

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

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2021, 2020 AND 2019**

The Central Illinois District  
Church Extension Fund, Inc.

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# Estes, Bridgewater & Ogden

LORI K. MILOSEVICH, C.P.A., C.F.E.  
TERRI L. PHELPS, C.P.A.  
JAMES C. LEGG, C.P.A.  
DANIEL J. CODY, C.P.A.  
RICHARD W. OGDEN, C.P.A.

CERTIFIED PUBLIC ACCOUNTANTS

901 South Second Street, Suite 300  
Springfield, Illinois 62704  
217/528-8473  
Fax 217/528-8506



## 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, 2021, 2020, and 2019, 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, 2021, 2020, and 2019, 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.

### **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.

*Estes, Bridgewater & Ogden*

Certified Public Accountants  
Springfield, Illinois

May 26, 2022

Central Illinois District  
Church Extension Fund, Inc.  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2021, 2020 and 2019

Statement 1

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ <u>3,037,815</u>	\$ <u>2,192,196</u>	\$ <u>1,403,182</u>
Deposits and investments:			
Investments – Lutheran Church Extension Fund – LCMS.....	9,406,669	10,156,669	10,756,669
Certificates of deposit.....	<u>4,424,950</u>	<u>2,704,975</u>	<u>250,000</u>
Total deposits and investments .....	<u>13,831,619</u>	<u>12,861,644</u>	<u>11,006,669</u>
Loans Receivable:			
Congregations, schools, and other LCMS entities.....	20,973,954	21,990,826	23,154,262
Less allowance for loan losses.....	( <u>840,000</u> )	( <u>840,000</u> )	( <u>840,000</u> )
Net loans receivable .....	<u>20,133,954</u>	<u>21,150,826</u>	<u>22,314,262</u>
Accrued interest and other receivable .....	40,062	41,080	36,806
Fixed assets – net .....	6,148	11,517	18,334
Prepaid expense.....	<u>54,081</u>	<u>23,291</u>	<u>33,397</u>
<b>TOTAL ASSETS.....</b>	<b><u>\$37,103,679</u></b>	<b><u>\$36,280,554</u></b>	<b><u>\$34,812,650</u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Interest-bearing debt instruments:			
Savings stamps.....	\$ -	\$ 34,968	\$ 35,043
Growth bonds.....	-	64,082	68,678
Flex accounts.....	1,715,996	1,470,979	1,581,808
Investment certificates .....	<u>25,039,663</u>	<u>24,620,596</u>	<u>23,204,767</u>
Total interest-bearing debt instruments .....	<u>26,755,659</u>	<u>26,190,625</u>	<u>24,890,296</u>
Accounts payable & other payables .....	127,196	117,307	140,445
Accrued interest payable.....	90,601	114,529	108,994
Interest rebates payable.....	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Total liabilities .....	<u>27,123,456</u>	<u>26,572,461</u>	<u>25,289,735</u>
<b>NET ASSETS</b>			
Without donor restrictions:			
Undesignated.....	9,344,542	9,142,529	8,968,984
Board Designated.....	<u>635,681</u>	<u>565,564</u>	<u>553,931</u>
Total net assets.....	<u>9,980,223</u>	<u>9,708,093</u>	<u>9,522,915</u>
<b>TOTAL LIABILITIES AND NET ASSETS .....</b>	<b><u>\$37,103,679</u></b>	<b><u>\$36,280,554</u></b>	<b><u>\$34,812,650</u></b>

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

Central Illinois District  
Church Extension Fund, Inc.

