

2026 FINANCIAL STATEMENT

Financial Statements with
Independent Auditor's Report
June 30, 2026

LCMS Foundation
TODAY | TOMORROW | FOREVER

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
The Lutheran Church-Missouri Synod Foundation

Opinion

We have audited the accompanying financial statements of The Lutheran Church-Missouri Synod Foundation (the "Foundation"), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities, functional expenses, 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 The Lutheran Church-Missouri Synod Foundation as of June 30, 2026 and 2025, 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 of 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 The Lutheran Church-Missouri Synod Foundation 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 these 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 The Lutheran Church-Missouri Synod Foundation'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 The Lutheran Church-Missouri Synod Foundation'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 The Lutheran Church-Missouri Synod Foundation'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.

Armanino LLP

St. Louis, Missouri

November 16, 2026

THE LUTHERAN CHURCH–MISSOURI SYNOD FOUNDATION

Statements of Financial Position
June 30, 2026 and 2025

(in thousands)	**2026**	2025
ASSETS		
Cash and cash equivalents	**$ 30,794**	$ 44,026
Accrued interest and dividends receivable	**3,841**	3,303
Investments	**1,707,586**	1,434,812
Real estate held for sale	**5,488**	7,352
Notes and loans receivable	**442**	455
Land, building, and equipment, net of accumulated depreciation and amortization	**837**	829
Real estate held in custody	**7,196**	6,250
Beneficial interest in charitable trusts	**1,798**	1,714
Other assets	**6,765**	7,025
TOTAL ASSETS	**$ 1,764,747**	$ 1,505,766
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	**$ 762**	$ 595
Trust and other liabilities due to:		
Life Income	**200,930**	187,019
Gift Annuity	**16,245**	16,849
Held in: Endowment	**278,705**	233,891
Custodial	**1,163,189**	972,134
Agency	**5,957**	10,099
Total Trust and Other Liabilities	**1,665,026**	1,419,992
Total Liabilities	**1,665,788**	1,420,587
Net Assets		
Without Donor Restrictions		
Undesignated	**8,347**	6,749
Foundation Designated	**51,707**	47,197
	60,054	53,946
With Donor Restrictions		
Temporary in Nature	**22,464**	14,876
Perpetual in Nature	**16,441**	16,357
	38,905	31,233
Total Net Assets	**98,959**	85,179
TOTAL LIABILITIES AND NET ASSETS	**$ 1,764,747**	$ 1,505,766

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

THE LUTHERAN CHURCH–MISSOURI SYNOD FOUNDATION

Statement of Activities
Year ended June 30, 2026

(in thousands)	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Direct gifts	$ 1,985	$ -	$ 1,985
Gifts-new agreements	3,584	47	3,631
Fee revenue	11,236	-	11,236
Investment income, net	1,830	-	1,830
Net assets released from restrictions	296	(296)	-
Total support and revenue	18,931	(249)	18,682
Operating Expenses:			
Planned giving	4,082	-	4,082
Client services	2,966	-	2,966
Donor-advised, insurance services	5,615	-	5,615
Marketing and communication	1,121	-	1,121
Investment services	921	-	921
Management and general	2,859	-	2,859
Total operating expenses	17,564	-	17,564
NET OPERATING INCOME	1,367	(249)	1,118
Other Income (Loss):			
Net realized and unrealized gains on investments and real estate	3,336	-	3,336
Change in value of irrevocable deferred gifts	1,459	7,921	9,380
Transfers to gift annuity reserve	(54)	-	(54)
TOTAL OTHER INCOME	4,741	7,921	12,662
CHANGE IN NET ASSETS	6,108	7,672	13,780
Net assets at beginning of year	53,946	31,233	85,179
Net assets at end of year	$ 60,054	$ 38,905	$ 98,959

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

THE LUTHERAN CHURCH–MISSOURI SYNOD FOUNDATION

Statement of Activities
Year ended June 30, 2025

(in thousands)	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Direct gifts	$ 1,249	$ -	$ 1,249
Gifts-new agreements	4,743	4,145	8,888
Fee revenue	9,187	-	9,187
Investment income, net	1,576	-	1,576
Net assets released from restrictions	667	(667)	-
Total support and revenue	17,422	3,478	20,900
Operating Expenses:			
Planned giving	3,980	-	3,980
Client services	2,565	-	2,565
Donor-advised, insurance services	5,057	-	5,057
Marketing and communication	1,019	-	1,019
Investment services	830	-	830
Management and general	2,755	-	2,755
Total operating expenses	16,206	-	16,206
NET OPERATING INCOME	1,216	3,478	4,694
Other Income (Loss):			
Net realized and unrealized gains on investments and real estate	1,853	-	1,853
Change in value of irrevocable deferred gifts	1,787	1,664	3,451
Transfers to gift annuity reserve	(88)	-	(88)
TOTAL OTHER INCOME	3,552	1,664	5,216
CHANGE IN NET ASSETS	4,768	5,142	9,910
Net assets at beginning of year	49,178	26,091	75,269
Net assets at end of year	$ 53,946	$ 31,233	$ 85,179

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

THE LUTHERAN CHURCH–MISSOURI SYNOD FOUNDATION

Statement of Functional Expenses

Year ended June 30, 2026

(in thousands)	Program Services						Supporting Services	
	Planned Giving	Client Services	Donor-Advised/ Insurance Services	Marketing & Communication	Investment Services	Total Program Expense	Management & General	Total Expenses
Salaries and Wages	$ 2,484	$ 1,907	$ -	$ 540	$ 630	$ 5,561	$ 1,338	$ 6,899
Employee Benefits	823	633	-	210	178	1,844	281	2,125
Payroll Taxes	137	142	-	38	47	364	79	443
Travel and Meeting	188	6	-	13	13	220	67	287
Staff Development Resources	64	8	-	-	2	74	6	80
Professional Services	76	26	-	13	-	115	191	306
Information Technology	12	16	-	82	-	110	545	655
Business Services	18	33	-	35	-	86	49	135
Equipment	3	-	-	7	-	10	70	80
Depreciation	26	-	-	-	-	26	99	125
Supplies, Repairs & Maintenance	37	7	-	-	-	44	22	66
Insurance	112	66	-	15	17	210	30	240
Advertising and Promotion	-	-	-	134	-	134	-	134
Telephone	5	5	-	1	2	13	4	17
Other	97	117	-	33	32	279	78	357
Distributions	-	-	5,615	-	-	5,615	-	5,615
Total Functional Expenses	$ 4,082	$ 2,966	$ 5,615	$ 1,121	$ 921	$ 14,705	$ 2,859	$ 17,564

