary Committee, Beta Sigma Psi National Pastoral Advisor.

39
40 *Anticipated Contribution to CID-CEF Board of Trustees:* The CID-CEF has held our church's
41 mortgage for years. Getting elected in 2022 has allowed me to see everything that this Board
42 does and accomplishes. Under Christine Anderson's great leadership and the wonderful make-
43 up of the Board we have great camaraderie and work well together. I have been blessed as
44 someone very involved in our church's finances to bring a unique perspective to the Board. We
45 thank the Lord for the work that gets done and looking forward it will be wonderful to assist
46 fellow CID congregations in their mission and work for the Lord's Kingdom.

Rev. Charles Olander, Emeritus – Zion Lutheran Church, New Holland

Current Employment: Retired LCMS Pastor, current CID Planned Gift Counselor.

Prior Relevant Employment/Other Experience: Pastor – Zion Lutheran in New Holland from 2005 – 2020 and 1980 – 1988, Pastor – Concordia Lutheran in Springfield from 1988 – 2005, Pastor – Trinity Lutheran in Winkler and Zion Lutheran in Morden, Manitoba, Canada from 1978 - 1980. Previous experience before entering the ministry includes banking, insurance, and construction.

LCMS/Charitable Organization Activities: Prior service on the CID-CEF Board of Trustees from 2003 – 2015, CID-CEF Special Loan Committee, CID Prison Chaplain, Circuit Counselor, delegate for 3 LCMS Synodical Conventions, delegate-at-large for the LCMS Lutheran Church Extension Fund for 11 years.

Anticipated Contribution to CID-CEF Board of Trustees: Having served on the CID-CEF Board for many years, I am very familiar with the mission and history of CID-CEF. I also know how the District CEFs work with, and are related to, the Lutheran Church Extension Fund (LCMS). I will encourage CID-CEF to continue to make needed loans to CID churches to better share the Gospel, and to make grants and gifts to CID missions, ministries, and students. I am conservative in theology and in lending practices, with zeal for missions and innovative ministries. If elected, I will serve with the strength, wisdom, love, and faith I receive from our Lord and Savior Jesus Christ.

CID-CEF Trustees

(Two persons to be elected)

Mr. K. Rick Keller – St. John's Lutheran Church, Effingham

Current Employment: Attorney (of counsel) with Orr Law, LLC, Effingham, since 2015.

Prior Relevant Employment/Other Experience: Partner at Keller & Runde from 1993 – 2015, attorney at Meyer, Keller & Runde from 1991 – 1993, attorney at Braden & Keller from 1984 – 1991, Effingham County State's Attorney from 1979 – 1984, former member of the Illinois Commission on Juvenile Delinquency.

LCMS/Charitable Organization Activities: Has served as Elder, Chairman, Vice-Chairman, member of Board of Education, Communion Assistant, and in the Church Praise Band at St. John's.

Anticipated Contribution to CID-CEF Board of Trustees: Having served on the CID-CEF Board for 3 years, I am more familiar with the workings of the Board and better prepared to help in the mission of the CID-CEF to aid our churches, schools, and other LCMS agencies in growing God's Kingdom.

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2
3 **Mr. Kevin Schultz** – Good Shepherd Lutheran Church, Sherman

4
5 *Current Employment:* Senior Vice President for Hickory Point Bank since 2008, with
6 responsibility for relationship management for commercial clients, including real estate loans,
7 operating lines of credit, and deposit services, managing a loan portfolio in excess of \$35
8 million.

9
10 *Prior Relevant Employment/Other Experience:* Marketing President for First Bank responsible
11 for the Springfield and Jacksonville markets from 2000 - 2005.

12
13 *LCMS/Charitable Organization Activities:* Prior service on the CID-CEF Board of Directors from
14 2009 – 2022, current member of the CID-CEF Special Loan Committee, has served as Elder at
15 Good Shepherd and on the Board of Directors and as Treasurer for Land of Lincoln Goodwill.

16
17 *Anticipated Contribution to CID-CEF Board of Trustees:* Using my experience in commercial
18 real estate and cash management to assist the Executive Director in maintaining the safety and
19 soundness of the CID-CEF.

