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

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2025, 2024 AND 2023

The Central Illinois District
Church Extension Fund, Inc.

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Capital Accounting & Audit, LLC

Certified Public Accountants

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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 statements of financial position as of December 31, 2025, 2024, and 2023, 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, 2025, 2024, and 2023, 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.

Capital Accounting & Audit, LLC.

Certified Public Accountants
Springfield, Illinois

June 8, 2026

Central Illinois District
Church Extension Fund, Inc.
STATEMENTS OF FINANCIAL POSITION
December 31, 2025, 2024 and 2023

ASSETS	2025	2024	2023
Cash and cash equivalents	$ 1,494,776	$ 2,477,226	$ 1,218,707
Deposits and investments:			
Investments – Lutheran Church Extension Fund – LCMS	7,900,000	7,400,000	7,706,669
Certificates of deposit	8,561,388	6,575,763	8,749,000
U.S. Treasuries	1,270,036	1,244,788	260,262
Total deposits and investments	17,731,424	15,220,551	16,715,931
Loans Receivable:			
Congregations, schools, and other LCMS entities	16,288,010	18,617,593	17,747,323
Less allowance for loan losses	(1,895,000)	(1,895,000)	(1,895,000)
Net loans receivable	14,393,010	16,722,593	15,852,323
Accrued interest and other receivable	113,616	71,662	103,047
Fixed assets – net	47,842	63,450	9,757
Prepaid expense	19,689	18,497	21,602
TOTAL ASSETS	**$33,800,357**	**$34,573,979**	**$33,921,367**
LIABILITIES AND NET ASSETS			
LIABILITIES			
Interest-bearing debt instruments:			
Flex accounts	$ 963,276	$ 1,000,697	$ 1,311,526
Investment certificates	22,367,569	23,397,155	22,794,659
Total interest-bearing debt instruments	23,330,845	24,397,852	24,106,185
Accounts payable & other payables	135,992	151,266	135,981
Accrued interest payable	169,038	190,571	154,516
Interest rebates payable	150,000	150,000	125,000
Total liabilities	23,785,875	24,889,689	24,521,682
NET ASSETS			
Without donor restrictions:			
Undesignated	9,345,737	9,022,013	8,721,302
Board Designated	668,745	662,277	678,383
Total net assets	10,014,482	9,684,290	9,399,685
TOTAL LIABILITIES AND NET ASSETS	**$33,800,357**	**$34,573,979**	**$33,921,367**

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, 2025, 2024 and 2023

	2025	2024	2023
REVENUE			
Interest income:			
Interest on loans	$ 871,602	$ 839,557	$ 766,769
Interest on investments	815,308	765,037	560,917
Subtotal	1,686,910	1,604,594	1,327,686
Less loan interest rebate	(150,000)	(150,000)	(125,000)
Total interest income	1,536,910	1,454,594	1,202,686
Interest expense	(725,262)	(694,649)	(484,401)
Net interest income	811,648	759,945	718,285
Provision for loan loss	-	-	-
Net interest income after provision for loan losses	811,648	759,945	718,285
Support and other income:			
Gifts and bequests	7,187	7,785	7,700
Miscellaneous income	-	-	492
Total revenue and other support	818,835	767,730	726,477
EXPENSES			
Salaries and benefits	302,149	307,733	293,608
Office expenses	14,518	15,621	13,756
Occupancy and insurance	41,053	36,212	33,947
Professional and computer services	42,856	51,518	36,992
Depreciation	15,607	10,204	2,470
Grants	44,896	43,963	38,469
Other expenses	27,564	17,874	20,123
Total expenses	488,643	483,125	439,365
NET INCOME (LOSS)	**330,192**	**284,605**	**287,112**
NET ASSETS WITHOUT DONOR RESTRICTIONS – BEGINNING OF YEAR	9,684,290	9,399,685	9,112,573
NET ASSETS WITHOUT DONOR RESTRICTIONS – END OF YEAR	**$10,014,482**	**$9,684,290**	**$9,399,685**