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

THE LUTHERAN CHURCH–MISSOURI SYNOD FOUNDATION

Statement of Functional Expenses

Year ended June 30, 2025

(in thousands)	Program Services						Supporting Services	
	Planned Giving	Client Services	Donor-Advised/ Insurance Services	Marketing & Communication	Investment Services	Total Program Expense	Management & General	Total Expenses
Salaries and Wages	$ 2,423	$ 1,644	$ -	$ 514	$ 490	$ 5,071	$ 1,278	$ 6,349
Employee Benefits	791	525	-	151	135	1,602	258	1,860
Payroll Taxes	141	122	-	37	36	336	75	411
Travel and Meeting	179	6	-	3	4	192	87	279
Staff Development Resources	37	7	-	-	1	45	6	51
Professional Services	62	38	-	6	119	225	197	422
Information Technology	11	14	-	104	-	129	517	646
Business Services	27	36	-	33	-	96	41	137
Equipment	-	2	-	11	-	13	42	55
Depreciation	23	-	-	-	-	23	97	120
Supplies, Repairs & Maintenance	34	4	-	-	-	38	9	47
Insurance	114	60	-	15	15	204	32	236
Advertising and Promotion	-	-	-	114	-	114	4	118
Telephone	5	5	-	1	1	12	4	16
Other	133	102	-	30	29	294	100	394
Distributions	-	-	5,057	-	-	5,057	8	5,065
Total Functional Expenses	$ 3,980	$ 2,565	$ 5,057	$ 1,019	$ 830	$ 13,451	$ 2,755	$ 16,206

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

THE LUTHERAN CHURCH–MISSOURI SYNOD FOUNDATION

Statements of Cash Flows
Years ended June 30, 2026 and 2025

(in thousands)	**2026**	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	**$ 13,780**	$ 9,910
Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:		
Depreciation	**125**	120
Net realized and unrealized (gain) on investments	**(3,336)**	(1,853)
Changes in assets and liabilities		
Accrued interest and dividends receivable	**(538)**	(244)
Investments	**(268,458)**	(167,108)
Real estate held for sale and in custody	**918**	(2,707)
Notes and loans receivable	**13**	15
Beneficial interest in charitable trusts	**(84)**	(228)
Other assets	**260**	365
Accounts payable and accrued expenses	**167**	(107)
Trust and other liabilities due to:		
Life income and gift annuities	**13,307**	25,652
Endowment, custodial, and agency accounts	**231,727**	152,065
Net cash provided by/(used in) operating activities	**(12,119)**	15,880
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (additions) to capital assets	**(133)**	(27)
Purchase of investment securities	**(7,555)**	(7,909)
Proceeds from sale of investment securities	**6,575**	7,014
Net cash used in investing activities	**(1,113)**	(922)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(13,232)**	14,958
Cash and cash equivalents, beginning of the year	**44,026**	29,068
Cash and cash equivalents, end of the year	**$ 30,794**	$ 44,026

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

Note A - Summary of Organization and Significant Accounting Policies

The Lutheran Church–Missouri Synod Foundation (the "Foundation") assists individuals and church ministries by raising and managing gifts and assets to support Christ's mission through The Lutheran Church–Missouri Synod (the "Synod") and to accomplish personal and corporate stewardship goals. The Foundation is administered by a Board of Trustees ("Board") that are elected by the members of the Foundation.

Within the Foundation, trust services, investment services, and gift planning services are provided to the Synod and related agencies and entities. Within customer support, trust services generate trustee fees. Investment services within the Finance Department generate management fees. Gift planning services operate on a partial cost reimbursement basis.

The Foundation carries out its investment management services through various common funds to invest the assets entrusted to the Foundation. A common fund pools the assets of numerous smaller accounts to provide for greater diversification and ease of investment management. Holders of a common fund are called participants. Participants buy and sell units of the common fund asset. In order to determine the price per unit of a common fund, all assets held by the common fund (which can include individual securities or units of other common funds) are valued as of the end of the month (the valuation date). This value is divided by the total number of units held by the participants in the common fund to determine the per unit value. Transactions in the common fund (either purchases or redemptions) are calculated based on the per unit value on the valuation date.

During the valuation process, the common funds accrue income and expenses for the valuation period. The net income to the funds is divided by the total number of units held by participants for the valuation period to establish the income per unit factor. Each participant receives an allocation of the net income determined by multiplying the income per unit factor times the number of units held by the participant of the common fund. Net realized and termination gains in Foundation common funds are also calculated and distributed annually to the participants.

The Foundation maintains a Statement of Investment Policies and Objectives that governs the overall investment policy, objectives, structure, and guidelines for the Foundation's investments. Included in the guidelines are restrictions governing the management of all investments held in separate accounts specifically for the benefit of the Foundation. All investment managers are monitored for adherence to the Statement of Investment Policies and Objectives by the Foundation with the assistance of its investment consultant.

Note A - Summary of Organization and Significant Accounting Policies (Continued)

Basis of Accounting and Presentation

The financial statements have been prepared using the accrual basis of accounting. The Foundation is required to report information regarding its financial position and activities as net assets without donor restrictions or net assets with donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are net assets available for use in the general operations of the Foundation, and include revenue from fees, certain investment income and all gifts, grants and contributions not restricted by the donor. At the discretion of the Board, net assets without donor restrictions are available for use in the Foundation's operations. In addition, the Board has designated certain funds for its endowment and funding for other purposes.

Expenses related to the daily administration and operations of the Foundation are recorded in net assets without donor restrictions. The proceeds from matured trust agreements that are held for the benefit of the Foundation or that are undesignated as to a specific beneficiary are transferred to net assets without donor restrictions. The Foundation also receives gifts and other undesignated income. After providing for operating expenses, the remainder is available for distribution at the direction of the Board of Trustees of the Foundation.

Net Assets With Donor Restrictions

Net assets subject to donor-imposed restrictions are either temporary or perpetual in nature. Temporary donor-imposed restrictions will be met by events specified by the donor or the passage of time. Perpetual donor-imposed restrictions are indefinite, with the income from the contribution being available for expenditure, as defined by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated purpose for which the resource was restricted has been fulfilled.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Such net assets consist of trusts valued at the present value (discounted at 3.6% and 3.5% at June 30, 2026 and 2025, respectively) of future gifts from irrevocable trusts held by the Foundation which name the Foundation as beneficiary.

Net assets with donor restrictions include the current value of a perpetual trust from which the Foundation is to receive the income in perpetuity. The principal is held in trust by a third party and will never revert to the Foundation.

