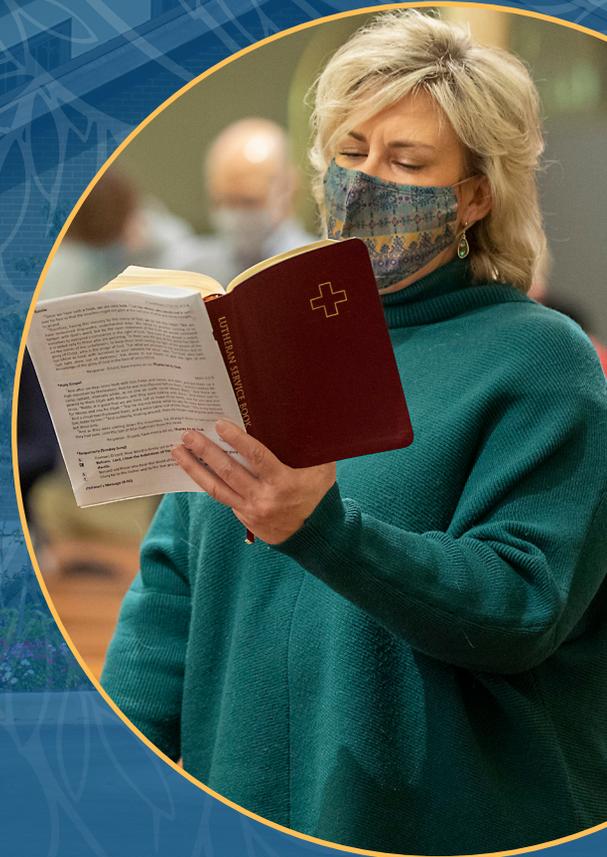


2021

ANNUAL REPORT and Offering Circular



Lutheran Church Extension Fund
› where investments build ministry

LETTER FROM OUR CEO AND BOARD CHAIR



Rev. Bart Day
LCEF President and CEO



Rev. Max Phillips
LCEF Board of Directors Chair

Dear Friends in Christ,

Uncertainty. The one word that hung on everyone's lips last year. COVID-19 was spreading, and the economy was rocky—but praise God. Through a season of uncertainty, the LORD more than blessed Lutheran Church Extension Fund (LCEF).

It was important for LCEF to remain agile, adjusting to the ever-evolving pandemic and pivoting to provide unique and personalized solutions to our ministry partners. We poured into our borrowers and partners in extraordinary ways, and God blessed that endeavor. As a result, we realized some of the most significant financial gains in our history.

We finished the fiscal year with \$26 million in net income. Our overall achievement toward our 2020–2021 organization goals was 97%. The Lord does his best work when we least expect it, and where we see uncertainty, He sees opportunity.

And the Lord's not done. Today, new opportunities abound. In the next three years, we will focus our attention on building a stronger foundation to expand our reach even more.

We are in a solid position to achieve organizational goals. Capturing and creating growth that moves the church's mission ahead are enormous wins for everyone. But ultimately, the success of LCEF is measured in ministries reaching more people with Jesus.

That's why LCEF is committed to ensuring that resources are available to assist in the church's growth today, tomorrow and long into the future. He is the one that generously blesses, something that you can see for yourself as we share the results from another strong year in this year's annual report.

To God be the glory.

In peace,

A handwritten signature in blue ink that reads "Bart Day".

Rev. Bart Day
President and CEO
Lutheran Church Extension Fund

A handwritten signature in blue ink that reads "Rev. Max Phillips".

Rev. Max Phillips
Board of Directors Chair
Lutheran Church Extension Fund



\$2.13
BILLION
Total Assets

\$26
MILLION
Net Income

\$261
MILLION
Net Assets

\$151
MILLION
New Loans
Closed

\$1.51
BILLION
Loan Portfolio

\$1.86
BILLION
Investor Payables
Portfolio

\$212
THOUSAND
Kaleidoscope
Fund Grants

LOVING OUR MINISTRY PARTNERS

Your investments make it possible for LCEF to develop, sustain and grow relationships with Lutheran Church—Missouri Synod (LCMS) ministries. This means we can provide the resources congregations, schools, Recognized Service Organizations and Rostered Church Workers need to continue to spread the Good News of Jesus Christ.