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

Statement 3

Central Illinois District
Church Extension Fund, Inc.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025, 2024 and 2023

	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 330,192	$ 284,605	$ 287,112
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:			
Depreciation	15,607	10,204	2,470
(Increase) Decrease in Assets:			
Prepaid expense	(1,192)	3,105	17,123
Accrued interest and other receivable	(41,954)	31,385	(39,912)
Increase (Decrease) in Liabilities:			
Accounts and other payables	(15,274)	15,285	(27,952)
Interest payable	(21,533)	36,055	72,805
Interest rebates payable	-	25,000	(25,000)
Net cash provided by (used for) operating activities	265,846	405,639	286,646
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of equipment	-	(63,897)	(8,873)
Congregations, schools, and other LCMS entities loan advances	(102,294)	(3,433,172)	-
Congregations, schools, and other LCMS entities loan repayments	2,431,878	2,562,903	1,899,672
Redemption of investments	2,187,000	10,501,669	5,170,113
Purchase of investments	(4,697,874)	(9,006,289)	(6,582,554)
Net cash provided by (used for) investing activities	(181,290)	561,214	478,358
CASH FLOWS FROM FINANCING ACTIVITIES:			
Purchase of interest-bearing debt instruments	2,955,500	3,123,337	2,324,773
Redemptions of interest-bearing debt instruments	(4,022,506)	(2,831,671)	(3,515,419)
Net cash provided by (used for) financing activities	(1,067,006)	291,666	(1,190,646)
NET INCREASE (DECREASE) IN CASH	**(982,450)**	**1,258,519**	**(425,642)**
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	2,477,226	1,218,707	1,644,349
CASH AND CASH EQUIVALENTS – END OF YEAR	**$ 1,494,776**	**$ 2,477,226**	**$ 1,218,707**
Supplemental disclosure of cash flow information:			
Cash paid during the year for interest	$ 748,395	$ 658,594	$ 411,596

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

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 $668,745, $662,277and $678,383 as of December 2025, 2024 and 2023.
>
> 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.

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 are 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, 2025, 2024 and 2023.

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, 2025, 2024 and 2023 are:

	12-31-25	12-31-24	12-31-23
Financial assets:			
Cash and cash equivalents	$ 1,494,776	$ 2,477,226	$ 1,218,707
Short-term investments	8,925,260	4,419,000	11,528,931
Total financial assets available within one year	$10,420,036	$ 6,896,226	$12,747,638

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, 2025, 2024 and 2023:

	12-31-25	12-31-24	12-31-23
Computer equipment and software	$ 54,680	$ 54,680	$ 102,616
Office furniture and equipment	25,866	25,866	18,580
Less: Accumulated depreciation	(32,704)	(17,096)	(111,439)
Total – net	$ 47,842	$ 63,450	$ 9,757

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, 2025, 2024 and 2023 was $16,288,010, $18,617,593, and $17,747,323, respectively.

Interest income earned on loans receivable for the years ended December 31, 2025, 2024 and 2023 was $871,602, $839,557, and $766,769 and accrued interest amounted to $7,955, $1,570, and ($8,331), respectively. The board of trustees approved interest rebates of $150,000 for 2025, $150,000 for 2024, and $125,000 for 2023.

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, 2025. 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 qualitive, 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.

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, 2025, 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, 2025, 2024 and 2023, respectively. Prior to implementation of CECL in 2023, the allowance for loan losses complied with generally accepted accounting principles applicable at the time. In 2023, the board of trustees increased the allowance for loan losses by $1,055,000 to $1,895,000, after impairment of a loan.

Management considers a loan to be impaired when it is placed on nonaccrual status, among other considerations. As of December 31, 2025, the balance of impaired loans with a specific valuation allowance outside of the standard portfolio segments (pools) was $2,022,806, and without a specific valuation allowance was $-0-. The valuation allowance related to impaired loans totaled $1,456,420 as of December 31, 2025. 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, 2025, 2024 and 2023. 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, 2025, 2024 and 2023 are $4,016,406, $-0-, and $4,000,000, 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.