**THE CENTRAL ILLINOIS DISTRICT
CHURCH EXTENSION FUND, INC.
SPRINGFIELD, ILLINOIS**

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2024, 2023 AND 2022

The Central Illinois District
Church Extension Fund, Inc.

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Capital Accounting & Audit, LLC

Certified Public Accountants

2800 Montvale Drive
Springfield, IL 62704
217-528-8475

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Central Illinois District Church Extension Fund, Inc.
Springfield, Illinois

Opinion

We have audited the accompanying financial statements of Central Illinois District Church Extension Fund, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 2023, and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central Illinois District Church Extension Fund, Inc. as of December 31, 2024, 2023, and 2022, 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.

Basis for Opinion

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

Prior Period Financial Statements

The financial statements of Central Illinois District Church Extension Fund, Inc. as of December 31, 2023 and December 31, 2022 were audited by other auditors whose reports dated July 26, 2024 and June 23, 2023 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Central Illinois District Church Extension Fund, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Central Illinois District Church Extension Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Central Illinois District Church Extension Fund, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Capital Accounting + Audit, LLC

Certified Public Accountants
Springfield, Illinois

May 6, 2025

Central Illinois District
Church Extension Fund, Inc.
STATEMENTS OF FINANCIAL POSITION
December 31, 2024, 2023 and 2022

Statement 1

	<u>2024</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Cash and cash equivalents.....	\$ 2,477,226	\$ 1,218,707	\$ 1,644,349
Deposits and investments:			
Investments – Lutheran Church Extension Fund – LCMS.....	7,400,000	7,706,669	8,906,669
Certificates of deposit.....	6,575,763	8,749,000	5,395,000
U.S. Treasuries	<u>1,244,788</u>	<u>260,262</u>	<u>1,001,821</u>
Total deposits and investments	<u>15,220,551</u>	<u>16,715,931</u>	<u>15,303,490</u>
Loans Receivable:			
Congregations, schools, and other LCMS entities.....	18,617,593	17,747,323	19,646,996
Less allowance for loan losses.....	(1,895,000)	(1,895,000)	(1,895,000)
Net loans receivable	<u>16,722,593</u>	<u>15,852,323</u>	<u>17,751,996</u>
Accrued interest and other receivable	71,662	103,047	63,135
Fixed assets – net	63,450	9,757	3,353
Prepaid expense.....	<u>18,497</u>	<u>21,602</u>	<u>38,725</u>
TOTAL ASSETS.....	<u>\$34,573,979</u>	<u>\$33,921,367</u>	<u>\$34,805,048</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Interest-bearing debt instruments:			
Flex accounts.....	\$ 1,000,697	\$ 1,311,526	\$ 1,582,735
Investment certificates	<u>23,397,155</u>	<u>22,794,659</u>	<u>23,714,096</u>
Total interest-bearing debt instruments	24,397,852	24,106,185	25,296,831
Accounts payable & other payables	151,266	135,981	163,933
Accrued interest payable.....	190,571	154,516	81,711
Interest rebates payable.....	<u>150,000</u>	<u>125,000</u>	<u>150,000</u>
Total liabilities	<u>24,889,689</u>	<u>24,521,682</u>	<u>25,692,475</u>
NET ASSETS			
Without donor restrictions:			
Undesignated.....	9,022,013	8,721,302	8,448,921
Board Designated	<u>662,277</u>	<u>678,383</u>	<u>663,652</u>
Total net assets.....	<u>9,684,290</u>	<u>9,399,685</u>	<u>9,112,573</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$34,573,979</u>	<u>\$33,921,367</u>	<u>\$34,805,048</u>

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

Central Illinois District
Church Extension Fund, Inc.
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2024, 2023 and 2022