Protecting your funds is LCEF's highest priority, which is why we maintain strong levels of liquidity and capital. Our staff honors your trust by providing prudent management of funds and keeps Jesus at the heart of all we do. Your investments make it possible for LCEF to make loans available to support ministry projects throughout the world.

We are committed to working with congregations and other ministries through support services, including ministry planning, congregational stewardship training, leadership coaching and building campaigns. In this annual report, you'll read about how we are creating partnerships that keep the church strong.

Why Church Design Truly Matters

Sacred space shapes us in deep ways. Churches are intentionally designed with aesthetics of form and beauty to draw communities into worship—whether a historic Lutheran cathedral in Germany or a more modern sanctuary like Trinity Lutheran Church in Elkhart, Ind.

“First you design the church. Then the church designs you,” said Rev. Spencer Mielke, senior pastor of Trinity Lutheran Church.

Trinity’s sanctuary unifies generations of architecture, mirroring their ministry call since 1874, when they started their church and school in a little feed store in downtown Elkhart.

“This ministry has always been a unit—church and school connected as one,” said Paul Rosin, principal of Trinity Lutheran School. “Our three focus points are faith, family and future. We want to build

the faith in our families, faith in our kids . . . to establish a future that leads these kids to heaven, because that is the goal.”

The interior design of the worship space at Trinity weaves various periods of architectural motifs, while pulling from more modern influences. The floor and walls host cherry wood inlays, coupled with ivory-toned accents, including a carving of the last supper mounted on the front of the altar. Using modern materials in traditional shapes and forms bridges eras of aesthetics and represents the ministry well, a Lutheran faith community rooted in the past and focused on building future generations.

“This place is shaping our life together as the Trinity family and teaching us and showing us more and more about what Christ has done for us and how he gives himself to us in Word and Sacraments. It is truly designing us,” said Mielke.



To design and build the new school and church, Trinity turned to Lutheran Church Extension Fund (LCEF). “As we started first the building of our school and then eventually the building of our church, we turned to LCEF to help us. They’re the ones who loaned us the money and helped us to take on these projects,” said Mielke.

Generational finances made the building project possible.

“The help that LCEF was giving to us was because the sacrifices churches made prior—the projects that they did, the loans that they took, the interest they paid. All of that was then able to fund and resource our project.”

Some members in the church saw the value of previous investors making Trinity’s vision possible, and decided to join in.

“People at Trinity picked up on that and understood if they invested their own money with LCEF, they were helping to invest not only for themselves, but for the Kingdom—that this was going to help churches just like ours down the road,” said Mielke.

The big question for Trinity now is: What does God want them to do with their space?

Mielke reflected, “We’ve turned from building walls... to getting outside of our walls and reaching into our community... to serve wherever God is calling us.”

To explore investment opportunities that help build generations of faith, visit lcef.org/why-invest/.

An INVESTMENT That Stood STRONG



RICHARD TATARA | MEMBER
BETHANY LUTHERAN CHURCH
NAPERVILLE, ILLINOIS

Richard Tatara, Voters Assembly Chairman at Bethany Lutheran Church in Naperville, Ill., first learned about LCEF when Bethany secured a loan for a new sanctuary and school building. Once he realized his money could gain a competitive interest rate, help provide for his son’s future education and serve the kingdom of God through supporting ministry—he and his wife jumped on board.

“LCEF’s mission is not just making loans for churches, but helping church workers,” Tatara said. “We could put some money into LCEF, and it would be a great place to help the church and a great place to have money.”

His confidence proved beneficial when the 2008 market downturn hit. Many mainstream stock accounts fell drastically, including many 529 college investment funds. However, Tatara’s LCEF investment earmarked for his son’s college education remained strong.

“Many of our son’s friends’ parents were saying, ‘I don’t know how we are going to pay for college,’ because the market went down, and they lost so much value in the market in their stocks. We had the money in LCEF, and it was very, very secure.”

Consider how you can put your funds to work when saving for your family’s future and the good of the church. You can **explore your options** by talking to one of our customer relations specialists at 800-843-5233.





The Creative Way Christ Lutheran Could Finally Buy a Parsonage



The mountains of Breckenridge, Colo., beckon travelers near and far. In the winter, thousands of tourists carve down slopes layered with powder. In the warmer months, the local trails and streams host outdoor sports enthusiasts.