Note A - Summary of Organization and Significant Accounting Policies (Continued)

Net Assets With Donor Restrictions (Continued)

The perpetual stream of income is viewed by the Foundation as a promise to give by the individual who established the trust and has been recorded at the fair value of the trust at June 30, 2026 and 2025, which closely approximates the net present value of the income stream, in perpetuity. Given the nature of the promise, the Foundation recorded this contribution as net assets with perpetual donor restrictions.

Income received is recorded based on the presence or absence of donor restrictions.

Measure of Operations

The Foundation defines its measure of operations as the change in net assets resulting from activities directly related to its core mission and ongoing programs. Operating activities include support and revenue such as direct gifts, fee revenue, investment income earned on operating assets, and net assets released from restrictions, as well as expenses incurred in providing program services and supporting activities.

Non-operating activities include items that are not directly related to the Foundation's core mission delivery, such as net realized and unrealized gains and losses on investments and real estate, changes in the value of irrevocable deferred gifts, transfers to the gift annuity reserve, and other unusual or infrequent items. These items are excluded from the measure of operations to provide a clearer view of the Foundation's performance from its ongoing mission-related activities. The Foundation believes this presentation enhances comparability and transparency for users of the financial statements.

Cash and Cash Equivalents

For financial statement purposes, the Foundation considers currency, demand deposits, and liquid investments with a maturity of three months or less to be cash equivalents. The Foundation maintains cash balances at various major domestic financial institutions in amounts that at times may exceed federally insured limits. The Foundation has not incurred any losses as a result of the excess balances.

Investments

Investments of the Foundation are held at a custodial bank. Investments include marketable fixed income and equity securities, as well as units in assorted mutual funds and/or commingled investment vehicles. All investments are stated at fair market value as determined by authorized pricing sources for the custodial bank. The custodial bank records transactions involving the Foundation's investments on the date the securities are purchased or sold. Income is accrued as earned and posted as collected by the custodial bank. Realized gains and losses on the sale of investments are the differences between the proceeds received and the cost of the securities sold. Gains and losses, both realized and unrealized, are recognized in the statement of activities for those assets owned by the Foundation.

Note A - Summary of Organization and Significant Accounting Policies (Continued)

Real Estate Held

Real estate is initially recorded at its appraised market value at the date of the gift. Real estate is carried at the lower of its carrying or market value. Real estate can be held for immediate sale, or in custody for longer periods per a managed gift agreement.

Notes and Loans Receivable

Notes and loans receivable consist primarily of loans made to individuals and organizations in connection with the Foundation's charitable and ministry-related activities. Notes and loans receivable are stated at their outstanding principal balances, net of an allowance for credit losses, if applicable.

Interest income is recognized using the effective interest method and is included in investment income in the accompanying statements of activities. Interest income is not recognized on loans placed on nonaccrual status. Interest income recognition resumes when the loan becomes current and collectability is reasonably assured.

The Foundation evaluates notes and loans receivable for expected credit losses in accordance with ASC 326. Management estimates the allowance for credit losses based on historical loss experience, current economic conditions, the financial condition of borrowers, collateral values, and other relevant factors. The allowance is adjusted through credit loss expense. Loans are written off when management determines that collection is not probable. Management determined that no allowance for credit losses was required as of June 30, 2026 and 2026.

Land, Building, and Equipment

Land, building, and equipment are carried at cost and depreciated using the straight-line method over their estimated useful lives. The useful lives of depreciable assets range from 3 to 30 years. Major renewals and betterments over $5,000 are capitalized, and maintenance and repairs which do not improve or extend the life of the respective assets are charged against operations in the current period.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the asset, a loss is recognized for the difference between the fair value and the carrying value of the asset. For the years ended June 30, 2026 and 2025, management determined that no impairment loss needs to be recognized.

Note A - Summary of Organization and Significant Accounting Policies (Continued)

Other Assets

The Foundation is the owner and beneficiary of certain insurance policies that have been gifted over a number of years. The policies are carried at fair value, which equates to current cash surrender value. The insurance policies are gifts to the Foundation that are without donor restrictions. They are accompanied by “letters of request” from the donors who request that the proceeds from the insurance policies go to specific ministries. The “letters of request” are not binding on the Foundation for the purpose of financial reporting. The insurance policies are reflected in the financial statements under other assets (Note F).

Financial Instruments

FASB ASC 825, *Financial Instruments*, requires disclosure of fair value information about financial instruments, whether or not recognized in the statement of financial position, for which it is practicable to estimate fair value. Financial instruments consisting of cash and cash equivalents, accrued interest and dividends receivable, investments, real estate held for sale, notes and loans receivable, real estate held in custody, and accounts payable are reported in the statements of financial position at carrying amounts which approximate fair value. Investments are reported at fair value as determined by authorized pricing sources for the custodial bank.

Trust and Other Liabilities

The trust and other liabilities due to donors and beneficiaries represents the liabilities necessary to meet agreed payments. The trust and other liabilities due to endowment, custodial, and agency accounts represents the liability for gifts received based on the original contribution plus earnings less reductions in the liability necessary to meet agreed payments.

Direct costs associated with the establishment of trust agreements are recognized as an expense of the trust as incurred.

Trustee fees to cover continuing administrative expenses are charged to the trusts and recognized as revenue by the Foundation on a current basis.

Revenue Recognition

Fees are recognized as revenue during the period services are provided or according to the terms of the related trust administration and management services contracts, distribution services agreements, and other miscellaneous service agreements. Fees are primarily paid by individuals and church ministries for services provided by the Foundation.

Note A - Summary of Organization and Significant Accounting Policies (Continued)

Functional Expense Allocation

The Foundation allocates expenses on a functional basis among various programs and supporting activities. Expenses that can be identified with a specific program and supporting activities are allocated directly according to their natural expenditure classifications. The nature of the organization precludes the Foundation from incurring significant fundraising expenses.

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses allocated are human resources, payroll, building services, and insurance. The allocable expenses are allocated based on the number of staff members in each department in relation to total staff. Salary expense for executives is allocated based on estimated time and effort.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Tax Status

The Foundation constitutes a qualified not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and is, therefore, exempt from federal income taxes. However, the Foundation is subject to federal income tax on any unrelated business income. The Foundation follows accounting rules for uncertain tax positions. Those rules require financial statement recognition of the impact of a tax position if a position is more likely than not of being sustained on audit, based on the technical merits of the position. These rules also provide guidance on measurement, recognition, classification, interest and penalties, transition, and disclosure requirements for uncertain tax positions. The Foundation has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings and believes that no provision for income taxes is necessary at this time to cover uncertain tax positions.