Statement 2

	<u>2024</u>	<u>2023</u>	<u>2022</u>
REVENUE			
Interest income:			
Interest on loans	\$ 839,557	\$ 766,769	\$ 767,324
Interest on investments.....	<u>765,037</u>	<u>560,917</u>	<u>373,608</u>
Subtotal	1,604,594	1,327,686	1,140,932
Less loan interest rebate	(<u>150,000</u>)	(<u>125,000</u>)	(<u>150,000</u>)
Total interest income	1,454,594	1,202,686	990,932
Interest expense	(<u>694,649</u>)	(<u>484,401</u>)	(<u>341,752</u>)
Net interest income	759,945	718,285	649,180
 Provision for loan loss.....	 -	 -	 (1,055,000)
Net interest income after provision for loan losses	759,945	718,285	(405,820)
 Support and other income:			
Gifts and bequests	7,785	7,700	12,660
Miscellaneous income.....	<u>-</u>	<u>492</u>	<u>-</u>
Total revenue and other support	<u>767,730</u>	<u>726,477</u>	(<u>393,160</u>)
EXPENSES			
Salaries and benefits	307,733	293,608	273,301
Office expenses.....	15,621	13,756	13,798
Occupancy and insurance	36,212	33,947	34,253
Professional and computer services.....	51,518	36,992	44,318
Depreciation.....	10,204	2,470	4,531
Grants.....	43,963	38,469	75,310
Other expenses.....	<u>17,874</u>	<u>20,123</u>	<u>28,979</u>
 Total expenses.....	<u>483,125</u>	<u>439,365</u>	<u>474,490</u>
NET INCOME (LOSS)	284,605	287,112	(867,650)
 NET ASSETS WITHOUT DONOR RESTRICTIONS – BEGINNING OF YEAR	 <u>9,399,685</u>	 <u>9,112,573</u>	 <u>9,980,223</u>
 NET ASSETS WITHOUT DONOR RESTRICTIONS – END OF YEAR.....	 <u>\$9,684,290</u>	 <u>\$9,399,685</u>	 <u>\$9,112,573</u>

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

Central Illinois District
Church Extension Fund, Inc.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024, 2023 and 2022

Statement 3

	<u>2024</u>	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss).....	\$ 284,605	\$ 287,112	(\$ 867,650)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:			
Depreciation	10,204	2,470	4,531
Increase in provision for loan loss	-	-	1,055,000
(Increase) Decrease in Assets:			
Prepaid expense.....	3,105	17,123	15,356
Accrued interest and other receivable	31,385	(39,912)	(23,073)
Increase (Decrease) in Liabilities:			
Accounts and other payables.....	15,285	(27,952)	36,737
Interest payable	36,055	72,805	(8,890)
Interest rebates payable	<u>25,000</u>	<u>(25,000)</u>	<u>-</u>
Net cash provided by (used for) operating activities ..	<u>405,639</u>	<u>286,646</u>	<u>212,011</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of equipment.....	(63,897)	(8,873)	(1,736)
Congregations, schools, and other LCMS entities loan advances	(3,433,172)	-	(1,160,350)
Congregations, schools, and other LCMS entities loan repayments	2,562,903	1,899,672	2,487,308
Redemption of investments	10,501,669	5,170,113	4,434,950
Purchase of investments	<u>(9,006,289)</u>	<u>(6,582,554)</u>	<u>(5,906,821)</u>
Net cash provided by (used for) investing activities.....	<u>561,214</u>	<u>478,358</u>	<u>(146,649)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Purchase of interest-bearing debt instruments.....	3,123,337	2,324,773	1,502,801
Redemptions of interest-bearing debt instruments	<u>(2,831,671)</u>	<u>(3,515,419)</u>	<u>(2,961,629)</u>
Net cash provided by (used for) financing activities.....	<u>291,666</u>	<u>(1,190,646)</u>	<u>(1,458,828)</u>
NET INCREASE (DECREASE) IN CASH.....	1,258,519	(425,642)	(1,393,466)
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	<u>1,218,707</u>	<u>1,644,349</u>	<u>3,037,815</u>
CASH AND CASH EQUIVALENTS – END OF YEAR.....	<u>\$ 2,477,226</u>	<u>\$ 1,218,707</u>	<u>\$ 1,644,349</u>
Supplemental disclosure of cash flow information:			
Cash paid during the year for interest.....	\$ 658,594	\$ 411,596	\$ 350,642

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

Central Illinois District
Church Extension Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024, 2023 and 2022

NOTE 1 – ORGANIZATION

The Central Illinois District Church Extension Fund, Inc. (Church Extension Fund) is one of four District-based Church Extension Funds under the Lutheran Church-Missouri Synod (LCMS). The Church Extension Fund is a church organization of the LCMS and as such is a charitable exempt organization under Section 501(c)(3) of the Internal Revenue Code and relies on investments by individuals and entities located primarily in central Illinois. Investors are subject to fluctuations in the economic status of the geographic region of central Illinois. No provisions have been made for changes in the economic environment.