Statement 2

**STATEMENTS OF ACTIVITIES**

For the Years Ended December 31, 2021, 2020 and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>REVENUE</b>			
Interest income:			
Interest on loans .....	\$ 854,118	\$ 896,457	\$ 893,075
Interest on investments.....	<u>326,644</u>	<u>327,837</u>	<u>280,693</u>
<b>Subtotal</b> .....	1,180,762	1,224,293	1,173,768
Less loan interest rebate.....	( 150,000)	( 150,000)	( 150,000)
<b>Total interest income</b> .....	1,030,762	1,074,293	1,023,768
Interest expense.....	( 415,028)	( 469,120)	( 397,096)
<b>Net interest income</b> .....	615,734	605,173	626,672
Provision for loan loss.....	-	-	-
<b>Net interest income after provision for loan losses</b> .....	615,734	605,173	626,672
Support and other income:			
Gifts and bequests .....	70,118	11,633	8,551
Miscellaneous income.....	<u>34,056</u>	-	-
<b>Total revenue and other support</b> .....	<u>719,908</u>	<u>616,806</u>	<u>635,223</u>
<b>EXPENSES</b>			
Salaries and benefits .....	271,459	262,247	257,380
Office expenses.....	14,307	14,858	16,166
Occupancy and insurance .....	31,703	31,392	31,347
Professional and computer services.....	44,203	38,223	41,022
Depreciation.....	5,368	6,816	7,350
Grants.....	72,014	73,302	103,440
Other expenses.....	<u>8,724</u>	<u>4,790</u>	<u>25,730</u>
Total expenses.....	<u>447,778</u>	<u>431,628</u>	<u>482,435</u>
<b>NET INCOME</b> .....	<b>272,130</b>	<b>185,178</b>	<b>152,788</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS –</b>			
<b>BEGINNING OF YEAR</b> .....	<u>9,708,093</u>	<u>9,522,915</u>	<u>9,370,127</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS –</b>			
<b>END OF YEAR</b> .....	<b><u>\$9,980,223</u></b>	<b><u>\$9,708,093</u></b>	<b><u>\$9,522,915</u></b>

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

**STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2021, 2020 and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income (loss).....	\$ 272,130	\$ 185,178	\$ 152,788
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:			
Depreciation .....	5,369	6,816	7,350
(Increase) Decrease in Assets:			
Prepaid expense.....	( 30,790)	10,106	14,891
Accrued interest and other receivable .....	1,018	( 4,274)	16,147
Increase (Decrease) in Liabilities:			
Accounts and other payables.....	9,889	( 23,138)	25,481
Interest payable .....	( 23,928)	5,535	24,315
Net cash provided by (used for) operating activities ..	<u>233,688</u>	<u>180,223</u>	<u>240,972</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of equipment.....	-	-	( 519)
Congregations, schools, and other LCMS entities loan advances .....	( 372,770)	( 610,983)	( 1,233,601)
Congregations, schools, and other LCMS entities loan repayments .....	1,389,642	1,774,420	1,780,231
Redemption of investments .....	1,485,000	1,350,000	250,045
Purchase of investments .....	( 2,454,975)	( 3,204,975)	( 650,000)
Net cash provided by (used for) investing activities.....	<u>46,897</u>	<u>( 691,538)</u>	<u>146,156</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Purchase of interest-bearing debt instruments.....	3,532,437	3,479,589	3,324,142
Redemptions of interest-bearing debt instruments .....	( 2,967,403)	( 2,179,260)	( 3,190,833)
Net cash provided by (used for) financing activities.....	<u>565,034</u>	<u>1,300,329</u>	<u>133,309</u>
<b>NET INCREASE (DECREASE) IN CASH .....</b>	<b>845,619</b>	<b>789,014</b>	<b>520,437</b>
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	<u>2,192,196</u>	<u>1,403,182</u>	<u>882,745</u>
<b>CASH AND CASH EQUIVALENTS – END OF YEAR.....</b>	<b><u>\$3,037,815</u></b>	<b><u>\$2,192,196</u></b>	<b><u>\$1,403,182</u></b>
Supplemental disclosure of cash flow information:			
Cash paid during the year for interest.....	\$ 438,956	\$ 463,585	\$ 372,781

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, 2021, 2020 and 2019

**NOTE 1 – ORGANIZATION**

The Central Illinois District Church Extension Fund, Inc. (Church Extension Fund) is one of four independent District 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.

