

System and Organization Controls (SOC) 1

Type 2 Report on the Lutheran Church-Missouri Synod Foundation's Description of the Investment Management Services System and the Suitability of the Design and Operating Effectiveness of Controls

July 1, 2024 to June, 30, 2025

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REPORT PREPARED FOR

TABLE OF CONTENTS

<u>Section I - Independent Service Auditor's Report</u>	<u>1</u>
<u>Section II - Management's Assertion.....</u>	<u>4</u>
<u>Section III - Description of the System</u>	<u>6</u>
<u>Overview of Operations</u>	
<u>Company Overview.....</u>	<u>6</u>
<u>Services Provided</u>	<u>6</u>
<u>In-scope Applications.....</u>	<u>6</u>
<u>Significant Changes to the System</u>	<u>6</u>
<u>Relevant Aspects of Internal Control</u>	<u>7</u>
<u>Control Environment.....</u>	<u>7</u>
<u>Risk Assessment</u>	<u>7</u>
<u>Information and Communication.....</u>	<u>8</u>
<u>Monitoring Activities.....</u>	<u>8</u>
<u>Control Activities</u>	<u>8</u>
<u>Business Process Controls</u>	<u>8</u>
<u>Information Technology General Controls.....</u>	<u>13</u>
<u>Complementary Subservice Organization Controls (CSOCs)</u>	<u>15</u>
<u>Complementary User Entity Control Consideration (CUEC).....</u>	<u>19</u>
<u>Section IV - Description of Control Objectives, Controls, and Tests of Operating Effectiveness.....</u>	<u>20</u>
<u>Objectives of the Review.....</u>	<u>21</u>
<u>Tests of Controls and Results.....</u>	<u>22</u>

INDEPENDENT SERVICE AUDITOR'S REPORT

To the Board of Trustees

The Lutheran Church-Missouri Synod Foundation

Scope

We have examined The Lutheran Church-Missouri Synod Foundation's ("LCMS" or the "Foundation") description of its investment management services system entitled "Description of the System" throughout the period July 1, 2024 to June 30, 2025 (description) and the suitability of the design and operating effectiveness of the controls included in the description to achieve the related control objectives stated in the description, based on the criteria identified in "Management's Assertion" (assertion). The controls and control objectives included in the description are those that management of the Foundation believes are likely to be relevant to user entities' internal control over financial reporting, and the description does not include those aspects of the investment management services system that are not likely to be relevant to user entities' internal control over financial reporting.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of the Foundation's controls are suitably designed and operating effectively, along with related controls at the service organization. Our examination did not extend to such complementary user entity controls and we have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

The Foundation uses four subservice organizations: U.S. Bank to perform certain investment activity processing, investment valuation and investment custody functions; InnoInvest (InnoTrust) to serve as the trust processing system; Keystone IT as a managed service provider for IT infrastructure services and data backup; and AWS for IT infrastructure and data backup. The description includes only the control objectives and related controls of the Foundation and excludes the control objectives and related controls of U.S. Bank, InnoInvest (InnoTrust), Keystone IT, and AWS. The description includes only the control objectives and related controls of the Foundation and excludes the control objectives and related controls of the subservice organization. The description also indicates that certain control objectives specified by the Foundation can be achieved only if complementary subservice organization controls assumed in the design of the Foundation's 's controls are suitably designed and operating effectively, along with the related controls at the Foundation. Our examination did not extend to controls of the subservice organization and we have not evaluated the suitability of the design or operating effectiveness of such complementary subservice organization controls.

Service Organization's Responsibilities

In Section II, the Foundation has provided an assertion about the fairness of the presentation of the description and suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description. The Foundation is responsible for preparing the description and assertion, including the completeness, accuracy, and method of presentation of the description and assertion, providing the services covered by the description, specifying the control objectives and stating them in the description, identifying the risks that threaten the achievement of the control objectives, selecting the criteria stated in the assertion, and designing, implementing, and documenting controls that are suitably designed and operating effectively to achieve the related control objectives stated in the description.

Section I – Independent Service Auditor's Report

Service Auditor's Responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether, in all material respects, based on the criteria in management's assertion, the description is fairly presented, and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the description throughout the period July 1, 2024 to June 30, 2025. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of controls involves—

- Performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on the criteria in management's assertion.
- Assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description.
- Testing the operating effectiveness of those controls that management considers necessary to provide reasonable assurance that the related control objectives stated in the description were achieved.
- Evaluating the overall presentation of the description, suitability of the control objectives stated in the description, and suitability of the criteria specified by the service organization in its assertion.

Inherent Limitations

The description is prepared to meet the common needs of a broad range of user entities and their auditors who audit and report on user entities' financial statements and may not, therefore, include every aspect of the system that each individual user entity may consider important in its own particular environment. Because of their nature, controls at a service organization may not prevent, or detect and correct, all misstatements in investment management services system. Also, the projection to the future of any evaluation of the fairness of the presentation of the description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives, is subject to the risk that controls at a service organization may become ineffective.

Description of Tests of Controls

The specific controls tested, and the nature, timing, and results of those tests are listed in Section IV.

Service Auditor's Independence

We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our examination.

Section I – Independent Service Auditor's Report

Opinion

In our opinion, in all material respects, based on the criteria described in the Foundation's assertion—

- a. The description fairly presents the investment management services system controls that was designed and implemented throughout the period July 1, 2024 to June 30, 2025.
- b. The controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period July 1, 2024 to June 30, 2025 and subservice organizations and user entities applied the complementary controls assumed in the design of the Foundation's controls throughout the period July 1, 2024 to June 30, 2025.
- c. The controls operated effectively to provide reasonable assurance that the control objectives stated in the description were achieved throughout the period July 1, 2024 to June 30, 2025 if complementary subservice organization and user entity controls assumed in the design of the Foundation's controls operated effectively throughout the period July 1, 2024 to June 30, 2025.

Restricted Use

This report, including the description of tests of controls and results thereof in Section IV, is intended solely for the information and use of the Foundation, user entities of the Foundation's investment management services system during some or all of the period July 1, 2024 to June 30, 2025, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by user entities themselves, when assessing the risks of material misstatement of user entities' financial statements. This report is not intended to be, and should not be, used by anyone other than these specified parties.

Armenino LLP

San Ramon, CA

July 29, 2025

Section II – Management's Assertion

MANAGEMENT'S ASSERTION

We have prepared the description of The Lutheran Church-Missouri Synod Foundation's (the "Foundation"), investment management services system entitled "Description of the System" for processing user entities' investments and transactions throughout the period July 1, 2024 to June 30, 2025 for user entities of the system during some or all of the period July 1, 2024 to June 30, 2025, and their auditors who audit and report on such user entities' financial statements or internal control over financial statement reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by subservice organizations and user entities of the system themselves when assessing the risks of material misstatement of user entities' financial statements.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of the Foundation's controls are suitably designed and operating effectively, along with related controls at the service organization. The description does not extend to controls of the user entities.