The purpose of this corporation is to aid the member congregations and agencies of the Central Illinois District of the LCMS to finance the acquisition of land and in the purchase, erection or improvement of facilities for effective programs of ministry, witness, outreach, and service for the expansion of God's Kingdom in the Central Illinois District of the LCMS.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Church Extension Fund have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP).

The significant accounting policies followed by the Church Extension Fund are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation - The financial statements of the Church Extension Fund have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Church Extension Fund to report information regarding its financial position and activities accordingly to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Church Extension Fund's management and the board of trustees.

Governing Board Designations - Board designated net assets represent bequests received by the Church Extension Fund. The Board designated the funds from net assets without restrictions for future approved projects or expenditures of the Church Extension Fund. The balances are \$662,277, \$678,383 and \$663,652 as of December 2024, 2023 and 2022.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Church Extension Fund or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents - For the purposes of the statements of cash flows, highly liquid investments with a maturity of three months or less at the date of acquisition generally are considered to be cash equivalents.

Central Illinois District
Church Extension Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Investments - Investments consist of notes and certificates of deposit with the Lutheran Church Extension Fund – LCMS and financial institutions as well as U.S. Treasuries at various rates and are carried at cost which approximates market value, or, in the case of U.S. Treasuries, including amortization of discount at purchase.

Fixed Assets - Fixed assets are recorded at cost and consist of office equipment, furniture and software which is depreciated over their estimated useful lives using the straight-line method of depreciation. Management's policy is to recognize depreciation in the month the asset is acquired through the life of the asset.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and accompanying notes. Actual results could differ from those estimates.

Tax Status - The Church Extension Fund is a church organization of the LCMS and as such is a charitable exempt organization under Section 501(c)(3) of the Internal Revenue Code and as a church entity is exempt from filing requirements.

Functional Expenses - The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services, management and general, fundraising, occupancy and supporting services benefited. Such allocations are determined by management on an equitable basis. See Note 11 for presentation of fiscal years ending December 31, 2024, 2023 and 2022.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2024, 2023 and 2022 are:

	<u>12-31-24</u>	<u>12-31-23</u>	<u>12-31-22</u>
Financial assets:			
Cash and cash equivalents	\$ 2,477,226	\$ 1,218,707	\$ 1,644,349
Short-term investments	<u>4,419,000</u>	<u>11,528,931</u>	<u>3,410,241</u>
Total financial assets available within one year	<u>\$ 6,896,226</u>	<u>\$12,747,638</u>	<u>\$ 5,054,590</u>

The organization's cash flows have variations during the year attributable to timing of payout of notes payable and advances on loans. To manage liquidity, the organization structures its financial assets to be available as general expenses, liabilities, advances on loans and other obligations come due. Short-term investments include those that will mature within one year.

NOTE 4 – FIXED ASSETS

Fixed assets are stated at cost and are comprised of the following for the years ended December 31, 2024, 2023 and 2022:

	<u>12-31-24</u>	<u>12-31-23</u>	<u>12-31-22</u>
Computer equipment and software	\$ 54,680	\$ 102,616	\$ 101,387
Office furniture and equipment	25,866	18,580	14,624
Less: Accumulated depreciation	(<u>17,096</u>)	(<u>111,439</u>)	(<u>112,658</u>)
Total – net	<u>\$ 63,450</u>	<u>\$ 9,757</u>	<u>\$ 3,353</u>

Central Illinois District
Church Extension Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024, 2023 and 2022

NOTE 5 – LOANS RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES

Loans Receivable:

Loans that management has the intent and ability to hold for the foreseeable future, or until maturity or payoff, are reported at the principal balance outstanding, net of allowance for loan losses. The loans receivable consist of loans with various maturity dates and with interest rates ranging from 2.20% to 6.00%. The balance of loans receivable for the years ended December 31, 2024, 2023 and 2022 was \$18,617,593, \$17,747,323, and \$19,646,996, respectively.