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.

Investments - Investments consist of notes and certificates of deposit with the Lutheran Church Extension Fund – LCMS and financial institutions at various rates and are carried at cost which approximates market value.



Central Illinois District  
Church Extension Fund, Inc.  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended December 31, 2021, 2020 and 2019

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

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.

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 \$635,681, \$565,564 and \$553,931 as of December 2021, 2020 and 2019.

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, 2021, 2020 and 2019.

**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, 2021, 2020 and 2019 are:

	<u>12-31-21</u>	<u>12-31-20</u>	<u>12-31-19</u>
Financial assets:			
Cash and cash equivalents	\$ 3,037,815	\$ 2,192,196	\$ 1,403,182
Short-term investments	<u>2,714,975</u>	<u>1,730,000</u>	<u>1,750,000</u>
Total financial assets available within one year	<u>\$ 5,752,790</u>	<u>\$ 3,922,196</u>	<u>\$ 3,153,182</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.

Central Illinois District  
Church Extension Fund, Inc.  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended December 31, 2021, 2020 and 2019

**NOTE 4 – FIXED ASSETS**

Fixed assets are stated at cost and are comprised of the following for the years ended December 31, 2021, 2020 and 2019:

	<u>12-31-21</u>	<u>12-31-20</u>	<u>12-31-19</u>
PCS equipment and software	\$ 101,387	\$ 101,387	\$ 101,387
Office furniture and equipment	13,801	13,801	15,381
Less: Accumulated depreciation	( <u>109,040</u> )	( <u>103,671</u> )	( <u>98,434</u> )
Total – net	<u>\$ 6,148</u>	<u>\$ 11,517</u>	<u>\$ 18,334</u>

**NOTE 5 – LOANS RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES**

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 5.00%. The balance of loans receivable for the years ended December 31, 2021, 2020 and 2019 was \$20,973,954, \$21,990,826, and \$23,154,262, respectively.

Interest income earned on loans receivable for the years ended December 31, 2021, 2020 and 2019 was \$854,118, \$896,457, and \$893,075 and accrued interest amounted to \$3,618, \$9,533, and \$10,432, respectively. The board of trustees approved interest rebates of \$150,000 for 2021, 2020 and 2019.

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.

The allowance for loan losses was established to comply with generally accepted accounting principles. Management and the board of trustees believe the allowance for loan loss account of \$840,000 is adequate as of December 31, 2021, 2020 and 2019.

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, 2021, 2020 and 2019.

During 2020, three borrowers requested interest-only payments for three months due to the pandemic and concerns about revenues. All three resumed regular monthly principal and interest payments at the end of the three-month period. No loans are delinquent at year end (over one month past due).

Unexpended loan commitments as of December 31, 2021, 2020 and 2019 are \$1,037,864, \$526,825, and \$1,121,533, respectively.

Central Illinois District  
Church Extension Fund, Inc.  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended December 31, 2021, 2020 and 2019

**NOTE 6 – INVESTMENTS**

Investments consist of notes and certificates of deposit and are 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.

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.

Investments consisted of the following at December 31, 2021, 2020 and 2019:

