



*The*  
**LCMS FOUNDATION**<sup>®</sup>  
*Linking Christians with Giving Opportunities*  
1ST TIMOTHY 6:17-19

**2013 Ministry Report**

# A Vision for Today, Tomorrow and

For almost sixty years, the The Lutheran Church—Missouri Synod (LCMS) Foundation has assisted the people of LCMS in accomplishing the stewardship goals placed in their hearts by our Lord and Savior Jesus Christ. It is with thankful hearts that we provide this annual report on the gifts received over the past year in support of an incredible range of LCMS ministries. It is a joy and privilege for us to serve the church and its many ministry organizations in this way.

The gifts that the LCMS Foundation distributed to literally hundreds of LCMS entities this past year fall into three broad categories:

**Gifts Today** are the direct gifts made by donors that support the immediate needs of the many ministries of the LCMS. More than 142,000 direct gifts totaling some \$51 million dollars were received by the Foundation and distributed to the ministries chosen by the donor, a three percent increase from the previous year. The ministries benefitting from these funds include congregations, schools, districts, colleges, seminaries, national and international ministries, and numerous recognized service organizations.

**Gifts Tomorrow** are planned gifts created by stewardship-minded Christians that benefit ministries in the future while also ensuring that their families are provided for in a God-pleasing manner. The Foundation distributed more than 4,400 matured charitable gifts (a 9.8 percent increase) totaling more than \$17 million, approximately \$7 million higher than the previous year. We thank God for the faithfulness of these donors who in past years saw fit to create plans to ensure the return of their gifts to Him through the estate plans that came to fulfillment when they received the Crown of Life.

More than 1,500 planned gifts valued at more than \$100 million (vs. \$55 million in FY12) were received during FY13 to be distributed when they mature in future years. In total, during FY13 the LCMS Foundation distributed some \$68 million in combined direct gifts and matured charitable gifts to 460 ministries of the LCMS.

**Gifts Forever** are income-producing endowed gifts managed by the Foundation that generate ongoing support for ministries until the Lord returns. More than \$8 million in new endowed gifts (up from \$5.5 million in the last fiscal year) were received in FY13. Significant increase of the value of these endowments was realized through the Lord's blessing and the competent assistance of the Foundation's investment advisor, Wilshire Associates. The investment policies that govern these endowments and other funds managed by the LCMS Foundation are established and monitored by the Foundation Board of Trustees (see page 12).

# d Forever

The Foundation continues a strong partnership with Concordia Plan Services in the investment arena. This is important to both organizations because the manager fees charged are based upon the amount of funds under investment. With the two organizations combining to create a significantly larger pool of funds under management, we benefit from reduced fees while continuing our separate and distinct investment programs.

Comprehensive development support services continue to be provided for the fundraising activities of The Lutheran Church–Missouri Synod. Ministries such as National and International Mission, Pastoral Education and Worldwide KFUD depend on the Foundation for gift receiving services and marketing and communication services, including direct mail, telemarketing and online campaigns, as well as gift annuity programs and other gift planning initiatives. Foundation development staff meet regularly with representatives of these ministries to coordinate fundraising activities and to ensure the information shared with donors is current, effective and productive.

In FY13 the Foundation once again offered training and consulting services to those interested in gaining new tools for the benefit of the stewardship practiced at their respective churches and ministry organizations. Even when the formal training ends, these associates have the extensive support network of the Foundation to assist them in their efforts and to help them be successful.

We are grateful for the opportunity to serve our Lord and Savior through the support provided to the church by the LCMS Foundation. The sole purpose of our efforts is to uplift the ministries of our church so they can be ever more equipped and supported in their efforts to share the Good News of the Gospel of Jesus Christ.

For more information about the Foundation and the services we offer that can benefit you, your church or other LCMS ministry, please visit our website, [lcmfoundation.org](http://lcmfoundation.org), or call us at **800-325-7912**.



David Fiedler  
President



Don Graf  
Chairman,  
Board of Trustees



# Gifts to Impact Local, National, and

## **The Lutheran Church—Missouri Synod**

A restructured and streamlined Synod coordinates and carries out Witness, Mercy and Life Together work nationally and internationally on behalf of the congregations and households in the LCMS.