The Foundation uses four subservice organizations: U.S. Bank to perform certain investment activity processing, investment valuation and investment custody functions; Innovest (InnoTrust) to serve as the trust processing system; Keystone IT as a managed service provider for IT infrastructure services and data backup; and AWS for IT infrastructure and data backup. The description includes only the control objectives and related controls of the Foundation and excludes the control objectives and related controls of U.S. Bank, Innovest (InnoTrust), Keystone IT, and AWS. The description includes only the control objectives and related controls of the Foundation and excludes the control objectives and related controls of the subservice organization. The description also indicates that certain control objectives specified in the description can be achieved only if complementary subservice organization controls assumed in the design of our controls are suitably designed and operating effectively, along with the related controls. The description does not extend to controls of the subservice organization.

We confirm, to the best of our knowledge and belief, that:

- 1) The description fairly presents the investment management services system made available to user entities of the system during some or all of the period July 1, 2024 to June 30, 2025 for transaction processing as it relates to controls that are likely to be relevant to user entities' internal control over financial reporting. The criteria we used in making this assertion were that the description:
 - a) Presents how the system made available to user entities of the system was designed and implemented to process relevant user entity transactions, including, if applicable:
 - i) The types of services provided, including, as appropriate, the classes of transactions processed.
 - ii) The procedures, within both automated and manual systems, by which those services are provided, including, as appropriate, procedures by which transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to the reports and other information prepared for user entities of the system.
 - iii) The information used in the performance of the procedures including, if applicable, related accounting records, whether electronic or manual, and supporting information involved in initiating, authorizing, recording, processing, and reporting transactions; this includes the correction of incorrect information and how information is transferred to the reports and other information prepared for user entities.
 - iv) How the system captures and addresses significant events and conditions other than transactions.
 - v) The process used to prepare reports and other information for user entities.

Section II – Management's Assertion

- vi) The services performed by a subservice organization, if any, including whether the carve-out method or the inclusive method has been used in relation to them.
 - vii) The specified control objectives and controls designed to achieve those objectives including, as applicable, complementary user entity controls and complementary subservice organization controls assumed in the design of the controls.
 - viii) Other aspects of our control environment, risk assessment process, information, and communications (including the related business processes), control activities, and monitoring activities that are relevant to the services provided.
- b) Includes relevant details of changes to the investment management services system during the period covered by the description.
 - c) Does not omit or distort information relevant to the system, while acknowledging that the description is prepared to meet the common needs of a broad range of user entities of the system and their user auditors and may not, therefore, include every aspect of the investment management services system that each individual user entity of the system and its auditor may consider important in its own particular environment.
- 2) The controls related to the control objectives stated in the description were suitably designed and operating effectively throughout the period July 1, 2024 to June 30, 2025 to achieve those control objectives if subservice organizations and user entities applied the complementary controls assumed in the design of the Foundation's controls throughout the period July 1, 2024 to June 30, 2025. The criteria we used in making this assertion were that:
- a) The risks that threaten the achievement of the control objectives stated in the description have been identified by management.
 - b) The controls identified in the description would, if operating effectively, provide reasonable assurance that those risks would not prevent the control objectives stated in the description from being achieved.
 - c) The controls were consistently applied as designed, including whether manual controls were applied by individuals who have the appropriate competence and authority.

Section III - Description of the System

DESCRIPTION OF THE SYSTEM

Overview of Operations

Company Overview

The Lutheran Church-Missouri Synod Foundation ("LCMS" or the "Foundation") serves as the chartered trust and investment corporation of the Lutheran Church-Missouri Synod. Since its establishment in 1958 by a group of Lutherans, the Foundation has been dedicated to planned giving and endowment management, functioning as a stewardship ministry of the Church.

Services Provided

The Foundation Board of Trustees is accountable to the Synod and oversees charitable estate planning for LCMS members and investment services for LCMS ministries. Ultimately, the Foundation aims to bolster the financial standing of these ministries, thereby supporting the Church’s work for the future.

To this end, the Foundation processes gifts of appreciated securities for Synod-wide agencies and collaborates directly with donors wishing to donate marketable securities to any LCMS entity listed in the Synod annual.

The Foundation’s investment portfolios utilize separately managed accounts, mutual funds, and commingled funds in its investment portfolios. In fulfilling its fiduciary duty, the Foundation sets investment restrictions for managers of separately managed accounts and closely monitors the investment practices of commingled funds managers. Portfolios are regularly rebalanced to maintain an optimal investment structure amidst market fluctuations.

The Foundation, with the guidance of its investment advisors, offers diverse investment options tailored to meet the specific needs of a wide range of clients.

In-scope Applications

The SOC 1 report includes testing of the following in-scope applications:

Application	Description
Investment Management Services System	Processing user entities' investments and transactions

Significant Changes to the System

There were no changes that are likely to affect report users' understanding of how the Investment Management Services System is used to provide the service for the period July 1, 2024 to June 30, 2025.

Section III - Description of the System

RELEVANT ASPECTS OF THE SYSTEM OF INTERNAL CONTROL

The American Institute of Certified Public Accountants (AICPA) defines internal control as a process -- effected by an entity's board of directors, management, and other personnel. It consists of five interrelated components:

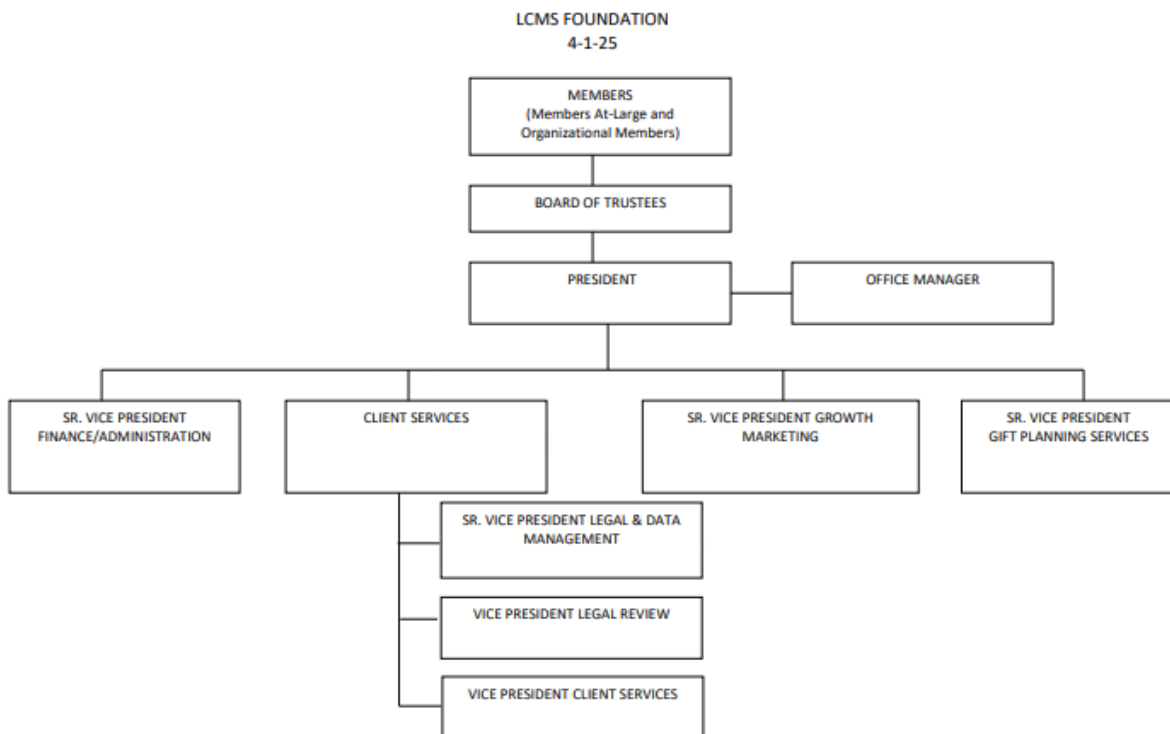
- Control Environment
- Risk Assessment
- Information and Communication
- Monitoring Activities
- Control Activities

This section provides a brief overview of the essential characteristics of these components and their relationship to the Foundation's system of control objectives.