Reclassifications

Certain amounts on the 2025 financials have been reclassified, where appropriate, to conform to the financial statement presentation used in 2026. Changes in net assets are unchanged due to the reclassifications.

Subsequent Events

Management has evaluated all subsequent events and transactions through November 16, 2026, the date which the financial statements were available to be issued. No subsequent events have occurred that would have a material impact on the presentation of the Foundation’s Financial Statements.

Note B - Investments

The following schedules present investments by fund classification. Investments in the Operating fund are Foundation-owned assets. Investments held in the Life Income, Gift Annuity, Endowment, and Agency and Custodial funds are associated with corresponding liabilities and are not available for the Foundation's general operations.

The Foundation's investments at fair value were as follows (in thousands):

June 30, 2026	**Operating**	**Life Income**	**Gift Annuity**	**Endowment**	**Agency and Custodial**	**Total**
Common Funds of the Foundation	**$ 31,862**	**$ 200,307**	**$ -**	**$ 312,725**	**$ 1,141,353**	**$ 1,686,247**
LCEF Notes	**-**	**-**	**-**	**2,259**	**2,025**	**4,284**
Corporate Stock	**-**	**-**	**-**	**-**	**163**	**163**
Mutual Funds	**-**	**-**	**16,669**	**-**	**-**	**16,669**
Other	**117**	**17**	**-**	**-**	**89**	**223**
	$ 31,979	**$ 200,324**	**$ 16,669**	**$ 314,984**	**$ 1,143,630**	**$ 1,707,586**

June 30, 2025	Operating	Life Income	Gift Annuity	Endowment	Agency and Custodial	Total
Common Funds of the Foundation	$ 27,659	$ 183,571	$ -	$ 261,205	$ 940,123	$ 1,412,558
LCEF Notes	-	-	-	1,758	2,687	4,445
Corporate Stock	-	-	-	-	125	125
Mutual Funds	-	-	16,979	-	-	16,979
Other	4	1	-	-	700	705
	$ 27,663	$ 183,572	$ 16,979	$ 262,963	$ 943,635	$ 1,434,812

Investment income consists of the following (in thousands):

June 30, 2026	**Operating**	**Life Income**	**Gift Annuity**	**Endowment**	**Agency and Custodial**	**Total**
Interest and dividends	**$ 1,031**	**$ 6,295**	**$ 467**	**$ 7,022**	**$ 27,388**	**$ 42,203**
Capital gains distributed	**799**	**4,311**	**-**	**8,781**	**18,600**	**32,491**
Net realized/unrealized gains	**3,336**	**17,185**	**1,624**	**32,649**	**119,978**	**174,772**
	$ 5,166	**$ 27,791**	**$ 2,091**	**$ 48,452**	**$ 165,966**	**$ 249,466**

June 30, 2025	Operating	Life Income	Gift Annuity	Endowment	Agency and Custodial	Total
Interest and dividends	$ 915	$ 6,034	$ 512	$ 6,174	$ 24,432	$ 38,067
Capital gains distributed	661	2,466	-	7,052	15,180	25,359
Net realized/unrealized gains	1,853	13,193	1,391	17,100	66,553	100,090
	$ 3,429	$ 21,693	$ 1,903	$ 30,326	$ 106,165	$ 163,516

Note B - Investments (Continued)

The common funds of the Foundation are as follows (in thousands):

	June 30, 2026	June 30, 2025
Cash and Cash Equivalents Held for Investment	**$ 8,424**	$ 13,950
Government Issues	**1,365**	-
Corporate Bonds	**52,269**	46,940
Foreign Issues	**8,632**	8,901
Domestic Common Stocks	**68,073**	99,394
Foreign Stocks	**4,805**	7,500
Commingled Funds	**1,542,679**	1,235,873
	$ 1,686,247	$ 1,412,558

The Foundation's assets are invested primarily in six asset classes, called Preference Funds. These funds are managed by 14 professional fund managers, with asset-class specific strategies. These Preference funds are included in the Foundation's Standard and Trust Funds, shown in the following schedule.

June 30, 2026 *(in thousands)*	Domestic Equity	International Equity	High Yield Bonds	Core Bonds	Other Investments	Cash and Pending Trades	Total Common Funds
SF Fixed Income	$ -	$ -	$ 14,953	$ 60,151	$ -	$ 3,547	$ 78,651
SF Equity	155,245	82,245	-	-	-	5,536	243,026
SF Conservative Balanced	4,374	2,307	3,860	15,386	-	208	26,135
SF Moderate Balanced	52,705	27,937	15,560	61,807	-	(2,339)	155,670
SF Aggressive Balanced	228,340	120,912	22,301	88,490	-	(2,105)	457,938
TF Income Short	-	-	424	3,912	-	(8)	4,328
TF Income Intermediate	324	172	1,431	1,263	-	19	3,209
TF Income Long	198	107	1,366	286	-	13	1,970
TF Total Return Short	1,139	602	2,675	6,096	-	(267)	10,245
TF Total Return Intermediate	14,733	7,809	8,696	12,954	-	25	44,217
TF Total Return Long	56,306	29,849	23,760	11,798	-	1,143	122,856
Pooled Trust 1	-	-	84	338	-	3	425
Pooled Trust 2	-	-	313	1,259	-	11	1,583
Pooled Trust 3	1,009	535	968	517	-	18	3,047
Individual separate accts-HY Bond	-	-	33,733	-	-	140	33,873
Individual separate accts-Core Bond	-	-	-	124,454	-	1,795	126,249
Individual separate accts-DEQ	70,531	-	-	-	-	718	71,249
Individual separate accts-DEQ Passive	-	-	-	-	190,428	(976)	189,452
Individual separate accts-Int EQ	-	23,881	-	-	-	291	24,172
Individual separate accts-Int EQ Passive	-	-	-	-	87,771	181	87,952
TOTAL COMMON FUNDS	$ 584,904	$ 296,356	$ 130,124	$ 388,711	$ 278,199	$ 7,953	$ 1,686,247

Note B - Investments (Continued)

