

20
23

ANNUAL MINISTRY REPORT



Photo: Erik M. Lunsford / The Lutheran Church—Missouri Synod

LCMS Foundation Executive Staff



David Fiedler
President



Tina Clasquin
Sr. Vice President
Client Services



Mark Cannon
Sr. Vice President
Finance and Administration



Rev. Philip Krupski
Sr. Vice President
Gift Planning Services

Financial Position of the LCMS Foundation

\$ = thousands

ASSETS	2023	2022
Cash and cash equivalents	28,734	22,382
Accrued interest and dividends receivable	2,810	2,088
Investments	1,109,016	1,086,189
Real estate held for sale	3,775	3,775
Notes and loans receivable	484	501
Land, building, and equipment, net of accumulated depreciation and amortization	901	962
Real estate held in custody	5,683	5,683
Beneficial interest in charitable trust	1,439	1,422
Other assets	7,722	5,979
	1,160,564	1,128,981
LIABILITIES AND NET ASSETS	2023	2022
LIABILITIES		
Accounts payable and accrued expenses	708	670
Trust and other liabilities due to:		
Life Income	143,559	140,678
Gift Annuity	17,634	14,658
Held in: Endowment	188,877	175,896
Custodial	727,957	719,129
Agency	11,263	4,789
<i>Total Trust and Other Liabilities</i>	<i>1,089,290</i>	<i>1,055,150</i>
Total Liabilities	1,089,998	1,055,820
NET ASSETS		
Without Donor Restrictions		
Undesignated	6,031	6,461
Foundation Designated	40,307	43,818
<i>Total without donor restrictions</i>	<i>46,338</i>	<i>50,279</i>
With Donor Restrictions		
Temporarily Restricted	8,358	7,609
Permanently Restricted	15,870	15,273
<i>Total with donor restrictions</i>	<i>24,228</i>	<i>22,882</i>
Total Net Assets	70,566	73,161
	1,160,564	1,128,981

Net Assets of the LCMS Foundation

\$ = millions



* Endowments valued at \$20.4 million were reclassified from liabilities to net assets in 2016.



Photos: Erik M. Lunsford / The Lutheran Church— Missouri Synod

Dear Brothers and Sisters in Christ,

At the LCMS Foundation, we are blessed to be an instrument of, and a witness to, God’s plan for His church on Earth. This annual report is intended to relay to you some of that joy we have seen while in service to His people.

Turning on the news, or talking to friends and neighbors, it can be easy to focus on all that’s wrong in the world, where things can seem more unstable each day. But of course, as Christians, we’re reminded to stay focused on the Good News. When we do that, we see clearly that God’s love and His grace are timeless and unchanging.

In 2023, the LCMS Foundation was honored to help fulfill numerous gift plans that were established by faithful LCMS members in past years. Those donors once made plans to share the blessings God had provided, but it is only now that we see unfolding His marvelous and specific vision for those gifts. In 2023, we had the privilege of distributing, according to the wishes of those donors, more than \$38 million to LCMS organizations, including congregations, schools, RSOs, and our cherished universities and seminaries.

And while this achievement is a cause for great rejoicing, it also represents a mere glimpse of the abundant plans God still has in store. New donors are following the example of those from previous years, and in 2023, these new donors crafted an astounding \$139.5 million in gifts directed to future ministry needs of the church.

 **In 2023, more than \$38 million was distributed to LCMS organizations.**

Beyond our stewardship service to the LCMS in the planned giving arena, we also witness God’s continuing blessings upon His church in the assets that more than 600 LCMS ministries have entrusted to us

through our investment program. In this, we rejoice to see organizations that are not just surviving, but also investing in the future. These resources serve as a testament to the faith our ministries have in God’s steadfast plans, unshaken by the challenges found in the day-to-day.

So we thank you, our current and past donors, as well as the ministries that choose us as their investment partner. We together are heeding Christ’s call to bring the Good News into a tumultuous world.

In Christ’s service,

David Fiedler

David Fiedler
President

Russ Harms

Russ Harms
Chairman, Board of Trustees



3,190 gifts for today
totaling **\$38.3** million

were distributed by the LCMS Foundation
this past year.

Gifts that were distributed during the 2023 fiscal year are the result of the Foundation's core services in planned giving and gift administration. Some were the result of a donor generously writing a check; others were bequests made through a donor's estate plan. The majority of gifts were created years ago and administered by the Foundation, then distributed to ministry when the donor was called to their home in Heaven.



Churches and Schools

938 gifts distributed
674 ministries benefited

Gifts were used for promoting long-term growth and outreach in congregations, elementary and high schools.

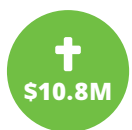


Seminaries

378 gifts distributed
2 seminaries benefited

Gifts were given to Concordia Seminary in St. Louis, Missouri, and Concordia Theological Seminary in Fort Wayne, Indiana.