Control Environment

The LCMS Foundation's system of control environment demonstrates management's overall attitude, awareness, and actions, particularly those of the senior management team, regarding the importance and priority of controls within the Foundation's policies, procedures, methods, and organizational structure.

Company Organizational Chart



Risk Assessment

The Foundation's risk assessment process involves identifying, analyzing and managing risks associated with investment management services. This process evaluates both the existing control structure and any changes that could affect it.

Section III - Description of the System

Information and Communication

Information Systems

For the Foundation, the trust accounting system is the key information system. It manages the recording, processing, summarizing, and accurate reporting of donor and investment activity, valuations and fees. In addition, the Foundation utilizes Intacct for General Ledger accounting and eFile Cabinet (Revver) for its document system. The Foundation also utilizes a customer relationship management (CRM) workflow to review and verify that information is correctly entered into the trust account system.

Policies and controls are executed through clearly defined roles and responsibilities, communicated via standardized organizational policies and procedures. This report describes the information system components relevant to services delivered to user organizations.

Monitoring Activities

The quality of the internal control systems' performance over time is assessed through ongoing monitoring. This is accomplished primarily by approving new client relationships, validating portfolio account valuations, and reconciling client billing statements. In addition, a quality assurance (QA) program was initiated to ensure that processes and services meet specific requirements and standards. Incident and data registers also are set up to track, investigate, and analyze defined incidents.

CONTROL ACTIVITIES

The Foundation's control system activities include policies and procedures, to ensure management's directives are implemented and risks to the Foundation's objectives are mitigated. These activities, which occur throughout the organization and across all levels and functions, encompass approvals, authorizations, verifications, reconciliations, operating performance reviews, asset security, and segregation of duties.

Control system activities relevant to this report's purpose are detailed in the process description portions within Section III. The key system of control activities supporting the Foundation's system of control objectives are identified and tested in Section IV.

Business Process Controls

Investment Account Set Up

New Accounts

To open an account, the congregation's authorized representative must sign an investment agreement, which outlines the terms and conditions for the custody account, including contact person, investments, additions and distributions, statements, fees, and termination. An authorized representative of the Foundation approves these executed agreements.

The Client Services Department receives the executed investment agreement funded with either cash or securities, which is forwarded to the Client Services Gift Processing group. This group creates a digital investment folder in the CRM workflow containing the investment agreement and any other relevant documentation. Trust Services Gift Processing personnel then input the new account information and the responsible Client Relations Manager into the Foundation trust account system (system of record). They also attach detailed account reports from this system to the digital investment folder in the CRM, documenting the set-up completion.

The Client Relations Manager reviews the digital investment folder in the CRM, verifying the accuracy of the information entered into the trust account system, (e.g., name, address, fee schedule, statement frequency, authorized signers) to ensure compliance with the agreement and other documentation. Finally, an Imaging Associate images the digital investment folder documents onto the Revver Imaging Archival System for electronic storage and access.

Section III - Description of the System

Business Process Controls (continued)

Investment Account Set Up (continued)

Withdrawals

When a congregation or institution requests a principal withdrawal, the Client Relations Manager receives the request via a letter of direction (specifying the dollar/unit amount) or according to standing memo or contract terms. The Client Relations Manager verifies the requestor's authorization and determines if sufficient cash is available or if asset sales are necessary.

If sales are required, the Client Relations Manager creates the order entries in the trust accounting system. The Client Relations Manager then creates a distribution entry in the trust accounting system for the requested amount. These pending entries and supporting documents are reviewed and approved by the Vice President Client Relations, Senior Client Relations Manager, or a peer. The documentation is then forwarded to the Client Services team member responsible for authorizing the daily checks.

On the settlement day, the distribution transactions are generated, and a Client Services team member verifies that the distribution amounts match the supporting documentation before authorizing the transactions.

To segregate duties, Client Relations Managers initiate investment and redemption requests, while Trust Management and Analysts process these transactions in the trust accounting system, which is configured to enforce this segregation. Checks, along with supporting documents, are either given to the Client Relations Manager for mailing or mailed directly to the congregation or institution. Finally, the Client Relations Manager uses the CRM digital investment folder to forward the withdrawal documents to the Gift Processing group for imaging and closes the investment account in the trust accounting system, if applicable.

Trades

Client Relations Managers manually enter trades or creates them using the Portfolio Rebalancing tool in the trust accounting system. The Assistant Client Relations Manager reviews the manually entered trades for accuracy. Any necessary corrections are made by the relevant Client Relations Manager. The Assistant Client Relations Manager also reviews Pending Trade Order Review reports to identify any errors.

To segregate duties, Client Relations Managers only prepare investment and redemption requests; Trust Management and Analysts process these transactions in the trust accounting system, which is configured to enforce this segregation by allowing Client Relations Managers to only initiate investment requests and Investment Operations personnel to only approve/process them.

Investment Management

The Foundation's investment strategies and guidelines are outlined in a Statement of Investment Policies and Objectives. This Statement is reviewed and approved annually by the Board of Trustees.

The Board also approves the Investment Consultant and any changes in investment managers. An Investment Committee, established by the Board of Trustees, is responsible for developing the investment policy, recommending asset allocations, determining range of investment options, monitoring investment managers, and recommending the Investment Consultant to the Board.

The Investment Consultant approved by the Board advises the Foundation concerning its investment program in four main areas:

1. Development of Investment Strategy
 - The Investment Consultant recommends investment strategies based on the theoretical underpinnings and empirical evidence of market behavior.

Section III - Description of the System

Investment Management (continued)

- Recommended investment strategies and structures reflect the Foundation's long-term goals of achieving its return objectives within an acceptable level of active risk relative to target portfolios.
2. Selection of Investment Managers
 - The Investment Consultant performs an in-depth analysis of managers in their database to provide recommendations to the Foundation for selecting new managers. The selection process aims to hire best-in-class managers for the Funds.
 - This analysis will cover qualitative factors (investment philosophy and style, investment process, key portfolio management team members, ownership structure, client base, products, and assets under management) and quantitative factors (return and risk analysis of the portfolio relative to an appropriate benchmark, net performance over numerous time periods, and portfolio characteristics comparisons of the portfolio and the benchmark).
 3. Monitoring of Current Investment Managers
 - The Investment Consultant conducts a monthly analysis of the performance of each manager currently engaged by the Foundation, comparing it to an agreed-upon benchmark index.
 - The Investment Consultant also performs a quarterly in-depth analysis of each current manager's performance and portfolio composition. Portfolio composition data is used to determine if the manager is adhering to their management style and to develop style peer benchmarks for a more complete comparison of manager performance.
 - Quarterly, the Investment Consultant reviews each manager's compliance with the Board's guidelines and policies. The results of this review are included in the quarterly Investment Committee meeting materials.
 4. Communication
 - The Investment Consultant communicates with the Foundation quarterly to discuss manager analysis.
 - A written summary of the manager's analysis will be provided quarterly to the Foundation.
 - A written analysis of manager performance versus benchmarks is provided monthly to Investment Operations.