June 30, 2025 *(in thousands)*	Domestic Equity	International Equity	High Yield Bonds	Core Bonds	Other Investments	Pending Trades	Total Common Funds
SF Fixed Income	$ -	$ -	$ 10,771	$ 42,828	$ -	$ (2,951)	$ 50,648
SF Equity	93,562	48,846	-	-	-	(9,282)	133,126
SF Conservative Balanced	4,433	2,290	3,761	14,803	-	222	25,509
SF Moderate Balanced	49,373	25,851	13,965	54,861	-	1,153	145,203
SF Aggressive Balanced	223,062	116,809	21,040	82,668	-	14,386	457,965
TF Income Short	-	-	148	1,348	-	19	1,515
TF Income Intermediate	532	279	2,257	1,970	-	(1)	5,037
TF Income Long	318	166	2,113	444	-	(37)	3,004
TF Total Return Short	1,255	645	2,821	6,359	-	(222)	10,858
TF Total Return Intermediate	13,367	6,997	7,558	11,133	-	300	39,355
TF Total Return Long	52,161	27,313	21,080	10,352	-	189	111,095
Pooled Trust 1	-	-	97	387	-	(10)	474
Pooled Trust 2	-	-	321	1,285	-	11	1,617
Pooled Trust 3	989	516	908	480	-	17	2,910
Individual separate accts-HY Bond	-	-	28,385	-	-	44	28,429
Individual separate accts-Core Bond	-	-	-	102,183	-	772	102,955
Individual separate accts-DEQ	59,175	-	-	-	-	85	59,260
Individual separate accts-DEQ Passive	-	-	-	-	144,946	4	144,950
Individual separate accts-Int EQ	-	20,827	-	-	-	33	20,860
Individual separate accts-Int EQ Passive	-	-	-	-	68,476	(688)	67,788
TOTAL COMMON FUNDS	$ 498,227	$ 250,539	$ 115,225	$ 331,101	$ 213,422	$ 4,044	$ 1,412,558

Note C – Private Equity

As of June 30, 2026, the Foundation administered approximately $5,985,000 of private equity investment assets on behalf of clients. These investments were not held in the Foundation's custody and are not included in the accompanying statement of financial position. The reported amount represents the estimated fair value of client assets, based on fund-reported net asset values or other valuation information provided by fund managers. Fee revenue is recognized as services are provided.

The Foundation began offering private equity investment management services during fiscal year 2026; therefore, no such assets were administered on behalf of clients as of June 30, 2025.

Note D - Land, Building, and Equipment

Depreciation and amortization included in operating expenses was computed under the methods previously described and amounted to $125,000 and $120,000 for the years ended June 30, 2026 and 2025, respectively.

Land, building, and equipment consists of the following at June 30 (in thousands):

	2026	2025
Land	**$ 140**	$ 140
Building and improvements	**2,454**	2,369
Office equipment	**43**	56
Computer equipment	**375**	350
Automobiles	**287**	278
	3,299	3,193
Less accumulated depreciation and amortization	**2,462**	2,364
Total	**$ 837**	$ 829

Note E - Beneficial Interest in Charitable Trust

The Foundation is a named beneficiary of an irrevocable perpetual trust valued at $1,798,000 and $1,714,000 as of June 30, 2026 and 2025, respectively. This account is held by the Foundation and is included in net assets with donor restrictions by the Foundation.

Note F - Other Assets

Other assets consist of the following at:

(in thousands)	**2026**	2025
Insurance policies at cash surrender value	**$ 4,139**	$ 5,352
Prepaid insurance	**203**	190
Other assets	**163**	131
Accounts receivable	**510**	1,352
Due from broker	**1,750**	-
Total	**$ 6,765**	$ 7,025

Note G - Trust and Other Liabilities

Trusts and other instruments are established by donors, beneficiaries, and related entities for the benefit of the Foundation, the Synod, related agencies, and donors. By donor or depositor type, trust and other liabilities represent the following:

Life Income

Life income accounts receive gifts of cash, securities, and real estate where the income earned is to be paid to the donor or a designee(s). At the death of the donor or successor(s), the remaining liability is paid in accordance with the agreement.

Gift Annuity

The Foundation is the issuer of gift annuity agreements under which the Foundation, in exchange for a transfer of cash or other property, is obligated to pay an annuity to one or two individuals (annuitants) for their remaining lives. The Foundation recognizes the assets transferred upon issuance of the gift annuity at their fair value. The contribution is decreased by a fixed dollar amount paid to the annuitant(s) throughout their lifetime and adjusted periodically for earnings or losses in accordance with current policy. When the agreement terminates, the remaining account balance is distributed to the ministry or ministries determined in the annuity agreement.

Endowment

This account receives endowment gifts that are held by the Foundation primarily for other ministries of the Synod. Income is distributed to beneficiaries in accordance with donor instructions.

Custodial and Agency

These agency and custodial accounts are held by the Foundation for other ministries and organizations of the Synod. Refer to Note N for additional information on the related entities with amounts held by the Foundation.

Note G - Trust and Other Liabilities (Continued)

The details of activity in these donor trust and other liabilities for the year ended June 30, 2026, are as follows (in thousands):

	Life Income Fund	Gift Annuity Fund	Endowment Fund	Custodial Fund	Agency Fund	Total
ADDITIONS AND REALIZED REVENUES:						
New agreements/deposits	**$ 9,460**	**$ 1,339**	**$ 17,873**	**$ 91,094**	**$ 38,417**	**$ 158,183**
Interest and dividends	**6,295**	**467**	**7,022**	**27,381**	**8**	**41,173**
Capital gains	**4,311**	**-**	**8,781**	**18,597**	**2**	**31,691**
Transfer to gift annuity reserve	**-**	**54**	**-**	**-**	**-**	**54**
Other	**121**	**-**	**41**	**9**	**12**	**183**
Total support and revenues	**20,187**	**1,860**	**33,717**	**137,081**	**38,439**	**231,284**
LESS: DISTRIBUTIONS AND EXPENSES						
Distributions	**19,597**	**3,869**	**10,375**	**63,643**	**40,496**	**137,980**
Operating expenses	**2,767**	**263**	**2,978**	**2,509**	**1,620**	**10,137**
Total distributions and expenses	**22,364**	**4,132**	**13,353**	**66,152**	**42,116**	**148,117**
Revenues over/(under) expenses	**(2,177)**	**(2,272)**	**20,364**	**70,929**	**(3,677)**	**83,167**
Change in value of deferred gifts	**(1,097)**	**44**	**(8,199)**	**-**	**-**	**(9,252)**
Net realized/unrealized gains	**17,185**	**1,624**	**32,649**	**120,126**	**(465)**	**171,119**
Net additions/(deductions)	**13,911**	**(604)**	**44,814**	**191,055**	**(4,142)**	**245,034**
TOTAL LIABILITY JUNE 30, 2025	**187,019**	**16,849**	**233,891**	**972,134**	**10,099**	**1,419,992**
TOTAL LIABILITY JUNE 30, 2026	**$ 200,930**	**$ 16,245**	**$ 278,705**	**$ 1,163,189**	**$ 5,957**	**$ 1,665,026**