Through June 30, 2013, you and others generously supplied \$3,426,753 in unrestricted direct and matured deferred support for our Synod over and above Sunday worship offerings routed through LCMS districts. You and others supplied \$7,347,484 in direct and deferred matured gifts to fund Witness, Mercy and/or Life Together efforts without further geographic

restrictions. You and others offered up \$20,117,495 in restricted direct and matured deferred gifts for overseas Witness and Mercy work through the Office of International Mission. You and others supplied \$871,817 in direct support restricted solely for non-disaster domestic use by the Office of National Mission. You and others supplied \$4,750,966 in support designated for disaster relief and response work at home and abroad. You and others offered up \$3,187,953 in special support restricted for specific efforts such as Project Wittenberg and Concordia Historical Institute.

Through these gifts, you shared the Good News of our Savior Jesus Christ at home and abroad through the labors of pastors, missionaries, chaplains, church workers and volunteers. You helped strengthen our global network of Lutheran partner churches by establishing new Lutheran communities. You tangibly demonstrated the compassion Jesus has for all through acts of mercy carried out in close proximity to God's Word and Sacrament. You planted churches, supported and expanded global theological education, enhanced the outreach ability of LCMS districts and congregations, and supported our global partners to conduct effective ministry. You enhanced Lutheran elementary, secondary and post-secondary education and made possible a myriad of ways we minister to our youth. Thank you.

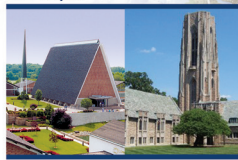
Please visit us online at [www.lcms.org](http://www.lcms.org).

**The LCMS Joint Seminary Fund** resources the training of future pastors at both Concordia Theological Seminary, Fort Wayne and Concordia Seminary, Saint Louis. This support for pastoral education comes through the generosity of individuals, congregations, districts, and others. It includes funds provided by a generous gift-matching grant from the Lutheran Women's Missionary League (LWML).

Please visit us online at [www.lcms.org/jointseminaryfund](http://www.lcms.org/jointseminaryfund).



Concordia Theological Seminary  
Fort Wayne



Concordia Seminary  
Saint Louis

# Worldwide Ministry

**Concordia University System** colleges and universities are located across the country and offer a variety of programs (150 undergraduate and 65 graduate). More than 30,000 students participate in the development of a strong set of values, leadership skills, Christian faith, commitment to community, and a sense of purpose. Graduates become pastors, teachers, physicians, legislators, missionaries and entrepreneurs. To financially assist students, the schools of the Concordia University System are engaged in the development of endowments in an effort called *For the Sake of the Church*. Gifts and pledges to date are more than \$234 million.



Please visit us online at [www.lcms.org/universities](http://www.lcms.org/universities).



**Worldwide KFUO** is the broadcast ministry of The Lutheran Church—Missouri Synod. We thank God for the generosity of our listeners and benefactors who make the broadcasts of the Word and music possible. The vision of the founders of Worldwide KFUO was to reach around the world with the Gospel of Jesus Christ.

Today, the Internet makes this vision a reality. Discover a distinctively Lutheran message by listening to in-depth Bible studies, lively theological discussions, Lutheran world news and traditional Christian music, or listen to the rich heritage of sacred and classical music through CLASSIC99.

Please visit us online at [www.kfu.org](http://www.kfu.org) and [www.Classic99.com](http://www.Classic99.com).

**The LCMS National Housing Support Corporation**, working under the name of Lutheran Housing Support, is dedicated to providing support to promote the improvement of economic conditions, housing and other services to revitalize and prevent deteriorated communities. Our vision is for restored and revitalized neighborhoods that are anchored by LCMS congregations actively engaged in collaborative mercy. To bring that vision into reality, our mission is to provide access to capital and customized consulting services for underserved neighborhoods in order to transform them into thriving communities.



Please visit us online at [www.national housingsupport.org](http://www.national housingsupport.org).

# Gifts Today, Tomorrow and Forever



## Ministry Partners and Organizations

### Direct Gifts\*

### Matured Gifts Distributed\*\*

The Lutheran Church–Missouri Synod	\$3,685,016	\$166,642
<i>National Offering</i>	236,921	-
CUS/BHE	611,165	287,401
<i>For the Sake of the Church</i>	403,955	-
The LCMS Joint Seminary Fund	2,669,641	347,192
Worldwide KFUE	597,650	229,091
LCMS Districts	2,214,889	693,589
LCMS World Relief and Human Care	3,464,685	375,099
Lutheran Housing Support	179,557	-
LCMS World Mission	1,785,592	676,293
<i>Fan Into Flame</i>	1,701,955	-
Churches/Schools	3,820,617	5,174,509
Seminaries	326,357	1,662,108
Universities/Colleges	326,871	1,319,104
High Schools	28,864	1,051,468
LWML	252,033	440,363
LLL	432,234	1,653,250
LCEF	325,767	98,080
Donor Advised Fund	-	-
The LCMS Foundation	842,091	561,122
Other LCMS Ministries	2,035,592	427,754
Social Ministries	503,438	1,313,642
Non-LCMS	121,060	994,340
Global Mission	9,817,134	-
International Mission	14,025,562	-
National Mission	601,044	-
<b>Grand TOTAL</b>	<b>\$51,009,690</b>	<b>\$17,471,047</b>