Interest income earned on loans receivable for the years ended December 31, 2024, 2023 and 2022 was \$839,557, \$766,769, and \$767,324 and accrued interest amounted to \$1,570, (\$8,331), and \$2,664, respectively. The board of trustees approved interest rebates of \$150,000 for 2024, \$125,000 for 2023, and \$150,000 for 2022.

In accordance with the Church Extension Fund's policy, titles, deeds of trust, and mortgages to properties are held by the Church Extension Fund until the related indebtedness has been satisfied by the respective borrower.

Allowance For Loan Losses:

During 2023, the Church Extension Fund implemented FASB ASU 2016-13 Financial Instruments – Credit Losses (Topic 326). Commonly referred to as the Current Expected Credit Loss (CECL) Model, this guidance was used to estimate the Allowance for Loan Losses on loans held by the Church Extension Fund as of December 31, 2024. Under CECL, the Loss Rate Method of evaluation was utilized, with management estimating the allowance balance using relevant available information, from internal and external sources, relating to historical information, current conditions, and reasonable and supportable forecasts.

Management has assessed the Church Extension Fund loan portfolio and identified the following three types of borrowers as portfolio segments, or pools, to be used under the Loan Rate Method CECL model:

- Churches/organizations without schools
- Churches with schools
- Associations/stand-alone schools

Historical credit loss experience provides the basis for estimation of expected credit losses. Having not experienced any loan loss since the inception of the Church Extension Fund, the historical loss rate for the Fund stands at 0.00%. If loan losses are experienced in the future, more detailed information may be tracked on loans at that time where relevant to the occurrence of loss.

Current qualitative, or environmental, conditions likely have some degree of variation throughout the lives of the loans in the loan pools. Due to a historical loss rate of 0.00% over the existence of the Church Extension Fund, no correlation between the variations in these conditions and an impact on the loss rate can be identified and readily supported because no losses were incurred. The Church Extension Fund will continue to monitor these qualitative conditions going forward to seek to identify any correlation for adjustment to the historical loss rate should a loss occur.

Central Illinois District
Church Extension Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024, 2023 and 2022

NOTE 5 – LOANS RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES, (Continued)

Reasonable and supportive forecasts are based on qualitative, or environmental, conditions which are very similar to the impact of current conditions in that they also are likely to have some degree of variation throughout the lives of the loans in the loan pools. Given the historical loss rate of 0.00% over the existence of the Church Extension Fund, no correlation between the variations in these conditions and an impact on the loss rate can be identified and reasonably and readily supported because no losses were incurred. As of December 31, 2024, management assessed the situation and assigned overall qualitative adjustments to the pools referenced above based on factors with the potential to affect the forecasted loss rate in each pool.

The balance of the allowance for loan losses account was \$1,895,000, \$1,895,000 and \$1,895,000 for the years ended December 31, 2024, 2023 and 2022, respectively. Prior to implementation of CECL in 2023, the allowance for loan losses complied with generally accepted accounting principles applicable at the time. In 2022, the board of trustees increased the allowance for loan losses by \$1,055,000 to \$1,895,000, after impairment of a loan. The loan is currently on interest only payments.

Management considers a loan to be impaired when it is placed on nonaccrual status, among other considerations. As of December 31, 2024, the balance of impaired loans with a specific valuation allowance outside of the standard portfolio segments (pools) was \$2,181,594, and without a specific valuation allowance was \$23,078. The valuation allowance related to impaired loans totaled \$1,461,668 as of December 31, 2024. The valuation allowance attributed to impaired loans is a component of the overall allowance for loan losses.

There have been no loan delinquencies related to the financial condition of any borrowers (more than 90 days delinquent) during the years ended December 31, 2024, 2023 and 2022. No loans are delinquent at year end (over 90 days past due).