U.S. Bank, the Custodian, processes transactions and maintains accounts. U.S. Bank values investments and provides data for determining unit value and income factors for the Preference Funds. The Foundation and U.S. Bank have a Custodian Contract outlining U.S. Bank's duties and responsibilities.

The Foundation has secure web access to the custodian's online client account system. The custodian's online client account system is used for reporting. Cash movement and trading activity are also entered online or carried out by sending completed cash movement instructions directly to the Foundation's dedicated client service team at the custodian or placing trades directly with the custodian's Trade Services group via phone. Transactions require second-party approval

Section III - Description of the System

Pricing of Investments

By the sixth business day of each month, U.S. Bank provides pricing information and earned income reports, which support the Unit Value and Income Factor calculations of each Preference Fund. Account reports for each manager, as well as composite reports for each Preference Fund are retrieved from the online client account system. Each report contains data on expenses, net income and market value for the Fund managers and Preference Funds. The reports provide data necessary to calculate the Preference Fund Unitized Price and Income Factor used by the Foundation to complete the Common Fund Processing for holders (both funds and accounts) of Preference Funds.

The monthly pricing process of the Common Funds provides the month-end valuation and income distribution for accounts holding investments during the month and the price at which transactions (purchases and redemptions) are processed at the month-end.

The Trust System Manager and Analyst prepares a Common Fund worksheet based on the Unit Value and Income Factor report. Operations employees verify that the Common Fund worksheet amounts agree to the Unit Value and Income Factor report. The trust accounting system contains a list of accounts purchasing or redeeming a particular Preference Fund during the respective month. This information is inputted into the system from the Client Service Group.

The VP of Investment Research & Operations and Analyst reviews the cash needs/expectations for the upcoming month and prepares the necessary trades at the Preference Fund level and the Fund Manager level. These pending trades are then given to the Trust System Manager and Analyst, who adds them to the trades received from the Client Relations Managers.

Investment activity at U.S. Bank for Preference Funds is communicated to the custodian before month-end. Normal investment activity at the Fund Manager account level is also entered at this time. Quarterly, investment activity is reviewed and compared to the Statement of Investment Policies and Objectives by the Investment Consultant to ensure compliance with the investment structure approved by the Foundation's Board of Trustees. The results of the Investment Consultant's review are included in the quarterly Investment Committee meeting materials, which are reviewed by the Board of Trustees.

Monthly income distribution is calculated by multiplying the number of units for each account by the Income Factor. The Trust System Manager and Analyst prepare the Statement of Condition for each of the funds, verifying that the information received from U.S. Bank agrees with the information in the trust accounting system. The Trust System Manager and Analyst reviews the statement for accuracy.

The approved Statement of Condition, which contains principal market values, accrued income available to participants, units of participation and per unit values for principal and earned income, is reconciled with U.S. Bank reporting for the Foundation's investment funds. Information is also reconciled to the trust accounting system.

The Trust System Manager and Analyst posts the income distribution in the trust accounting system. They also review and approve the distribution before final posting. Following the valuation of account holdings and posting of income, account-level fees are calculated in the trust accounting system. Once the fees are calculated, the Trust System Manager and Analyst posts the invoices in the system, which automatically debits each account. To ensure fees are reasonable from month to month, the Trust System Manager and Analyst compares the total change in asset value from the prior month to the total change in fees from the prior month. Fees should generally fluctuate in line with changes in asset value.

Section III - Description of the System

Reporting

The Client Services Group manages reporting. The Trust System Manager informs the Client Relations Managers once the Investment Fund pricing and fee processing are complete, enabling them to prepare client reports and statements.

Review of Present Value Data

The Client Services Group conducts thorough due diligence auditing of present value report data and output, to ensure optimal reporting accuracy. These risk management controls were implemented by Client Services to maximize data integrity and client reporting outcomes.

Beneficiary birth/death dates and salutation/gender fields for split interest accounts are reviewed to ensure all necessary fields are populated. If beneficiary birth dates are missing, the donor/beneficiaries are contacted to obtain this information and resolve any name ambiguities. Data is updated whenever before report generation. This vital statistic due diligence review maximizes the integrity of actuarial computations.

Quarterly, Client Services proactively selects a sample of elder beneficiaries and compares system vital statistics against genealogy and other websites to identify unreported deaths. If unreported deaths are detected, family members/estates are contacted to obtain a death certificate, or one is ordered from the state where the donor died. Pertinent death date information is then updated in the system to optimize present value reporting.

The third-party actuarial consultant also performs an independent review of extract data to verify its reasonableness.

The Client Services Gift Processing group reviews the present value report output for a selected number of ministries and sample audits output for accuracy and reasonableness. This review Includes:

- Reconciling charitable gift market values to the trust accounting system to verify report market value accuracy.
- Reconciling growth and discount rates provided by the Investment Group to Willis Towers Watson program front-end input to verify that report rates were correctly entered by Willis Towers Watson.
- The current year's present value report is compared line-by-line with the prior year's report to verify the consistency of account maturity projections. Any maturity variances over the two years are investigated for accuracy and cause.
- A spreadsheet variance analysis is performed, and variances are investigated.
- Program formulas are randomly and periodically reviewed for consistency and reasonableness.
- Ministry Report recipient addresses are reviewed for accuracy.
- Present value report gift grand totals are compared to previous fiscal year's report grand totals and reconciled using New and Terminated Account reports as supplemental reconciliation tools. This process is performed for a sample selection of present value reports.

The accountant compares comprehensive extract present value data with prior-year present value data to adjust net present value of unrestricted and temporarily restricted assets reported on the Statement of Activities.

Section III - Description of the System

Information Technology General Controls

Logical Access

Logical access to U.S. Bank's system is restricted based on job responsibilities to ensure effective segregation of duties. The system requires independent entry and approval of transactions. Access reviews are conducted annually for U.S. Bank access, the trust accounting system, and Active Directory.

Each Foundation employee is set up with a Windows Active Directory account and a workstation, as needed. Trust accounting system access is granted based on job responsibilities. Employees can only access the trust accounting system by authenticating into their workstation with their Active Directory credentials. Password complexity standards are defined and enforced by the Security Protection Acceptance and Windows Active Directory policies. A unique password and user ID are required for Active Directory login.

Onboarding and offboarding checklists, signed and dated by the Senior VP of Finance and Administration are used for provisioning or deprovisioning of employee system access. The Onboarding and Offboarding PowerApps facilitate the initiation and documentation of account provisioning or deprovisioning.

Physical Security

During business hours (7:45 a.m. to 4:15 p.m.), guests are greeted by a guard and receptionist. Non-employees must sign a visitor log, wear a visitor badge, and be escorted throughout the building. The Foundation's office within the main building is locked 24/7 and requires badge access for entry. Confidential data is stored in the server room and the vault, which are secured by physical keys. Access to the vault is restricted to the VP of Investment Operations, the Investment Administrator, and Cash Manager. Only the IT Director and the Executive Assistant have keys to the server room.