But sustaining a church in this wonderful mountain community poses a couple of challenges: an expensive housing market and the high cost of living.

“For a church like Christ Lutheran to call a pastor and for a pastor to live here on a typical pastor salary was virtually impossible,” Rev. Larry McGurer, Christ Lutheran Church said.

Christ Lutheran needed to find a creative way to call and support a new pastor. Rev. McGurer, a missionary at-large, stepped in to help shepherd the congregation temporarily during the transition and reached out to LCEF.

“We started partnering with LCEF—not just to get a parsonage, that was a part of it—but to help us discover

more fully Jesus’ plan for ministry and for mission here in this congregation and in this community.”

Ministry clarity is a solution that LCEF offers to help a congregation spend time with Jesus to discern His will for their future. Rev. Billy Brath, LCEF vice president of Ministry Solutions explained, “Through our ministry clarity process, we laid out a ministry and financial plan that showed the future that Jesus had for Christ (Church) in Breckenridge... it made it clear that in order to purchase a parsonage, Christ Lutheran needed to engage in a capital campaign and take a loan from LCEF.”

Everything went smoothly—so smoothly in fact, that Christ Lutheran called McGurer to transition from serving as their temporary minister to become their permanent pastor. He and his family now live in the parsonage.

“The parsonage is now our family home. We’re excited to be here in Summit County. It’s essential for us [so we can] be on mission in this community and to further the mission of Christ Lutheran Church,” Eden McGurer said. ■



How a Fitness Center Can Be the Front Door to FAITH

The Apostle Paul wrote a letter to his son-in-the-faith, Timothy, and told him that physical training has some value—but godliness has value for all things (1 Tim. 4:8). Rev. Chad Kirchoff embodies this truth in the ministry of ReDO Fitness, a top-tier fitness center in the basement of Shepherd of the Valley Lutheran Church in Hastings, Minn.

“People come into ReDO Fitness center looking for exercise, they get it. They’re looking for connection, they get it. They’re [also] going to get an introduction to the love of Jesus Christ,” said Kirchoff. “The Lord has used us to impact more than 2,000 people now.”

Lifting iron and running on the treadmill in the 24/7 fitness center just might be the only place neighbors in the local community encounter God’s love and the Gospel.

“The purpose of everything that we do is how to reach communities and at-risk families in a different way. Maybe they don’t come through the church doors right away, but they’ll come through the doors of a different [kind of] church,” Rev. Kirchoff said.

Some of their members start their faith journey attending a Monday night discussion group at the gym. They snack on power bars, sip coffee and talk about life and faith.

“It’s not just a gimmick to get people in the door. It’s about building a real community. Bringing people in the door outside of Sunday morning and having fellowship daily,” said Jerry, a ReDO Fitness member.

When Kirchoff dreamed of this unique mission, he turned to LCEF for support.

“Lutheran Church Extension Fund—without them, there’s no ReDO. We were going to do all this, and people were like, ‘What? And you’re not going to charge? Impossible!’... The more impossible it was, Lutheran Church Extension Fund backed it.”

Kirchoff now dreams of expanding the ministry model.

“I’d like to see 400–500 locations throughout the United States. I don’t see why we can’t do it. There’s plenty of strength to do these things and with good organizations like LCEF—why not?”

His vision continues to inspire others to join.

“Pastor Chad’s mission is to grow mind, body and soul. And I just want to be a part of that,” said Katherine, a member at ReDO Fitness.

Some might come to church the traditional way, but for Shepherd of the Valley, the front door to faith is a church basement fitness center.

Kirchoff said, “This is the 21st century church meeting a 21st century need, continually, 24-hours a day, 7-days a week.”

To hear more stories of how Lutheran Extension Fund makes an impact for the gospel, [visit interesttime.org](http://interesttime.org).



OUR MISSION

THAT YOUR MINISTRY THRIVES

To all the LCMS church workers out there, LCEF thanks you for your service to His people. We are proud of you and the entire LCMS family who work tirelessly to share the compassion of Christ, meeting the needs of those who are suffering, poor, sick or lonely.

Our mission has always been to ensure you have the resources available to fulfill your call for God's glory. That's why you can feel good partnering with LCEF. We share your Lutheran beliefs and your love of the church.

IT'S LUTHERANS HELPING OTHER LUTHERANS.

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Lutheran Church Extension Fund

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