Photo: Erik M. Lunsford / The Lutheran Church— Missouri Synod



LCMS, Inc.

479 gifts distributed
1 ministry benefited

Gifts were given to ministries such as National and International Missions, Rural and Small Town Mission, the Global Mission Fund, and the Joint Seminary Fund.

Photo: Erik M. Lunsford / The Lutheran Church— Missouri Synod



LCMS Districts

183 gifts distributed
36 districts benefited

Gifts were used for assisting church workers within districts, for providing grants to plant new congregations, and for supporting a wide range of missions housed out of district offices.



Other LCMS Ministries

860 gifts distributed
107 organizations benefited

Gifts were given to ministries including Recognized Service Organizations such as Orphan Grain Train and Lutheran Bible Translators, as well as Lutheran Hour Ministries, and Lutheran Women's Missionary League.



Universities and Colleges

160 gifts distributed
7 institutions benefited

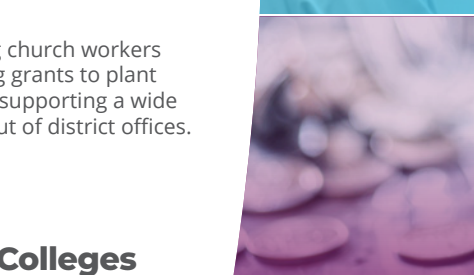
Gifts were used to provide scholarships or other types of financial aid to students in the Concordia University System.



Other Charities

192 gifts distributed
149 organizations benefited

Gifts were given to charities outside the LCMS at the request of donors in their estate plans or donor-advised funds.





Churches and Schools



LCMS, Inc.



Other LCMS Ministries



Seminaries



LCMS Districts



Universities and Colleges



Other Charities

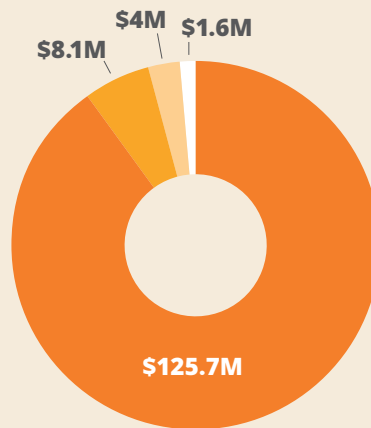


803 gifts for tomorrow

totaling \$139.5 million

LCMS Foundation
were created this past year by donors with the assistance of the LCMS Foundation.

Gifts that were established during the 2023 fiscal year will be professionally invested and managed by the LCMS Foundation until the time comes in the future for them to be distributed to ministry.



Split Interest Gifts

148 gifts created

Many donors use highly appreciated assets, such as publicly traded securities and real property, to fund split interest gifts that provide income to family, but also include a gift to ministry.

Endowment Funds

228 gifts created

LCMS ministries receive significant funding from traditional endowment funds each year. Individuals and families choose how to set up an endowment fund and how it will benefit ministry (or multiple ministries). Endowments may be perpetual or for a term of years.

Donor-Advised Funds

59 gifts created

Donor-advised funds are a type of endowment that provide individuals and families the flexibility of ongoing direction over the amount, timing of distributions and the ministries that receive them.

Gift Plans

368 gifts created

Each year, LCMS Foundation gift planning counselors assist donors in establishing plans to make the very best gifts to ministry. These often include gifts that will be made through estate plans including bequests and/or pay-on-death designations from insurance policies or retirement plans.



“ As a pastor, I can’t imagine trying to figure out where do we put our money. With the LCMS Foundation, we don’t have to worry about it. We don’t have to meet all the time. We don’t have to figure out whether the stock market is up or down. The Foundation takes care of that and the return on our investment has been incredible.

Rev. Keith Lingsch
Grace Lutheran Church
Naples, Florida



\$1.1 billion*

total assets under management.

Using NEPC as our investment advisor and 14 well-known, industry-leading fund managers, the LCMS Foundation stewards the investments of more than 600 LCMS ministries, including congregations, seminaries, schools, universities and Recognized Service Organizations (RSOs). These ministries invest with us because we offer highly professional, low-cost investment services that quite often outperform funds managed by commercial companies.

Universities and Seminaries

7 total | \$310.8M

The Foundation is trusted by higher education organizations across the LCMS to manage their endowments or investment funds.

Churches and Schools

463 total | \$152.3M

The Foundation is the investment partner for hundreds of LCMS congregations and many LCMS elementary schools.

Other LCMS Ministries

52 total | \$105.9M

Dozens of LCMS ministries, including RSOs, have endowments or invest their funds with the Foundation.

The Lutheran Church—Missouri Synod

\$94.5M

The LCMS Foundation is the official trust entity of the Synod and manages all of the Synod’s long-term investments.