Change Management

Change procedures are in place and reviewed by the IT Director to ensure that change requests follow a standardized procedure using a change request form. Change requests specific to the trust accounting system are submitted to the third-party software provider through their help desk. The third-party provider evaluates, approves, develops, and QA's the requests, and may implement them in a future release to all system users. Approval and implementation of a request is not guaranteed.

Gift Log & InnoTrust report change requests are submitted using the Request a Report Application. The report writer receives an email notification upon submission. The report writer then creates or updates the query associated with the report. Once the report writer completes the report/query, the report reviewer receives an email notification that the report is ready for review.

If the reviewer confirms the report, they approve it, and it is moved into the production environment. If reviewer does not confirm the report, they reject it and send it back to the report writer for revision. The report writer revises the report/query and resubmits it to the reviewer for approval. Upon approval, the report is published into the production environment.

Access to view reports/queries is limited to in-house employees. Access to write, modify, and delete reports/queries is limited to the report writer and IT employees.

Section III - Description of the System

Vendor Management

The Foundation has established a Vendor Management policy and procedures to guide the identification, measurement, monitoring, and mitigation of risks associated with third-party providers. This policy is included in the Standard Operating Policies and Procedures, which are reviewed annually by Foundation management.

When selecting a third-party vendor, the Foundation performs due diligence, considering several factors. The type and depth of due diligence varies based on the scope of the outsourced services and the associated risks. Vendors are risk-rated as High/Critical, Moderate, or Low, depending on factors such as:

- Whether the vendor has access to critical company data.
- Whether the vendor performs a critical business function.
- The vendor's impact on revenue or expenses.
- Whether the vendor is the sole provider of the service/product.
- Whether the vendor directly impacts the Foundation's ability to perform critical business functions.

Critical vendors are assessed and reviewed annually by management. The Foundation has current, executed agreements with each critical vendor, and these agreements are approved by authorized personnel.

Annually, management obtains and reviews attestation reports (or similar) for critical vendors to evaluate the effectiveness of vendor's controls. If applicable, complementary user entity controls detailed in attestation reports are evaluated to verify these are addressed by management.

Key Reports

The Foundation's reports are prepared, according to customer requirements. Reports are produced as part of a customer's recurring calculation run and can be generated in a number of different formats (.pdf, .xls, .csv, etc.) that allow for direct consumption or transfer/upload to a separate system requiring that information. The following table presents a listing of the core reports available to clients to support their financial reporting requirements:

Report Name	Description	Source & Preparation
Actuarial Present Value Report	Provides significant clients with present value information of gifts managed by the Foundation that have named the client as remainder beneficiary.	Calculations are performed for all accounts under management by Towers-Watson (actuary). Reports are auto generated by Foundation staff annually in January or July depending on the fiscal year end of the client.

Section III - Description of the System

Complementary Subservice Organization Controls

Subservice Organization Controls

The Foundation utilizes subservice organizations to perform the functions described below to improve operating and administrative effectiveness. Third party personnel are not granted access to the Foundation or User Entity data or the Foundation systems themselves. The examination by the Independent Service Auditor did not extend to the policies and procedures at these subservice organizations.

The subservice organizations are used as follows: U.S. Bank to perform certain investment activity processing, investment valuation and investment custody functions; Innovest (InnoTrust) to serve as the trust processing system; Keystone IT as a managed service provider for IT infrastructure services and data backup; and AWS for IT infrastructure and data backup.

U.S. Bank maintains a SOC 1 Type II report, Innovest maintains a SOC 2 Type II report, Keystone which utilizes AWS resources to host production resources relies on AWS' comprehensive set of certifications, including SOC 1 Type II, SOC 2 Type II, and various ISO certifications including ISO/IEC 27001, ISO/IEC 27017, ISO/IEC 27018, ISO/IEC 27701, ISO 9001, ISO/IEC 20000-1, and ISO 22301. These certifications are performed by the independent third-party auditors and are reviewed by the Foundation no less than annually which is preserved in a Vendor Review Summary and Attestation Report. This documentation is preserved for compliance purposes.

The Foundation uses service organizations (subservice organizations) to provide custodial services and application services and to maintain data replicated for backup purposes. The description above does NOT include controls implemented at the subservice organizations. The chart below illustrates controls the Foundation "expects" to be implemented, suitably designed, and operating effectively at subservice organizations to meet the trust services criteria listed below:

The facilities used during the reporting period and the data center hosting services relied upon by the Foundation are listed in Table 1 and Table 2, respectively.

Table 1 - Subservice organizations used by the Foundation

Entity	Facility Location	Services Hosted
SS&C/Innovest (Innotrust)	151 W 42 nd St. Suite 600 New York, NY	Trust Processing System
U.S. Bank	505 N 7th St, Saint Louis, MO 63101	Asset Custodian
Keystone IT	4825 Hwy 109 Eureka, MO 63025	IT Infrastructure & Data Backup Managed Service Provider
AWS	410 Terry Avenue North, Seattle, WA 98109-5210	IT Infrastructure & Data Backup

Section III - Description of the System

Complementary Subservice Organization Controls (continued)

Table 2 - Control Objective

Control Objective	Expected Control
<p>Control Objective 3: Controls provide reasonable assurance that investment activity is reviewed, and securities income and fees are recorded to client accounts in a complete and accurate manner.</p>	<p>Innovest:</p> <p>New accounts are set up on the Trust Accounting System by designated units according to request forms from administrators or relationship managers based on the terms of the governing agreement.</p> <p>An account review is conducted to verify the completeness and accuracy of account setup in the Trust Accounting System.</p> <p>Securities are completely and accurately priced based on fair market value with the Trust Accounting System. Prices manually entered by a Pricing Specialist into the Trust Accounting System are reviewed and verified for accuracy by another member of the Pricing team. The reviewer signs off on the request to evidence performance.</p> <p>Marketable securities that do not receive a vendor price as of the last business day are reviewed and researched by the Pricing team. If no price is available, a report of those securities is prepared by the Pricing team and is provided to management for review. Management reviews the analysis monthly as evidenced by sign-off.</p> <p>The daily NAV calculation is prepared and reviewed for accuracy and reasonableness by a separate member of the NAV team.</p> <p>Fees at the account level, as defined in the account agreement, are calculated completely and accurately by the trust accounting system.</p> <p>Investment activity is entered and tracked completely and accurately in accordance with the account agreement.</p> <p>Account values/balances are maintained completely and accurately.</p> <p>Contributions and Withdrawals from investment accounts are recorded completely, accurately and timely.</p> <p>Statements are generated completely and accurately based on account agreement and user preference that evidence all investment account balances and activity.</p> <p>U.S. Bank:</p> <p>Investment interest Income is calculated completely and accurately on monthly accounting statements and paid timely.</p>