Loan Commitments:

As stated in each promissory note, the Church Extension Fund does not have an obligation to extend credit under its loan commitments where the borrower is in default under the terms of any agreement, is no longer in existence or is insolvent, has applied funds for other than their authorized purpose, or where the Church Extension Fund in good faith believes itself insecure. Given that credit will not be extended where any possibility of loss exists or would be expected, the Church Extension Fund will not be including loan commitment in its calculation of loan loss.

Unexpended loan commitments as of December 31, 2024, 2023 and 2022 are \$-0-, \$4,000,000, and \$-0-, respectively.

NOTE 6 – INVESTMENTS

Investments are mainly comprised of notes and certificates of deposit with the Lutheran Church Extension Fund – LCMS and financial institutions at varying rates and with terms up to 60 months. Investments are carried at cost which approximates market value. The Church Extension Fund also holds investments in U.S. Treasury Bills and Notes. Those are valued at cost, and any discount at time of purchase is amortized over the life of the note.

Raymond James provides investment services for a portion of the certificates of deposit in the Church Extension Fund's portfolio. The certificates of deposit listed under Raymond James are not investments in Raymond James.

Central Illinois District
Church Extension Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024, 2023 and 2022

NOTE 6 – INVESTMENTS, (Continued)

Investments consisted of the following at December 31, 2024, 2023 and 2022:

		<u>Current Rates/Yield</u>	<u>Maturity Date</u>	<u>Cost/Market 12-31-24</u>	<u>Cost/Market 12-31-23</u>	<u>Cost/Market 12-31-22</u>
Lutheran Church Extension Fund – LCMS						
Notes		2.250% - 2.500%	2023	\$ -	\$ -	\$ 700,000
Notes		2.625% - 3.000%	2024	-	5,206,669	7,206,669
Notes		3.00% - 5.00%	2025	1,500,000	1,250,000	1,000,000
Notes		4.25% - 6.25%	2026	3,200,000	1,250,000	-
Notes		4.25%	2027	700,000	-	-
Notes		4.00%	2028	500,000	-	-
Notes		4.50%	2029	<u>1,500,000</u>	<u>-</u>	<u>-</u>
Total Lutheran Church Extension Fund – LCMS				<u>7,400,000</u>	<u>7,706,669</u>	<u>8,906,669</u>
 Raymond James, Springfield, Illinois						
Certificates of Deposit		2.45% - 3.45%	2023	-	-	1,470,000
Certificates of Deposit		1.60% - 5.55%	2024	-	5,364,000	3,435,000
Certificates of Deposit		5.00% - 5.50%	2025	2,187,000	1,952,000	-
Certificates of Deposit		4.10% - 5.40%	2026	1,486,000	490,000	-
Certificates of Deposit		3.90% - 4.00%	2028	494,000	-	-
Certificates of Deposit		4.00%	2029	<u>249,000</u>	<u>-</u>	<u>-</u>
				<u>4,416,000</u>	<u>7,806,000</u>	<u>4,905,000</u>
 U.S. Treasuries:						
US Treasury Bills	<u>Par Value</u>	3.869%	2023	-	-	249,579
US Treasury Bills	\$259,000	3.990%	2023	-	-	249,534
US Treasury Notes	\$256,000	4.000%	2023	-	-	249,307
US Treasury Notes	\$261,000	4.340%	2024	-	249,654	249,654
US Treasury Notes	\$259,000	3.889%	2026	249,030	-	-
US Treasury Notes	\$260,000	3.929%	2026	249,705	-	-
US Treasury Notes	\$257,000	4.079%	2026	246,628	-	-
US Treasury Notes	\$268,000	4.116%	2029	249,332	-	-
US Treasury Notes	\$257,000	4.125%	2029	<u>247,532</u>	<u>-</u>	<u>-</u>
				<u>1,242,227</u>	<u>249,654</u>	<u>998,074</u>
Discount paid on US Treasuries				<u>2,561</u>	<u>10,608</u>	<u>3,747</u>
Total Raymond James Investments				<u>5,660,788</u>	<u>8,066,262</u>	<u>5,906,821</u>

Central Illinois District
Church Extension Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024, 2023 and 2022

NOTE 6 – INVESTMENTS, (Continued)