NOTE 6 – INVESTMENTS, (Continued)

Investments consisted of the following at December 31, 2025, 2024 and 2023:

	Par Value	Current Rates/Yield	Maturity Date	Cost/Market 12-31-25	Cost/Market 12-31-24	Cost/Market 12-31-23
Lutheran Church Extension Fund – LCMS						
Notes		2.625% - 3.000%	2024	$ -	$ -	$ 5,206,669
Notes		3.00% - 5.00%	2025	-	1,500,000	1,250,000
Notes		4.00% - 6.25%	2026	4,200,000	3,200,000	1,250,000
Notes		4.25%	2027	950,000	700,000	-
Notes		4.00%	2028	750,000	500,000	-
Notes		4.50%	2029	1,500,000	1,500,000	-
Notes		4.00%	2030	500,000	-	-
Total Lutheran Church Extension Fund – LCMS				**7,900,000**	**7,400,000**	**7,706,669**
Raymond James, Springfield, Illinois						
Certificates of Deposit		1.60% - 5.55%	2024	-	-	5,364,000
Certificates of Deposit		5.00% - 5.50%	2025	-	2,187,000	1,952,000
Certificates of Deposit		4.05% - 5.05%	2026	2,976,000	1,486,000	490,000
Certificates of Deposit		4.00% - 4.05%	2027	494,000	-	-
Certificates of Deposit		3.70% - 4.05%	2028	1,233,000	494,000	-
Certificates of Deposit		3.80% - 4.10%	2029	984,000	249,000	-
				5,687,000	4,416,000	7,806,000
U.S. Treasuries:						
US Treasury Notes	$261,000	4.340%	2024	-	-	249,654
US Treasury Notes	$259,000	3.889%	2026	249,030	249,030	-
US Treasury Notes	$260,000	3.929%	2026	249,705	249,705	-
US Treasury Notes	$257,000	4.079%	2026	246,628	246,628	-
US Treasury Notes	$268,000	4.116%	2029	249,332	249,332	-
US Treasury Notes	$257,000	4.125%	2029	247,531	247,532	-
				1,242,226	1,242,227	249,654
Discount paid on US Treasuries				27,810	2,561	10,608
Total Raymond James Investments				**6,957,036**	**5,660,788**	**8,066,262**

NOTE 6 – INVESTMENTS, (Continued)

	Current Rates/Yield	Maturity Date	Cost/Market 12-31-25	Cost/Market 12-31-24	Cost/Market 12-31-23
Other Financial Institutions – Certificates of Deposit:					
Blaze Credit Union	4.40%	2026	$ 240,000	$ -	$ -
Prime Alliance	4.11% - 5.30%	2027-25	250,625	238,000	-
State Bank of Texas, Dallas, TX	4.35% - 5.50%	2026-24	249,000	249,000	249,000
US Alliance Financial, Rye NY	4.21% – 4.85%	2026-25	245,000	245,000	245,000
INOVA Federal Credit Union, Elkhart, IN	4.31% – 5.50%	2026-24	249,402	249,402	249,000
Vibrant Credit Union, Moline, IL	5.00%	2027-24	210,861	210,861	200,000
Lafayette Federal Credit Union, West Kensington, MD	4.50%	2027	247,500	247,500	-
EFCU Financial, Baton Rouge, LA	4.75%	2027	222,500	222,500	-
Genisys Credit Union	4.40%	2027	230,000	-	-
PenAir Credit Union	4.50%	2027	232,000	-	-
Heartland Credit Union, Hutchinson, KS	4.09%	2027	247,500	247,500	-
Heartland Credit Union, Springfield, IL	4.40%	2028	250,000	250,000	-
Total Other Financial Institutions – Certificates of Deposit			**2,874,388**	**2,159,763**	**943,000**
TOTAL INVESTMENTS			**$17,731,424**	**$15,220,551**	**$16,715,931**

Interest income on investments for the years ended December 31, 2025, 2024 and 2023 was $815,308, $765,037, and $560,917, respectively. The accrued interest amounted to $105,637, $70,092, and $104,968, 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, 2025.