	Current Rates	Maturity Date	Cost/Market 12-31-21	Cost/Market 12-31-20	Cost/Market 12-31-19
Lutheran Church Extension Fund – LCMS					
Notes	2.000%	2020	\$ -	\$ -	\$ 1,750,000
Notes	2.125% - 2.25%	2021	-	750,000	750,000
Notes	2.375%	2022	500,000	500,000	500,000
Notes	2.250% - 2.500%	2023	700,000	700,000	550,000
Notes	2.625% - 3.000%	2024	7,206,669	7,206,669	7,206,669
Notes	3.00%	2025	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Total			<u>9,406,669</u>	<u>10,156,669</u>	<u>10,756,669</u>
Raymond James, Springfield, IL					
CIT Bank – Certificate of Deposit	2.550%	2022	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Other Financial Institutions – Certificates of Deposit:					
Fortress Bank, Peoria, IL	1.01%	2021	-	245,000	-
Farmers State Bank of Medora, Medora, IL	1.00%	2021	-	245,000	-
Vibrant Credit Union, Moline, IL	1.290%	2021	-	245,000	-
State Bank of Texas, Dallas, TX	0.75 – 0.95%	2022-21	245,000	245,000	-
American Heritage Credit Union, Philadelphia, PA	1.243%	2022	244,975	244,975	-
Community Wide Federal Credit Union, South Bend, IN	0.900%	2022	245,000	245,000	-
Farmers National Bank, Prophetstown, IL	1.100%	2022	245,000	245,000	-
Havana National Bank, Havana, IL	0.950%	2022	245,000	245,000	-
Raritan State Bank, Raritan, IL	1.150%	2022	245,000	245,000	-
West Town Bank & Trust, North Riverside, IL	1.250%	2022	250,000	250,000	-
CEFCU (Simmons Bank, Edwardsville)	1.000%	2022	245,000	-	-
Bloomsdale Bank, Bloomsdale, MO	1.000%	2023	245,000	-	-
Lafayette Federal Credit Union, West Kensington, MD	0.900%	2023	245,000	-	-
US Alliance Financial, Rye NY	1.000%	2023	245,000	-	-
Hiway Credit Union, St. Paul, MN	0.80%	2023	245,000	-	-
Superior Choice Credit Union, Superior, WI	0.90%	2023	245,000	-	-
EFCU Financial, Baton Rouge, LA	0.95%	2023	250,000	-	-
INOVA Federal Credit Union, Elkhart, IN	1.144%	2023	245,000	-	-
Evansville Teachers Federal Credit Union, Evansville, IN	0.800%	2023	245,000	-	-
Heartland Credit Union, Hutchinson, KS	0.850%	2023	<u>244,975</u>	<u>-</u>	<u>-</u>
Total			<u>4,174,950</u>	<u>2,454,975</u>	<u>-</u>
Total Investments			<u>\$13,831,619</u>	<u>\$12,861,644</u>	<u>\$11,006,669</u>

Interest income on investments for the years ended December 31, 2021, 2020 and 2019 was \$326,644, \$327,837, and \$280,693, respectively. The accrued interest amounted to \$36,415, \$31,547, and \$26,374, respectively.

Central Illinois District  
Church Extension Fund, Inc.  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended December 31, 2021, 2020 and 2019

**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, 2021.

Investments and cash on demand with the Lutheran Church Extension Fund – LCMS of \$10,431,669 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.

**NOTE 8 – INTEREST-BEARING DEBT INSTRUMENTS**

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

	<u>12-31-21</u>	<u>12-31-20</u>	<u>12-31-19</u>
Savings Stamps	\$ -	\$ 34,968	\$ 35,043
Growth bonds	-	64,082	68,678
Flex Accounts	1,715,996	1,470,979	1,581,808
Investment certificates:			
6 months	127,029	210,792	215,117
12 months	1,102,048	1,520,624	1,654,571
24 months	10,734,260	9,284,144	7,569,497
36 months	3,113,123	3,309,991	3,401,174
60 months	<u>9,963,203</u>	<u>10,295,045</u>	<u>10,364,409</u>
Total interest-bearing debt instruments	<u>\$26,755,659</u>	<u>\$26,190,625</u>	<u>\$24,890,297</u>

Interest rates on outstanding interest-bearing debt instruments range from 0.25% to 5.00%. The accounts held in each of the above investments are not SIPC or FDIC insured.

In May of 2021, the Church Extension Fund informed all participants in its growth bond and savings stamp program of its termination, with a final effective date of December 31, 2021. All growth bonds, matured and unmatured, were redeemed after a notification period, and savings stamps were refunded upon presentation. Miscellaneous income on the Statement of Activities represents the value of outstanding savings stamps not presented for refund by the termination date.