The details of activity in these donor trust and other liabilities for the year ended June 30, 2025, are as follows (in thousands):

	Life Income Fund	Gift Annuity Fund	Endowment Fund	Custodial Fund	Agency Fund	Total
ADDITIONS AND REALIZED REVENUES:						
New agreements/deposits	$ 23,804	$ 1,516	$ 9,876	$ 65,529	$ 21,922	$ 122,647
Interest and dividends	6,034	516	6,174	24,428	4	37,156
Capital gains	2,466	-	7,052	15,177	3	24,698
Transfer to gift annuity reserve	-	88	-	-	-	88
Other	55	-	37	13	5	110
Total support and revenues	32,359	2,120	23,139	105,147	21,934	184,699
LESS: DISTRIBUTIONS AND EXPENSES						
Distributions	13,719	3,568	9,502	44,164	19,888	90,841
Operating expenses	2,492	242	2,546	2,270	496	8,046
Total distributions and expenses	16,211	3,810	12,048	46,434	20,384	98,887
Revenues over/(under) expenses	16,148	(1,690)	11,091	58,713	1,550	85,812
Change in value of deferred gifts	(3,052)	(338)	(2,942)	-	-	(6,332)
Net realized/unrealized gains	13,193	1,391	17,100	65,811	742	98,237
Net additions/(deductions)	26,289	(637)	25,249	124,524	2,292	177,717
TOTAL LIABILITY JUNE 30, 2024	160,730	17,486	208,642	847,610	7,807	1,242,275
TOTAL LIABILITY JUNE 30, 2025	$ 187,019	$ 16,849	$ 233,891	$ 972,134	$ 10,099	$ 1,419,992

Note H - Gift Annuities

The Foundation maintains a segregated gift annuity reserve fund (the "Gift Annuity Fund") consisting of assets set aside for the payment of annuity obligations to annuitants under charitable gift annuity agreements issued by the Foundation. Each year, the Gift Annuity Fund recognizes new agreements and deposits, the net gains or losses on gift values based on the investment income and market appreciation of invested assets, distributions to annuitants, releases of gift annuities and trustee fees to cover continuing investment, and administrative expenses of the Gift Annuity Fund.

Investments

Except for cash values of certain insurance policies of which the Foundation is both the owner and beneficiary and which have been designated by the Foundation as being held as part of the Gift Annuity Fund, the investments of the Gift Annuity Fund are mutual funds and are held at a custodial bank. All investments are stated at fair market value as determined by authorized pricing sources for the custodial bank based on quoted market prices. The custodial bank records transactions involving the Gift Annuity Fund's investments on the date the securities are purchased or sold. Income is accrued as earned and posted as collected by the custodial bank. Realized gains and losses on the sale of investments are the differences between the proceeds received and the cost of the securities sold. Gains and losses, both realized and unrealized, are recognized as changes in liability of the Gift Annuity Fund.

Restrictions on Assets

In accordance with the laws of California, the Gift Annuity Fund is required to maintain a reserve within investments sufficient enough to make payments to all outstanding annuitants residing in California. This reserve is equal to or greater than the reserve required by state law in California. In addition, although not required by law, separate investments are maintained for all outstanding annuitants in the state of Washington. The reserves held are sufficient to make payments to all annuitants.

Gift Annuity Liability to Donors

Liabilities for annuity obligations represent the actuarial present value of annuity payments that are expected to be paid to donors over the life of the annuity. These amounts are reviewed periodically by an actuary to determine their overall adequacy. Liabilities for future payments to donors are recorded using known contractual payments, published actuarial life expectancies, related actuarial assumptions, and a discount rate representing the long-term time value of money. A discount rate of 6.10% and 5.50% was applied for the years ended June 30, 2026 and 2025, respectively. The gift annuity liability to donors totaled $13,449,000 and $14,266,000 at June 30, 2026 and 2025, respectively.

Note H - Gift Annuities (Continued)

The following is a summary of total assets in excess of accounts payable and accrued expenses and the annuity liability to donors at June 30, 2026 (in thousands):

Total Assets	**$**	**20,315**
Less: Accounts payable and accrued expenses		**(14)**
Annuity liability to donors		**(13,449)**
Excess of Assets	**$**	**6,852**

The following is a summary of total assets in excess of accounts payable and accrued expenses and the annuity liability to donors at June 30, 2025 (in thousands):

Total Assets	$	22,310
Less: Accounts payable and accrued expenses		(15)
Annuity liability to donors		(14,266)
Excess of Assets	$	8,029

Note I - Net Assets

Net assets with donor restrictions were restricted for the following at June 30:

(in thousands)	**2026**	2025
Timing Restriction		
Life income	**$ 6,486**	$ 5,389
Endowment	**13,784**	7,678
Total net assets with timing restrictions	**20,270**	13,067
Purpose Restriction		
Endowment	**2,194**	1,809
Total net assets with donor restrictions, temporary	**22,464**	14,876
Net assets subject to spending and distribution policy		
Endowments to be held in perpetuity	**14,643**	14,643
Beneficial interest in trust	**1,798**	1,714
Total net assets with donor restrictions, perpetual	**16,441**	16,357
Total net assets with donor restrictions	**$ 38,905**	$ 31,233

Net assets released for the years ended June 30 for:

(in thousands)	**2026**	2025
Life income	**$ 217**	$ 591
Endowment	**79**	76
Total net assets released	**$ 296**	$ 667

Note I - Net Assets (Continued)

Net assets without donor restrictions that were designated by the Foundation at June 30 include:

(in thousands)	**2026**	2025
Endowments	**$ 18,932**	$ 16,751
Board designated funds	**3,070**	2,273
Gifted insurance policies	**3,629**	5,059
Gift annuity split interest agreements	**635**	679
Donor advised funds	**25,441**	22,435
Total Foundation designated net assets	**$ 51,707**	$ 47,197

Note J - Liquidity and Availability of Resources

Financial assets available for general expenditure, that is, without donor or management restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2026	2025
Financial assets as of statement of financial position:		
Cash and cash equivalents	**$ 30,794**	$ 44,026
Accrued interest and dividends receivable	**3,841**	3,303
Investments	**1,707,586**	1,434,812
Notes and loans receivable	**442**	455
Beneficial interest in charitable trusts	**1,798**	1,714
Other assets	**6,765**	7,025
	1,751,226	1,491,335
Less: amounts unavailable for general expenditures due to board designations or donor		
Trust liabilities, less real property	**(1,652,342)**	(1,406,390)
Net assets with donor restrictions	**(38,905)**	(31,233)
Foundation designated net assets	**(51,707)**	(47,197)
Foundation private equity investments	**(113)**	-
	(1,743,067)	(1,484,820)
Plus: amounts available for general expenditures within one year		
Endowment spending-rate distributions and appropriations	**400**	446
Distributions from split-interest agreements	**300**	130
Distributions from beneficial interest in charitable trusts	**111**	49
	811	625
Financial assets available to meet cash needs for general expenditure within one year	**$ 8,970**	$ 7,140

The Foundation has a credit line of $1,000,000 with the Lutheran Church Extension Fund. Although the credit line has never been used, and the intention is not to use the available credit, these funds can be made available if necessary.