Districts

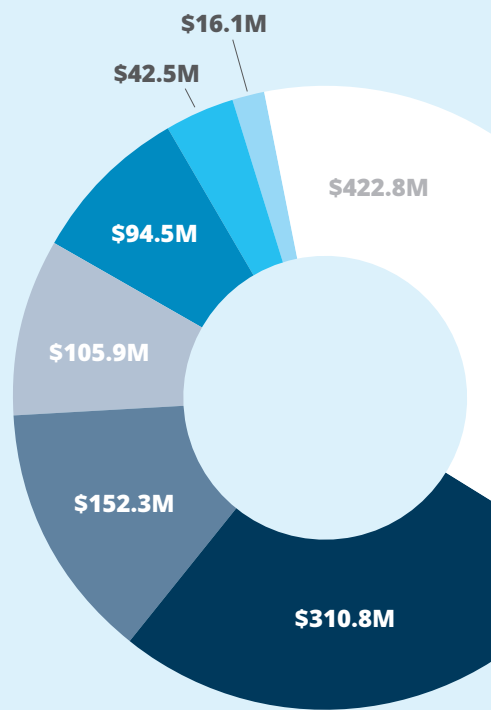
27 total | \$42.5M

The majority of LCMS districts use the Foundation as their investment partner. Each year, we’re assisting more districts across the Synod.

High Schools

17 total | \$16.1M

High schools often have substantial development efforts and each year more high schools are choosing the Foundation to be their investment partner.



Funds Created from Planned Gifts

\$422.8M

The Foundation also manages the funds created after individual donors create gift plans that include personal endowments, trusts or donor advised funds.



Investment Performance Summary

As of 6/30/2023

PREFERENCE FUNDS	1 year	3 year	5 year	Return	Inception Date
Domestic Equity Fund Index	16.83% 16.84%	14.19% 13.73%	10.31% 10.28%	7.25% 7.12%	Nov-99 Jan-00
International Equity Fund Index	13.20% 11.50%	6.17% 6.40%	3.14% 2.92%	4.35% 4.10%	Nov-99 Jan-00
Core Bond Fund Index	-0.30% -0.94%	-3.21% -3.97%	1.17% 0.58%	3.97% 3.84%	Nov-99 Jan-00
High Yield Bond Fund Index	8.92% 9.37%	4.18% 4.13%	3.46% 3.55%	6.05% 6.19%	Nov-99 Jan-00
Money Market Fund FTSE T-Bill 3 Months TR	3.16% 3.75%	1.04% 1.33%	1.18% 1.57%	1.58% 1.80%	Nov-99 Jan-00

STANDARD FUNDS	1 year	3 year	5 year	Return	Inception Date
Equity Policy	15.23% 14.88%	10.79% 10.86%	7.24% 7.22%	6.75% 7.35%	Jan-97 Jan-97
Fixed Income Policy	1.51% 1.07%	-1.73% -2.38%	1.60% 1.22%	3.93% 4.57%	Jan-97 Jan-97
Conservative Balanced Policy	4.80% 4.54%	1.51% 0.96%	3.25% 2.94%	4.96% 4.94%	Dec-01 Dec-01
Moderate Balanced Policy	8.07% 8.00%	4.59% 4.28%	4.65% 4.50%	5.74% 6.32%	Jan-97 Jan-97
Aggressive Balanced Policy	11.65% 11.45%	7.80% 7.58%	6.06% 5.94%	6.31% 6.52%	Dec-01 Dec-01

TRUST FUNDS	1 year	3 year	5 year	Return	Inception Date
Income Short Policy	0.63% 0.07%	-2.50% -3.17%	1.06% 0.90%	3.52% 3.43%	Jan-03 Jan-03
Income Intermediate Policy	6.21% 6.14%	2.66% 1.95%	3.24% 3.12%	5.51% 5.59%	Jan-03 Jan-03
Income Long Policy	8.40% 8.78%	4.09% 4.02%	3.77% 3.82%	6.12% 6.46%	Jan-03 Jan-03
Total Return Short Policy	4.37% 4.27%	0.94% 0.51%	2.90% 2.62%	4.91% 4.79%	Jan-03 Jan-03
Total Return Intermediate Policy	9.25% 9.31%	5.39% 5.27%	4.94% 4.89%	6.34% 6.37%	Jan-03 Jan-03
Total Return Long Policy	12.29% 12.64%	8.18% 8.34%	6.00% 6.19%	7.02% 7.24%	Jan-03 Jan-03

LCMS Foundation

TODAY | TOMORROW | FOREVER

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The LCMS Foundation was created in 1958 by the Lutheran Church—Missouri Synod to assist LCMS members in the creation of charitable estate plans, and to help LCMS ministries invest the assets they possess, whether received as estate gifts from members or through other sources.