July 1, 2012  
through  
June 30, 2013



**New Managed  
Gifts\*\*\***

**New Revocable  
Gifts\*\*\*\***

\$268,517	\$1,413,669
-	-
54,186	65,700
-	8,577
1,141,192	991,891
310,000	516,304
1,060,655	772,481
233,389	171,391
-	-
1,625,355	1,875,553
-	-
2,689,859	18,001,237
3,201,640	4,482,721
1,887,170	1,586,105
1,151,709	2,087,783
488,612	4,337,625
618,069	1,516,493
385,940	129,670
6,534,790	8,182,014
946,606	56,589
297,247	1,111,522
1,308,071	2,666,698
14,217	1,996,263
1,250	-
-	-
-	-
-	-
<b>\$24,218,474</b>	<b>\$51,970,286</b>

\* Direct gifts including cash, stock, distributions from donor advised funds.

\*\* Distributions [not direct] including trusts, endowments, gift annuities, pooled funds and bequests.

\*\*\* Trusts, donor advised funds, endowments, gift annuities or pooled funds for future ministry use. Includes additions to donor advised funds, endowments, insurance premiums, trusts.

\*\*\*\* Wills, living trusts designations or payable on death designations for future ministry use. Includes additions to donor advised funds, endowments, insurance premiums, trusts.

# Financial Statement

## Statement of Financial Position as of June 30, 2013 and 2012 (in thousands)

<b>ASSETS</b>	<b>2013</b>	<b>2012</b>
Cash and cash equivalents	\$8,858	\$ 2,297
Accrued interest and dividends receivable	1,778	1,790
Securities lending program	54,914	48,140
Investments	845,798	840,225
Real estate held for sale	7,179	3,499
Notes and loans receivable	400	425
Due from broker	1,107	2,004
Land, building, and equipment, Net of accumulated depreciation and amortization	1,465	1,604
Beneficial interest in charitable trusts	2,439	2,447
Other assets	7,979	7,768
<b>TOTAL ASSETS</b>	<b>\$931,917</b>	<b>\$910,199</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expense	\$962	\$1,001
Due to broker	1,107	1,999
Securities lending program	54,914	48,140
Early retirement commitment	27	107
Trust and other liabilities due to:		
Donors and Beneficiaries	182,798	179,394
Held in Endowment accounts	118,532	108,727
Held in Custodial accounts	536,283	538,909
Held in Agency accounts	1,524	1,126
Total Trust and Other Liabilities	839,137	828,156
<b>Total Liabilities</b>	<b>\$896,147</b>	<b>\$879,403</b>
 <b>Net Assets</b>		
Unrestricted	28,241	23,566
Temporarily restricted	5,707	5,476
Permanently restricted	1,822	1,754
<b>Total Net Assets</b>	<b>\$35,770</b>	<b>\$30,796</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$931,917</b>	<b>\$910,199</b>

*(Audited financial statements available upon request.)*





## LCMS Foundation Funds

June 30, 2013 Market Overview

Domestic equities achieved strong results over the last year as the Wilshire 5000 Index gained 21.1 percent and the Wilshire 4500 Index returned 25.2 percent. During the last 12 months, the Domestic Equity Preference Fund outperformed the market with a return of 21.5 percent.

Over the last year, international equities, as defined by the MSCI ACWI ex-US Index, returned 14.1 percent and the MSCI EAFE Index was up 18.6 percent. During the last year, the International Equity Preference Fund returned 14.6 percent.

Over the past year, aggregate US Bonds as measured by Barclays Aggregate Index returned -0.7 percent. The long-term US Treasury Bonds, as defined by Barclays Long Treasury Index, returned -8.4 percent. For the year, the Core Bond Preference Fund climbed 0.5 percent while its policy benchmark returned -0.7 percent. The High Yield Preference Fund returned 7.0 percent.

They are to do good, to be rich in good works, to be generous and ready to share, thus storing up treasure for themselves as a good foundation for the future, so that they may take hold of that which is truly life (1st Timothy 18-19).