Investments and cash on demand with the Lutheran Church Extension Fund – LCMS (LCEF) of $8,451,415 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 was made aware of a lawsuit in which LCEF was named as one of multiple defendants. The lawsuit was settled in September 2025 under confidential terms. In the opinion of LCEF management, the portion of the settlement amount to be paid by LCEF will not materially adversely affect the continued operations of LCEF or its ability, in the ordinary course of its business, to timely meet any of its debts and obligations, which would include those held by the Church Extension Fund as investments. Church Extension Fund management will continue to monitor LCEF's financial condition for any adverse effects of this lawsuit that could impair the Church Extension Fund's investments in the LCEF.

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:

	12-31-25	12-31-24	12-31-23
Flex Accounts	$ 963,276	$ 1,000,696	$ 1,311,527
Investment certificates:			
6 months	220,489	113,116	112,382
11 months	9,844,824	1,741,357	-
12 months	4,373,033	2,355,060	2,195,402
18 months	2,623,156	12,277,821	10,570,921
24 months	-	-	1,002,015
36 months	1,165,993	1,681,958	2,171,520
60 months	4,140,074	5,227,844	6,742,419
Total interest-bearing debt instruments	$23,330,845	$24,397,852	$24,106,186

Interest rates on outstanding interest-bearing debt instruments range from 0.40% to 4.01%. The accounts held in each of the above investments are not SIPC or FDIC insured.

Future scheduled maturities of investment certificates are as follows:

2026	$18,186,568
2027	1,344,410
2028	1,636,945
2029	510,517
2030	689,129
Totals	$22,367,569

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 2025, 2024, and 2023:

	2025	2024	2023
Ministry Outreach Grants	$ 3,265	$ 2,615	$ 473
Board Grants	9,032	-	12,095
Bequest Grants	5,963	4,250	-
Rent and utilities	13,800	13,800	13,200

The District had 2 outstanding loans with the Church Extension Fund on December 31, 2025 with a balance due of $42,661, 2 loans on December 31, 2024 and 2 loans on December 31, 2023 with balances due of $66,045, and $88,416, 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, 2025, 2024 and 2023 was $20,609, $17,774, and $16,994, 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, 2024. The December 31, 2024 audited financial statements of the Concordia Retirement Plan reflected approximately $4.025 billion in net assets available for benefits and $4.719 billion of actuarial present value of accumulated plan benefits. Therefore, the Plan was approximately 85% 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, 2025, 2024 and 2023 was $3,773, $3,627, and $3,455, respectively.

Central Illinois District
Church Extension Fund, Inc.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2025, 2024 and 2023

NOTE 11 – EXPENSES BY NATURE AND FUNCTION

The table below presents expenses by their function for fiscal years ending 2025, 2024 and 2023.

	Program Services	Management and General	Total
December 31, 2025			
Salaries and benefits	$154,592	$147,557	$302,149
Office expenses	7,428	7,090	14,518
Occupancy and insurance	21,004	20,049	41,053
Professional and computer services	32,142	10,714	42,856
Depreciation	11,706	3,901	15,607
Grants	44,896	-	44,896
Other expenses	-	27,564	27,564
Total expenses	**$271,768**	**$216,875**	**$488,643**
December 31, 2024			
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	-	17,874	17,874
Total expenses	**$274,369**	**$208,756**	**$483,125**
December 31, 2023			
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	-	20,123	20,123
Total expenses	**$242,972**	**$196,393**	**$439,365**

NOTE 12 – SUBSEQUENT EVENTS

The organization reviewed events for inclusion in the financial statements through June 8, 2026, the date that the financial statements were available to be issued.