	<u>Current Rates/Yield</u>	<u>Maturity Date</u>	<u>Cost/Market 12-31-24</u>	<u>Cost/Market 12-31-23</u>	<u>Cost/Market 12-31-22</u>
Other Financial Institutions – Certificates of Deposit:					
Bloomsdale Bank, Bloomsdale, MO	1.000%	2023	\$ -	\$ -	\$ 245,000
Prime Alliance	5.300%	2025	238,000	-	-
State Bank of Texas, Dallas, TX	5.350% - 5.500%	2025-24	249,000	249,000	-
US Alliance Financial, Rye NY	1.000% - 4.850%	2025-23	245,000	245,000	245,000
INOVA Federal Credit Union, Elkhart, IN	4.310% - 5.500%	2026-24	249,402	249,000	-
Vibrant Credit Union, Moline, IL	5.000%	2027-24	210,861	200,000	-
Lafayette Federal Credit Union, West Kensington, MD	4.500%	2027	247,500	-	-
EFCU Financial, Baton Rouge, LA	4.750%	2027	222,500	-	-
Heartland Credit Union, Hutchinson, KS	4.090%	2027	247,500	-	-
Heartland Credit Union, Springfield, IL	4.400%	2028	<u>250,000</u>	<u>-</u>	<u>-</u>
Total Other Financial Institutions – Certificates of Deposit			<u>2,159,763</u>	<u>943,000</u>	<u>490,000</u>
TOTAL INVESTMENTS			<u>\$15,220,551</u>	<u>\$16,715,931</u>	<u>\$15,303,490</u>

Interest income on investments for the years ended December 31, 2024, 2023 and 2022 was \$765,037, \$560,917, and \$373,608, respectively. The accrued interest amounted to \$70,092, \$104,968, and \$60,471, respectively.

NOTE 7 – CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the organization to concentration of credit risk, include cash and cash equivalents and investments. The organization places its temporary cash with credit-worthy, high quality financial institutions. There were no uninsured balances at these financial institutions at December 31, 2024.

Investments and cash on demand with the Lutheran Church Extension Fund – LCMS of \$7,951,414 are not SIPC or FDIC-insured bank deposit accounts, and repayment of principal and interest is dependent upon the general financial condition of LCEF. Management has reviewed the financial condition of LCEF and has been made aware of a lawsuit in which LCEF has been named as one of multiple defendants. LCEF maintains that the lawsuit and its claims are spurious and will vigorously defend against them. Management will continue to monitor the status of the lawsuit and LCEF's financial condition to ensure the investments held with the LCEF remain unimpaired.

Central Illinois District
Church Extension Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024, 2023 and 2022

NOTE 8 – INTEREST-BEARING DEBT INSTRUMENTS

The balances in interest-bearing debt instruments represent amounts that members of LCMS have invested in the Church Extension Fund in the following:

	<u>12-31-24</u>	<u>12-31-23</u>	<u>12-31-22</u>
Flex Accounts	\$ 1,000,696	\$ 1,311,527	\$ 1,582,735
Investment certificates:			
6 months	113,116	112,382	127,365
11 months	1,741,357	-	-
12 months	2,355,060	2,195,402	2,062,461
18 months	12,277,821	10,570,921	1,300,662
24 months	-	1,002,015	7,816,637
36 months	1,681,958	2,171,520	2,938,725
60 months	<u>5,227,844</u>	<u>6,742,419</u>	<u>9,468,246</u>
Total interest-bearing debt instruments	<u>\$24,397,852</u>	<u>\$24,106,186</u>	<u>\$25,296,831</u>

Interest rates on outstanding interest-bearing debt instruments range from 0.40% to 4.50%. The accounts held in each of the above investments are not SIPC or FDIC insured.

Future scheduled maturities of investment certificates are as follows:

2025	\$16,008,602
2026	3,870,459
2027	1,444,465
2028	1,353,277
2029	<u>720,352</u>
Totals	<u>\$23,397,155</u>

Central Illinois District
Church Extension Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024, 2023 and 2022

NOTE 9 – RELATED PARTY TRANSACTIONS

Office space is provided to the Church Extension Fund under a lease agreement with the District with monthly payments of \$1,150 for rent and utilities.