Section III - Description of the System

Control Objective	Expected Control
<p>Control Objective 5: Controls provide reasonable assurance that logical access to systems and applications is restricted to authorized users.</p>	<p>Innovest:</p> <p>Access to client accounts requires submittal of such request by the client and a secondary review and approval is performed internally.</p> <p>Data is protected by industry standard encryption during the entire synchronization, storage, and replication process.</p> <p>Vulnerability assessments are performed at least annually.</p> <p>Users are assigned roles based on their job function and the principle of least privilege.</p> <p>Innovest performs vulnerability scans monthly and uses a third party to perform penetration tests on the Innotrust application environment annually. Results are reviewed and mitigating strategies and/or controls are subsequently put into place for critical items noted.</p> <p>Firewalls are configured to capture activity logs/reports to detect anomalies, including any security incidents.</p> <p>Employee and contractor user account reviews are performed on an annual basis.</p> <p>Keystone and Keystone for AWS:</p> <p>Assets are separated into three distinct subnets (ADDS, private server, public) with appropriate security groups.</p> <p>NGINX reverse proxy protects the public-facing websites, ensuring users do not directly access the sites and limiting access to only the appropriate application server.</p> <p>U.S. Bank:</p> <p>Users are assigned roles based on their job function and the principle of least privilege (only granting the minimum access required to perform their duties).</p> <p>Vulnerability scans and penetration tests are regularly conducted. Results are reviewed and mitigating strategies and/or controls are subsequently put into place for critical items noted.</p>

Section III - Description of the System

Control Objective	Expected Control
<p>Control Objective 6: Controls provide reasonable assurance that physical access to facilities is restricted to authorized personnel and safeguards are established to provide protection of physical assets.</p>	<p>Innovest, U.S. Bank, Keystone and Keystone for AWS:</p> <p>Physical access to facilities that house IT resources, servers, and related hardware such as firewalls and routers is restricted to authorized individuals by key systems and monitored by video surveillance.</p> <p>Physical access cards are managed by building employees. Access card usage is logged and reviewed by employees.</p> <p>Operational monitoring systems are in place and include periodic reports of aggregate data from calls, alarms and problems from facilities and includes data for capacity and usage.</p> <p>Innovest:</p> <p>Access to Innovest offices, DRR datacenters and Cyxtera-owned data centers is restricted to authorized individuals based on badge access.</p> <p>Keystone and Keystone for AWS:</p> <p>Access to Keystone offices, data centers, production servers and/or hardware is restricted to authorized individuals based on badge access.</p> <p>U.S. Bank:</p> <p>Access to datacenter facilities, production servers and/or hardware with cloud systems is restricted to approved personnel.</p>
<p>Control Objective 7: Controls provide reasonable assurance that implementation of new and/or changed queries are authorized, tested, approved, and documented.</p>	<p>Innovest, U.S. Bank, Keystone and Keystone for AWS are responsible for the entire change management process over the investment management services system.</p>

Section III - Description of the System

Complementary User Entity Controls

The Foundation's controls related to the Foundation investment management services system cover only a portion of overall internal control for each user entity of the Foundation. It is not feasible for the control objectives related to the Foundation investment management services system to be achieved solely by the Foundation. Therefore, each user entity's internal controls should be evaluated in conjunction with the Foundation's controls and the related tests and results described in Section IV of this report, taking into account the related complementary user entity controls, where applicable. In order for user entities to rely on the controls reported on herein, each user entity must evaluate its own internal controls to determine whether the identified complementary user entity controls have been implemented and are operating effectively.

This section highlights those internal control responsibilities that the Company believes should be present at each user entity and has considered in developing the Company's controls described in this report. Furthermore, the following list of controls is intended to address only those controls surrounding the interface and communication between the user entity and the Company. Accordingly, this list does not purport to be, and is not, a complete listing of the controls that a user entity should maintain. User entities are responsible for:

- Instructions and information provided to the Foundation are authorized and comply with the governing agreements between the Foundation and the user. (Control Objective 1 - New and Changes to Existing Customer Setup)
- Timely written notification of changes to client objectives is provided to the Foundation. (Control Objective 1 - New and Changes to Existing Customer Setup)
- Timely written notification of changes in the individuals authorized to instruct the Foundation on behalf of the client is provided. (Control Objective 1 - New and Changes to Existing Customer Setup)
- Clients perform timely review of reports from the Foundation on account balances and related activities, and any discrepancies are promptly reported to the Foundation in writing. (Control Objective 3 - Review and Processing of Investment Activity and Income)

Section IV – Description of Control Objectives, Controls, and Tests of Operating Effectiveness

Objectives of the Review

This report, when combined with an understanding of the controls at user entities, is intended to assist auditors in planning the audit of user entities' financial statements or user entities' internal control over financial reporting and in assessing control risk for assertions in user entities' financial statements that may be affected by controls at the Foundation.

Our examination was limited to the control objectives and related controls specified by the Foundation in Sections III and IV of the report and did not extend to controls in effect at user entities.

It is the responsibility of each user entity and its independent auditor to evaluate this information in conjunction with the evaluation of internal control over financial reporting at the user entity in order to assess total internal control. If internal control is not effective at user entities, the Foundation's controls may not compensate for such weaknesses.

The Foundation's internal control represents the collective effect of various factors on establishing or enhancing the effectiveness of the controls specified by the Foundation. In planning the nature, timing, and extent of our testing of the controls to achieve the control objectives specified by the Foundation, we considered aspects of the Foundation's control environment, risk assessment process, monitoring activities, and information and communications.

Tests of Operating Effectiveness

Armano's tests of the operating effectiveness of controls included tests that were considered necessary to evaluate whether the controls were sufficient to provide reasonable, but not absolute, assurance that the control objectives were satisfied throughout the report period. In selecting our test procedures, we considered various factors including, but not limited to, the following:

- the nature of the control being tested and its frequency
- the types and completeness of available evidence
- the control objectives to be satisfied
- the degree to which the control relies on the effectiveness of other controls
- whether the control is manual or automated
- the expected efficiency and effectiveness of the test.

Our tests of controls included observations, inspections, reperformance, and inquiries of appropriate management, supervisory, and staff personnel seeking relevant information regarding the controls. Additionally, the following table clarifies certain terms used in this section to describe the nature of the tests performed.

Test	Description
Inquiry	Inquiry of appropriate personnel and corroboration with management
Observation	Observation of the application, performance, or existence of the control
Inspection	Inspection of documents and reports indicating performance of the control
Reperformance	Reperformance of the control

Section IV – Description of Control Objectives, Controls, and Tests of Operating Effectiveness

Tests of Operating Effectiveness (continued)

In addition, as required by paragraph .36 of AT-C section 205, Examination Engagements (AICPA, Professional Standards), and paragraph .30 of AT-C section 320, when using information produced (or provided) by the service organization, we evaluated whether the information was sufficiently reliable for our purposes by obtaining evidence about the accuracy and completeness of such information and evaluating whether the information was sufficiently precise and detailed for our purposes.

Tests of Design and Implementation

Since inquiry of each control and inspection of the related policies was performed throughout our testing, these test procedures are not specified for each individual control and it is understood they apply as needed to controls in the subsequent pages.

Section IV – Description of Control Objectives, Controls, and Tests of Operating Effectiveness

Control Objective 1 – New and Changes to Existing Customer Setup

Controls provide reasonable assurance that new customers and changes to existing customers are set up in the Foundation systems completely and accurately.