Note K - Intentions to Give

At June 30, 2026 and 2025, the Foundation is a named beneficiary of revocable deferred gifts totaling $1,887,000 and $1,689,000, respectively. In accordance with the trust agreements, the donor has retained the option to change the named beneficiary. Therefore, no amounts have been recognized within these financial statements for the potential future benefits.

Note L - Risks and Uncertainties

Investment Risks

The Foundation invests in various investment securities. Investment securities are exposed to risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Note M - Pension Expense

The Foundation participates in the worker benefit plans of the Synod. Substantially all full–time employees are covered by these plans. The Foundation contributes a fixed percentage of each participant's salary to defined benefit plans known as Concordia Retirement Plan and Concordia Disability and Survivorship Plan and a matching percentage of each participant's contribution to a defined contribution plan known as Concordia Retirement Savings Plan. Retirement program expense, including both the defined benefit and defined contribution plans, was $701,000 and $587,000, and disability program expense was $119,000 and $121,000 for the years ended June 30, 2026 and 2025, respectively.

Note N - Related Party Transactions

Funds Held for Related Entities

The Foundation provides investment services to various Synodical entities. Included in the trust and other liabilities of the Foundation are the following (in thousands):

	June 30,	
	2026	2025
Lutheran Church Extension Fund	**$ 6,068**	$ 5,341
The Lutheran Church–Missouri Synod	**253,999**	131,142
Colleges and seminaries	**542,755**	436,018
Districts, auxiliaries, related service organizations, congregations, and other	**363,103**	397,522
	$ 1,165,925	$ 970,023

Note O - Fair Value Measurements

The Foundation follows FASB ASC 820-10, *Fair Value Measurements and Disclosures*, which establishes a framework for measuring fair value and expands disclosures about fair value measurements.

FASB ASC 820-10 defines fair value as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The standard also establishes a fair value hierarchy used to disclose the measurement of fair value based on levels of observable or unobservable inputs.

Level 1
Observable inputs that are derived from quoted prices (unadjusted) for identical assets or liabilities in an active market.

Level 2
Observable inputs based on quoted prices in non-active markets or in active markets for similar assets or liabilities. Inputs other than quoted prices that are observable, or inputs that are not directly observable, but are corroborated by observable market data.

Level 3
Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities and reflect substantial management judgement or estimation utilizing available market data.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2026 and 2025.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price.

Domestic Common Stocks, Foreign Stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Note O - Fair Value Measurements (Continued)

Corporate Issues, Foreign Issues, Convertible Bonds, Municipal Bonds, Mortgage Pass Through Securities, Collateralized Mortgage Obligations: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available on identical or similar bonds, the securities are submitted for brokers to obtain quotes. As part of the pricing process, the appropriateness of each quote (i.e., as to whether the quote is based on observable market transactions or not) is assessed to determine the most appropriate estimate of fair value. Lastly, securities are priced using internal cash flow modeling techniques. These valuation methodologies commonly use the following inputs: reported trades, bids, offers, issuer spreads, benchmark yields, estimated prepayment speeds, and/or estimated cash flows.

Commingled Funds: Valued using the net asset value (NAV) per share, or its equivalent, as a practical expedient for fair value.

Real Estate: Valued using current appraised values and other market data for similar properties.

LCEF Notes: Valued using deposited account balances.

The Board of Trustees and their related committees, along with Management, determines the fair value measurement valuation policies and procedures, including those for Level 3 recurring and nonrecurring measurements. The Board of Trustees assesses and approves these policies and procedures. At least annually, the Board of Trustees determines (1) if the current valuation techniques used in fair value measurements are still appropriate and (2) evaluates and adjusts the unobservable inputs used in the fair value measurements based on current market conditions and third-party information.

The Foundation recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

Note O - Fair Value Measurements (Continued)

Fair values of assets measured on a recurring basis at June 30, 2026, are as follows (in thousands):

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Other assets				
Beneficial interest in charitable trusts	$ 1,798	$ -	$ -	$ 1,798
Total other assets	$ 1,798	$ -	$ -	$ 1,798
Investments				
Common funds				
Cash equivalents	$ 5,464	$ 5,464	$ -	$ -
Government issues	1,365	-	1,365	-
Corporate issues	52,269	-	52,269	-
Foreign issues	8,632	-	8,632	-
Domestic common stocks	68,073	68,073	-	-
Foreign stocks	4,805	4,805	-	-
Total common funds	140,608	78,342	62,266	-
Other investments				
Domestic Common stocks	163	163	-	-
LCEF notes	4,284	-	-	4,284
Mutual funds-equity	8,479	8,479	-	-
Mutual funds-fixed income	8,190	8,190	-	-
Other	223	-	-	223
Total other investments	21,339	16,832	-	4,507
Total other assets and investments required to be disclosed in the fair value hierarchy	163,745	$ 95,174	$ 62,266	$ 6,305
Common funds cash	2,960			
Commingled funds at NAV	1,542,679			
Total other assets and investments	$ 1,709,384			

Changes in assets measured on a recurring basis using significant unobservable inputs (Level 3 inputs) (in thousands):

Level 3 Inputs by Category	Beneficial Interest in Charitable Trusts	LCEF	Other	Total
June 30, 2025	$ 1,714	$ 4,445	$ 94	$ 6,253
Additions	-	519	657	1,176
Change in value	84	-	28	112
Sales or pay down of principal	-	(680)	(556)	(1,236)
June 30, 2026	$ 1,798	$ 4,284	$ 223	$ 6,305

Note O - Fair Value Measurements (Continued)

Fair values of assets measured on a recurring basis at June 30, 2025, are as follows (in thousands):