Future scheduled maturities of investment certificates are as follows:

2022	\$ 6,652,639
2023	11,936,855
2024	3,180,595
2025	1,873,722
2026	<u>1,395,852</u>
Totals	<u>\$25,039,663</u>

Central Illinois District  
Church Extension Fund, Inc.  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended December 31, 2021, 2020 and 2019

**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 \$1,100 for rent and utilities. Also, during 2020 the Church Extension Fund paid \$10,632 for water damages sustained in the office space rented from the District.

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 2021, 2020, and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Ministry Outreach Grants	\$ 860	\$ 5,000	\$ 6,500
Board Grants	13,879	20,934	1,906
Bequest Grants	14,721	12,850	18,094
Rent and utilities	13,200	13,200	13,200
Water damage payment	-	10,632	-

The District had 3 outstanding loans with the Church Extension Fund on December 31, 2021 with total balance due of \$245,647 and 4 loans on December 31, 2020 and 2019 with balances due of \$277,640 and \$385,245, respectively. The Church Extension Fund board approved principal payment forgiveness for \$10,000 on one loan for the years ended December 31, 2021, 2020 and 2019.

**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, 2021, 2020 and 2019 was \$15,976, \$15,633, and \$15,122, 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, 2020. The December 31, 2020 audited financial statements of the Concordia Retirement Plan reflected approximately \$4.062 billion in net assets available for benefits and \$4.253 billion of actuarial present value of accumulated plan benefits. Therefore, the Plan was approximately 95% 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, 2021, 2020 and 2019 was \$3,164, \$3,042, and \$2,925, respectively.

Central Illinois District  
Church Extension Fund, Inc.  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended December 31, 2021, 2020 and 2019

**NOTE 11 – EXPENSES BY NATURE AND FUNCTION**

The table below presents expenses by their function for fiscal years ending 2021, 2020 and 2019.

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
<b><u>December 31, 2021</u></b>			
Salaries and benefits	\$140,568	\$130,891	\$271,459
Office expenses	7,409	6,898	14,307
Occupancy and insurance	16,417	15,286	31,703
Professional and computer services	33,152	11,051	44,203
Depreciation	4,027	1,341	5,368
Grants	72,014	-	72,014
Other expenses	<u>4,517</u>	<u>4,207</u>	<u>8,724</u>
Total expenses	<b><u>\$278,104</u></b>	<b><u>\$169,674</u></b>	<b><u>\$447,778</u></b>
<b><u>December 31, 2020</u></b>			
Salaries and benefits	\$136,923	\$125,324	\$262,247
Office expenses	7,758	7,100	14,858
Occupancy and insurance	16,390	15,002	31,392
Professional and computer services	28,667	9,556	38,223
Depreciation	5,112	1,704	6,816
Grants	73,302	-	73,302
Other expenses	<u>2,501</u>	<u>2,289</u>	<u>4,790</u>
Total expenses	<b><u>\$270,653</u></b>	<b><u>\$160,975</u></b>	<b><u>\$431,628</u></b>
<b><u>December 31, 2019</u></b>			
Salaries and benefits	\$134,381	\$122,999	\$257,380
Office expenses	8,440	7,726	16,166
Occupancy and insurance	16,367	14,980	31,347
Professional and computer services	30,767	10,255	41,022
Depreciation	5,513	1,837	7,350
Grants	103,440	-	103,440
Other expenses	<u>13,434</u>	<u>12,296</u>	<u>25,730</u>
Total expenses	<b><u>\$312,342</u></b>	<b><u>\$170,093</u></b>	<b><u>\$482,435</u></b>

**NOTE 13 – SUBSEQUENT EVENTS**

The organization reviewed events for inclusion in the financial statements through May 26, 2022, the date that the financial statements were available to be issued.