Control Ref #	Foundation's Control Description	Test Procedure	Test Result
1.01	Executed investment agreements are required on new accounts and are approved by an authorized representative of the LCMS Foundation.	Inspected a sample of new accounts to determine whether investment agreements were executed by the client and approved by an authorized representative of the LCMS Foundation.	No exceptions noted.
1.02	New account information is entered into the trust accounting system by Trust Services Gift Processing and independently reviewed by the Client Relations Managers.	Reperformed a sample of new accounts to determine whether account information was accurately entered into the trust accounting system. Inspected a sample of new accounts to determine whether account information was independently reviewed by the Client Relations Managers.	No exceptions noted.
1.03	An independent review of the valuation of assets/additions received is performed by the Client Relations Manager or Investment Administrator as evidenced by the sign-off on the principal contribution/journal entries worksheet.	Inspected a sample of client additions to determine whether an independent review of the valuation of assets/additions was performed by the Client Relations Manager or Investment Administrator.	No exceptions noted.
1.04	The trust accounting system is configured to invest clients' funds in accordance with their executed investment agreements or new or revised Letters of Direction.	Inspected a sample of client additions to determine whether funds were invested in accordance with the most recent investment agreement or Letters of Direction.	No exceptions noted.

Section IV – Description of Control Objectives, Controls, and Tests of Operating Effectiveness

Control Objective 1 – New and Changes to Existing Customer Setup

Controls provide reasonable assurance that new customers and changes to existing customers are set up in the Foundation systems completely and accurately.

Control Ref #	Foundation's Control Description	Test Procedure	Test Result
1.05	Duties are segregated between initiation of investments and redemption requests by allowing the Client Relations Manager to only prepare investment and redemption requests, and the Trust System Manager and Analysts to only process transactions.	<p>Inspected the permissions reports to determine whether duties were segregated between initiation of investments and redemption requests by assigned roles within the system.</p> <p>Inspected a sample of client additions to determine whether duties were segregated between initiation of investments and redemption requests by allowing the Client Relations Manager to only prepare investment and redemption requests, and the Trust System Manager and Analysts to only process transactions.</p>	No exceptions noted.
1.06	Changes to existing account information (address and remittance) are entered into the trust accounting system by Trust Services Gift Processing and independently reviewed by the Client Relations Manager.	Inspected a sample of existing account changes to determine whether account information was entered into the trust accounting system by Trust Services Gift Processing and independently reviewed by the Client Relations Manager.	No exceptions noted.

Section IV – Description of Control Objectives, Controls, and Tests of Operating Effectiveness

Control Objective 2 - Authorization and Processing of Client Withdrawals

Controls provide reasonable assurance that client withdrawals are authorized and processed in a complete and accurate manner.

Control Ref #	Company's Control Description	Test Procedure	Test Result
2.01	Account withdrawals are required to be authorized by the client or an authorized representative.	Inspected a sample of account withdrawals to determine whether the withdrawals were authorized by the client or an authorized representative prior to disbursement.	No exceptions noted.
2.02	Account withdrawals are approved by the Client Relations Managers.	Inspected a sample of account withdrawals to determine whether the withdrawals were approved by the Client Relations Managers prior to disbursement.	No exceptions noted.
2.03	Distribution requests are verified for accuracy by the Client Relations Managers against the Check Request Edit List (check register).	Inspected a sample of account withdrawals to determine whether distribution requests were reviewed against the Check Request Edit List by the Client Relations Managers.	No exceptions noted.
2.04	Duties are segregated between initiation of investments and redemption requests by allowing Client Relations Managers to only prepare investment and redemption requests, and the Trust System Manager and Analysts to only process transactions.	<p>Inspected the permissions reports to determine whether duties were segregated between initiation of investments and redemption requests by assigned roles within the system.</p> <p>Inspected a sample of account withdrawals to determine whether duties were segregated between initiation of investments and redemption requests by allowing the Client Relations Manager to only prepare investment and redemption requests, and the Trust System Manager and Analysts to only process transactions.</p>	No exceptions noted.

Section IV – Description of Control Objectives, Controls, and Tests of Operating Effectiveness

Control Objective 3 – Review and Processing of Investment Activity and Income

Controls provide reasonable assurance that investment activity is reviewed, and securities income and fees are recorded to client accounts in a complete and accurate manner.

Control Ref #	Company's Control Description	Test Procedure	Test Result
3.01	The Statement of Investment Policies and Objectives, which outlines the Foundation's investment strategies and guidelines, is reviewed and approved annually by the Board of Trustees.	<p>Inspected the Statement of Investment Policies and Objectives to determine whether the Foundation's investment strategies and guidelines were outlined.</p> <p>Inspected the Board of Trustees meeting minutes to determine whether the Statement of Investment Policies and Objectives was reviewed and approved by the Board annually.</p>	No exceptions noted.
3.02	Quarterly, the Investment Consultant reviews the Investment Managers' compliance with the Board's guidelines and policies. Results of this review are included in the quarterly Investment Summary report reviewed by the Board of Trustees.	<p>Inspected a sample of quarterly Investment Summary reports to determine whether the Investment Consultant reviewed the Investment Managers' compliance with the Board's guidelines and policies quarterly.</p> <p>Inspected a sample of quarterly Investment Summary reports to determine whether the results were reviewed by the Board of Trustees.</p>	No exceptions noted.
3.03	Monthly, the Statement of Condition is reconciled against the trust accounting system and U.S. Bank statements for all accounts comprising the Foundation's investment funds. These are reviewed and approved by the Trust System Management or Analyst.	Inspected a sample of investment funds to determine whether the Statements of Condition were reconciled against the trust processing system and U.S. Bank statements monthly and whether the reconciliations were reviewed and approved by the Trust System Management or Analyst.	No exceptions noted.

Section IV – Description of Control Objectives, Controls, and Tests of Operating Effectiveness

Control Objective 3 – Review and Processing of Investment Activity and Income

Controls provide reasonable assurance that investment activity is reviewed, and securities income and fees are recorded to client accounts in a complete and accurate manner.

Control Ref #	Company's Control Description	Test Procedure	Test Result
3.04	Monthly, the income distribution is posted in the trust accounting system by an Investment Operations Analyst and reviewed by the Trust System Manager.	Inspected a sample of investment funds to determine whether income distribution was posted monthly in the trust processing system by an Investment Operations Analyst and reviewed by the Trust System Manager.	No exceptions noted.

Section IV – Description of Control Objectives, Controls, and Tests of Operating Effectiveness

Control Objective 4 – Review of Present Value Data

Controls provide reasonable assurance that present value data is reviewed for reporting completeness of input data and report output.

Control Ref #	Company's Control Description	Test Procedure	Test Result
4.01	Beneficiary birth/death dates and salutations/gender fields for split interest accounts are reviewed by the Client Services Group to validate appropriate fields are populated.	Inspected the most recent present value report to determine whether beneficiary birth/death rates and salutations/gender fields for split interest accounts were reviewed by the Client Services Group.	No exceptions noted.
4.02	The present value of split interest accounts report is prepared annually by the Investment Consultant. The Client Services Group reviews the third-party actuary results for errors or issues.	Inspected the most recent present value of split interest accounts report to determine whether the report was prepared annually by the Investment Consultant and reviewed for errors or issues by the Client Services Group.	No exceptions noted.
4.03	Quarterly, Client Services Group reviews Pulse 419's report of income recipients for reported deaths. Pertinent death date information is updated within the system for accurate present value reporting.	Inspected a sample of quarterly unreported death reports to determine whether the reports were completed by the Client Services Group and Pulse419 quarterly. Inspected a sample of clients in which an unreported death was identified to determine whether pertinent death date information was updated within the system.	No exceptions noted.