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Other assets				
Beneficial interest in charitable trusts	$ 1,714	$ -	$ -	$ 1,714
Total other assets	$ 1,714	$ -	$ -	$ 1,714
Investments				
Common funds				
Cash equivalents	$ 6,548	$ 6,548	$ -	$ -
Government issues	-	-	-	-
Corporate issues	46,940	-	46,940	-
Foreign issues	8,901	-	8,901	-
Domestic common stocks	99,394	99,394	-	-
Foreign stocks	7,500	7,500	-	-
Total common funds	169,283	113,442	55,841	-
Other investments				
Domestic Common stocks	125	125	-	-
LCEF notes	4,445	-	-	4,445
Mutual funds-equity	8,659	8,659	-	-
Mutual funds-fixed income	8,320	8,320	-	-
Other	705	611	-	94
Total other investments	22,254	17,715	-	4,539
Total other assets and investments required to be disclosed in the fair value hierarchy	193,251	$ 131,157	$ 55,841	$ 6,253
Common funds cash	7,402			
Commingled funds at NAV	1,235,873			
Total other assets and investments	$ 1,436,526			

Changes in assets measured on a recurring basis using significant unobservable inputs (Level 3 inputs) (in thousands):

Level 3 Inputs by Category	Beneficial Interest in Charitable Trusts	LCEF	Other	Total
June 30, 2024	$ 1,486	$ 4,417	$ 107	$ 6,010
Additions	-	28	9,623	9,651
Change in value	228	-	-	228
Sales or pay down of principal	-	-	(9,636)	(9,636)
June 30, 2025	$ 1,714	$ 4,445	$ 94	$ 6,253

Note O - Fair Value Measurements (Continued)

The following tables summarize investments measured at fair value based on NAV per share as of June 30:

	2026			
Investment Name	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Commingled funds	**$ 1,542,679**	-	Daily to Monthly	Daily

	2025			
Investment Name	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled funds	$ 1,235,873	-	Daily to Monthly	Daily

Note P - Endowments

The Foundation's endowments include both donor-restricted and board designated endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Trustees, are classified and reported based on the existence or absence of donor-imposed restrictions.

Net Asset Classifications and Interpretation of Relevant Law

The Foundation is governed subject to its By-Laws. The Board of Trustees of the Foundation has interpreted the relevant Missouri state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with perpetual donor restrictions at (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Note P - Endowments (Continued)

Endowment Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a stable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment account. The Foundation has a policy of appropriating an approved percentage of 4% of the year-end value based on a rolling three-year average. The Foundation's spending and investment policies work together to achieve this stated objective. The Foundation's established investment objectives are (a) to preserve the purchasing power of the endowment assets and the related revenue stream over time, (b) to manage the endowment assets in a single investment pool with equities being the dominant asset class, (c) to employ multiple funds to gain the diversification benefits of different asset classes, and (d) to earn an average annual total return of at least 7% per year.

From time to time, certain donor-restricted endowment funds may have a fair value less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2026, one endowment fund with an original gift value of $500 had a fair value of $180 and deficiency of $320. At June 30, 2025, two endowment funds with original gift values totaling $12,749 had a fair value of $11,435 and deficiencies of $1,314.

Change in Endowment Net Assets (in thousands):

June 30, 2026	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	**$ 16,751**	**$ 24,130**	**$ 40,881**
Investment income, net of investment expenses	**934**	**1,482**	**2,416**
Net appreciation	**1,999**	**2,914**	**4,913**
Contributions	**13**	**3,190**	**3,203**
Amounts appropriated for expenditure	**(765)**	**(1,095)**	**(1,860)**
Change in endowment net assets	**2,181**	**6,491**	**8,672**
Endowment net assets, end of year	**$ 18,932**	**$ 30,621**	**$ 49,553**

Note P - Endowments (Continued)

June 30, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 15,381	$ 22,267	$ 37,648
Investment income, net of investment expenses	833	1,195	2,028
Net appreciation	1,093	1,585	2,678
Contributions	118	112	230
Amounts appropriated for expenditure	(674)	(1,029)	(1,703)
Change in endowment net assets	1,370	1,863	3,233
Endowment net assets, end of year	$ 16,751	$ 24,130	$ 40,881

Endowment Asset Composition by Type of Fund as of June 30, 2026 and 2025, (in thousands):

June 30, 2026	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Board-designated endowment funds	**$ 18,932**	**$ -**	**$ 18,932**
Donor-restricted endowment funds			
Temporary in Nature	**-**	**3,175**	**3,175**
Perpetual in Nature	**-**	**14,643**	**14,643**
Accumulated investment earnings	**-**	**12,803**	**12,803**
Endowment net assets, end of year	**$ 18,932**	**$ 30,621**	**$ 49,553**

June 30, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 16,751	$ -	$ 16,751
Donor-restricted endowment funds			
Temporary in Nature	-	2,678	2,678
Perpetual in Nature	-	14,643	14,643
Accumulated investment earnings	-	6,809	6,809
Endowment net assets, end of year	$ 16,751	$ 24,130	$ 40,881

Note Q - Revenue Recognition

The Foundation has various streams of fee revenue, as described in Note A above. Fee revenue includes trust administration and management services fees, distribution fees, and other miscellaneous fees.

The Foundation acts as a service provider on behalf of individuals and church ministries and recognizes trust administration and management services fee revenue during the month in which management services are provided. Management has elected to apply a practical expedient to account for trust administration and management services contracts on a portfolio basis when recognizing revenue from contracts whose terms and conditions are similar in nature. The Foundation does not refund these fees and therefore, no liability for refunds is reported at June 30, 2026 and 2025.

Management evaluates distribution fees and other miscellaneous fees on a contract-by-contract basis. Distribution fees are earned at a point in time when an individual or church ministry account is closed, and all funds have been disbursed. Other miscellaneous fees are earned at a point in time upon the completion of a single performance obligation, including successful filing of various tax forms and completion of other miscellaneous services.

Disaggregation of Revenue

The following tables present revenue disaggregated by revenue source and pattern of revenue recognition (in thousands):

	Year Ended June 30, 2026		
	Over Time	**Point In Time**	**Total Revenues**
Trust administration and management services	**$ 9,085**	**$ -**	**$ 9,085**
Distribution fees	**-**	**1,105**	**1,105**
Contract revenue	**791**	**-**	**791**
Other miscellaneous revenue	**-**	**255**	**255**
Total Fee Revenues	**$ 9,876**	**$ 1,360**	**$ 11,236**

	Year Ended June 30, 2025		
	Over Time	Point In Time	Total Revenues
Trust administration and management services	$ 7,684	$ -	$ 7,684
Distribution fees	-	385	385
Contract revenue	853	-	853
Other miscellaneous fees	-	265	265
Total Fee Revenues	$ 8,537	$ 650	$ 9,187