# Annual Performance

Our investment managers are benchmarked to published indices. In conjunction with our investment consultant, the Foundation has developed appropriate policy indices that represent a blend of the published indices in proportion to the target investment structure of each fund.

<b>Foundation Standard Funds</b>	<b>QTR</b>	<b>YTD</b>	<b>1 Year</b>
Standard Fund - Equity	0.47	8.61	18.34
Standard Fund - Fixed Income	-2.66	-2.02	1.59
Standard Fund - Conservative Balanced	-1.82	0.70	5.77
Standard Fund - Moderate Balanced	-0.45	4.66	11.77
Standard Fund - Aggressive Balanced	-0.46	5.88	14.01

<b>Foundation Trust Funds</b>	<b>QTR</b>	<b>YTD</b>	<b>1 Year</b>
Trust Fund - Income Short	-2.57	-1.88	1.37
Trust Fund - Income Intermediate	-1.93	0.35	5.96
Trust Fund - Income Long	-1.71	0.98	7.48
Trust Fund - Total Return Short	-1.94	0.15	5.13
Trust Fund - Total Return Intermediate	-1.04	3.47	10.15
Trust Fund - Total Return Long	-0.25	5.80	13.60

<b>Foundation Preference Funds</b>	<b>QTR</b>	<b>YTD</b>	<b>1 Year</b>
Domestic Equity	2.58	14.12	21.51
International Equity	-2.59	1.41	14.64
Core Bond Fund	-2.88	-2.56	0.48
High Yield Bonds	-2.01	0.05	6.95
Money Market	0.00	0.00	0.01

<b>Indexes</b>	<b>QTR</b>	<b>YTD</b>	<b>1 Year</b>
Wilshire 5000 Index	2.77	13.97	21.10
S&P 500 Index	2.92	13.84	20.68
Wilshire 4500 Index	2.21	15.43	25.22
MSCI All Country World ex-US Index (G)	-2.90	0.27	14.14
MSCI EAFE Index (N)	-0.98	4.11	18.62
MSCI Emerging Markets Index (G)	-7.95	-9.40	3.23
Barclays Long Term Treasury Index	-5.58	-7.83	-8.36
Barclays Aggregate Bond Index	-2.32	-2.44	-0.69
Barclays High Yield Bond Index	-1.44	1.42	9.49
Citigroup Three Month T-Bill	0.02	0.03	0.08



3 Years	5 Years	Inception	Inception Date
14.42	4.43	5.63	Dec-96
5.34	6.48	4.90	Dec-96
7.78	6.31	5.81	Dec-01
10.97	5.74	5.73	Dec-96
12.36	5.39	5.50	Dec-01

3 Years	5 Years	Inception	Inception Date
4.85	5.72	4.99	Dec-02
8.61	7.44	6.97	Dec-02
10.21	8.14	7.66	Dec-02
7.31	6.48	6.13	Dec-02
10.23	6.13	6.77	Dec-02
11.94	5.63	6.93	Dec-02

3 Years	5 Years	Inception	Inception Date
18.88	7.06	3.81	Dec-99
8.61	0.41	3.17	Dec-99
4.18	5.81	5.52	Dec-99
10.55	9.36	7.20	Dec-99
0.04	0.20	2.18	Sep-99

3 Years	5 Years
18.45	7.19
18.48	7.02
19.26	8.74
8.48	-0.34
10.04	-0.63
3.72	-0.11
6.21	7.58
3.51	5.19
10.74	10.94
0.09	0.23



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# Meet the LCMS Foundation Gift F

Your LCMS Foundation Gift Planning Counselor is a fellow Lutheran who shares your love for to help spread the Gospel. Counselors are experienced professionals who can assist you with CH of blessings to family, heirs, and the ministries you care about. Counselors can share a variety of based on your unique stewardship goals.

We serve Lutheran stewards in all 50 states. If you are interested in our gift planning services and your region does not have an assigned Gift Planning Counselor, contact Allen Helms, Senior Vice President of Gift Planning Services, today at 314-996-1684.



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the Lord and understands your desire  
 Christian estate planning and the transfer  
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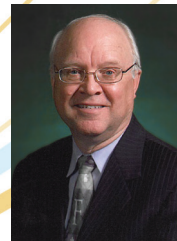
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The  
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*Linking Christians with Giving Opportunities*  
1ST TIMOTHY 6:17-19

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**and Forever:** [www.LCMSFoundation.org](http://www.LCMSFoundation.org)

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