The Church Extension Fund also provides various grants to member congregations and other entities including the District.

The following represents payments made to the District from the Church Extension Fund for the years ended December 2024, 2023, and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Ministry Outreach Grants	\$ 2,615	\$ 473	\$ -
Board Grants	-	12,095	3,683
Bequest Grants	4,250	-	5,656
Rent and utilities	13,800	13,200	13,200

The District had 2 outstanding loans with the Church Extension Fund on December 31, 2024 with a balance due of \$66,045, 2 loans on December 31, 2023 and 2 loans on December 31, 2022 with balances due of \$88,416 and \$109,723, respectively.

NOTE 10 – RETIREMENT PLAN

The Church Extension Fund participates with other organizations affiliated with the LCMS in a multiemployer noncontributory, defined-benefit pension plan covering substantially all employees. Benefits are provided through Concordia Plan Services (the Plan). The cost of these benefits to the Church Extension Fund for the years ended December 31, 2024, 2023 and 2022 was \$17,774, \$16,994, and \$15,120, respectively.

Accumulated plan benefits information, as provided by consulting actuaries, has not been distinguished from the benefits of the other organizations participating in the multiemployer Plan and, accordingly, such information is not presented herein. The most recent available financial information for the Plan is as of December 31, 2023. The December 31, 2023 audited financial statements of the Concordia Retirement Plan reflected approximately \$3.9 billion in net assets available for benefits and \$4.5 billion of actuarial present value of accumulated plan benefits. Therefore, the Plan was approximately 86% funded and is in the “Green Zone” for classification under the Pension Protection Act of 2006 (PPA). The PPA considers Plans that are neither endangered nor critical to be in the “Green Zone” and are not required to take action. Plans considered endangered are “Yellow Zone” and critical are considered “Red Zone.” Pension Plans in critical and endangered status are required to adopt a plan aimed at restoring the financial health of the Pension Plan.

In addition, the Church Extension Fund also offers a retirement plan under Section 403(b) of the Internal Revenue Code for employees. The employer matching contributions for the years ending December 31, 2024, 2023 and 2022 was \$3,627, \$3,455, and \$3,290, respectively.

Central Illinois District
Church Extension Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024, 2023 and 2022

NOTE 11 – EXPENSES BY NATURE AND FUNCTION

The table below presents expenses by their function for fiscal years ending 2024, 2023 and 2022.

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
<u>December 31, 2024</u>			
Salaries and benefits	\$157,573	\$150,160	\$307,733
Office expenses	7,999	7,622	15,621
Occupancy and insurance	18,542	17,670	36,212
Professional and computer services	38,638	12,880	51,518
Depreciation	7,654	2,550	10,204
Grants	43,963	-	43,963
Other expenses	<u>-</u>	<u>17,874</u>	<u>17,874</u>
Total expenses	<u>\$274,369</u>	<u>\$208,756</u>	<u>\$483,125</u>
<u>December 31, 2023</u>			
Salaries and benefits	\$150,461	\$143,147	\$293,608
Office expenses	7,049	6,707	13,756
Occupancy and insurance	17,396	16,551	33,947
Professional and computer services	27,744	9,248	36,992
Depreciation	1,853	617	2,470
Grants	38,469	-	38,469
Other expenses	<u>-</u>	<u>20,123</u>	<u>20,123</u>
Total expenses	<u>\$242,972</u>	<u>\$196,393</u>	<u>\$439,365</u>
<u>December 31, 2022</u>			
Salaries and benefits	\$140,527	\$132,774	\$273,301
Office expenses	7,095	6,703	13,798
Occupancy and insurance	17,612	16,641	34,253
Professional and computer services	33,238	11,080	44,318
Depreciation	3,399	1,132	4,531
Grants	75,310	-	75,310
Other expenses	<u>-</u>	<u>28,979</u>	<u>28,979</u>
Total expenses	<u>\$277,181</u>	<u>\$197,309</u>	<u>\$474,490</u>

NOTE 12 – SUBSEQUENT EVENTS

The organization reviewed events for inclusion in the financial statements through May 6, 2025, the date that the financial statements were available to be issued.