Section IV – Description of Control Objectives, Controls, and Tests of Operating Effectiveness

Control Objective 5 – Review of Trade Activities

Controls provide reasonable assurance that physical access to sensitive areas is limited to properly authorized individuals and that adequate environmental controls protect the data center from an interruption of service.

Control Ref #	Company's Control Description	Test Procedure	Test Result
5.01	Trades are entered, uploaded via Excel FileIn (sent to Investment Operations Analyst) or created via Portfolio Rebalancing tool in the trust accounting system by Client Relations Managers and reviewed for accuracy by a separate member of the Client Services Group.	Inspected a sample of trades to determine whether trades were entered into the trust accounting system by Client Relations Managers and reviewed by a separate member of the Client Services Group.	No exceptions noted.
5.02	Pending Trade Order Review reports are reviewed each month by the Client Services Group for errors. Corrections, if required, are made by the appropriate Client Relations Manager.	Inspected a sample of Pending Trade Order Review reports to determine whether the reports were reviewed each month by the Client Services Group. Inspected evidence of the corrections of errors within the sampled reports, if any, to determine whether corrections were made by the appropriate Client Relations Manager.	No exceptions noted.

Section IV – Description of Control Objectives, Controls, and Tests of Operating Effectiveness

Control Objective 6 – Logical Security

Controls provide reasonable assurance that logical access to systems and applications is restricted to authorized users.

Control Ref #	Company's Control Description	Test Procedure	Test Result
6.01	Logical access to the U.S. Bank system is restricted based upon job responsibilities and supports an effective segregation of duties.	Inspected the listing of users with access to the U.S. Bank system and inquired of management to determine whether access to the system was restricted based upon job responsibilities.	No exceptions noted.
6.02	Access to the Foundation's systems and network is restricted through Active Directory credentials.	Inspected the authentication configurations for the Foundation's systems and network to determine whether access was restricted through Active Directory credentials.	No exceptions noted.
6.03	Password complexity standards enforce control over access to computer systems.	Inspected the password configurations to determine whether password complexity standards were enforced.	No exceptions noted.
6.04	A network service request form is completed when provisioning or deprovisioning employee system access. The completion of this form is evidenced in the new employee/termination checklist signed off by the Sr. VP of Finance and Administration.	Inspected the new employee checklist for a sample of new hires to determine whether a network service request form was completed when provisioning employee system access and whether the checklist was signed off by the Sr. of VP Finance and Administration. Inspected the termination checklist for a sample of terminated employees to determine whether a network service request form was completed when deprovisioning employee system access and whether the checklist was signed off by the Sr. of VP Finance and Administration.	No exceptions noted.

Section IV – Description of Control Objectives, Controls, and Tests of Operating Effectiveness

Control Objective 6 – Logical Security

Controls provide reasonable assurance that logical access to systems and applications is restricted to authorized users.

Control Ref #	Company's Control Description	Test Procedure	Test Result
6.05	An annual review of user access is performed by management.	Inspected the most recent user access review to determine whether an annual user access review was performed by management.	No exceptions noted.
6.06	Unique user ID and password are required for network access.	Inspected the Active Directory user listing and password configurations to determine whether unique user ID and password were required for network access.	No exceptions noted.

Section IV – Description of Control Objectives, Controls, and Tests of Operating Effectiveness

Control Objective 7 – Physical Security

Controls provide reasonable assurance that physical access to facilities is restricted to authorized personnel and safeguards are established to provide protection of physical assets.

Control Ref #	Company's Control Description	Test Procedure	Test Result
7.01	Access to the Foundation building requires authentication with a valid badge. Visitor access to the building is logged and visitors are escorted to prevent unauthorized access.	Observed the foundation building to determine whether proximity badges were required to access the building and visitors were escorted while onsite. Inspected the visitor log to determine whether visitor access to the building was logged.	No exceptions noted.
7.02	Access to the Foundation outside of regular business area is restricted to authorized personnel.	Observed the doors to the main Foundation entrance after hours to determine whether access is restricted outside regular business hours. Inspected the badge system and inquired of management to determine whether access to the Foundation outside of the regular business area was restricted to authorized personnel.	No exceptions noted.
7.03	Physical assets (check stock, deeds, etc.) are stored in a secured vault. Additionally, the server room and the vault are locked, and access restricted to authorized personnel.	Observed the server room and the vault to determine whether they were locked and whether physical assets were stored in the secured vault. Inspected the listing of employees with access to the server room and the vault and inquired of management to determine whether access was restricted to authorized personnel.	No exceptions noted.

Section IV – Description of Control Objectives, Controls, and Tests of Operating Effectiveness

Control Objective 8 – Change Management

Controls provide reasonable assurance that implementation of new and/or changed queries are authorized, tested, approved, and documented.

Control Ref #	Company's Control Description	Test Procedure	Test Result
8.01	Change management procedures are in place to provide guidance for reporting query development.	Inspected the change management procedures to determine whether procedures provided guidance for reporting query development.	No exceptions noted.
8.02	Testing of changes to queries are conducted prior to the query being used in the production environment.	Inspected the test results for a sample of changes to queries to determine whether testing was conducted prior to the query being used in the production environment.	No exceptions noted.
8.03	New or changes to queries are reviewed by an independent person other than the preparer.	Inspected the reviews for a sample of changes to queries to determine whether changes to queries were reviewed by an independent person other than the preparer.	No exceptions noted.
8.04	Only authorized personnel have access to completed queries.	Inspected the listing of users with access to completed queries and inquired of management to determine whether access was restricted to authorized personnel.	No exceptions noted.

Section IV – Description of Control Objectives, Controls, and Tests of Operating Effectiveness

Control Objective 9 – Vendor Management

Controls provide reasonable assurance that management has proper oversight and contracting procedures over third-party services providers.

Control Ref #	Company's Control Description	Test Procedure	Test Result
9.01	A vendor management policy, which provides guidance for identifying, measuring, monitoring, and mitigating risks associated with third party providers, is included in the standard operating policies and procedures that are presented annually to the Foundation management.	<p>Inspected the vendor management policy to determine whether guidance for identifying, measuring, monitoring, and mitigating risks associated with third party providers was documented.</p> <p>Inspected the vendor management policy to determine whether the policy was presented annually to the Foundation management.</p>	No exceptions noted.
9.02	Annually, attestation reports (or equivalent) for subservice providers are obtained and reviewed by management to evaluate the effectiveness of the vendor's controls. Complementary user entity controls detailed in attestation reports, if applicable, are evaluated to verify these are addressed by management.	Inspected the vendor reviews for subservice providers to determine whether attestation reports (or equivalent), including complementary user entity controls, were reviewed by management annually.	No exceptions noted.
9.03	Annually, critical vendors are assessed and reviewed by management.	Inspected the most recent vendor assessment to determine whether critical vendors were assessed and reviewed by management annually.	No exceptions noted.
9.04	Executed agreements are in place with critical vendors and are approved by the appropriate level of management.	Inspected the agreements for a sample of critical vendors to determine whether agreements with critical vendors were executed and approved by the appropriate level of management.	No exceptions noted.