

**THRIVENT CHARITABLE IMPACT & INVESTING  
FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://CLAconnect.com)

**THRIVENT CHARITABLE IMPACT & INVESTING  
TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS</b>	<b>4</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>6</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>8</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>9</b>



## INDEPENDENT AUDITORS' REPORT

Management and Board of Directors  
Thrivent Charitable Impact & Investing  
Minneapolis, Minnesota

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Thrivent Charitable Impact & Investing, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, 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 Thrivent Charitable Impact & Investing as of December 31, 2023 and 2022, and the changes of 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 for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Thrivent Charitable Impact & Investing 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 the 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 Thrivent Charitable Impact & Investing's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' 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 auditors' 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 GAAS 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 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 GAAS, 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 Thrivent Charitable Impact & Investing'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 Thrivent Charitable Impact & Investing'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.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
May 20, 2024

**THRIVENT CHARITABLE IMPACT & INVESTING  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 15,839,573	\$ 20,450,123
Investments	709,510,434	614,093,250
Life Insurance Contracts	71,296,630	68,675,108
Real Assets Held for Sale	1,002,000	475,000
Contributions and Other Receivables	2,549,166	3,134,311
Beneficial Interests in Trusts Held by Others	1,545,098	520,751
Prepaid Expenses	6,191	35,324
	<u>\$ 801,749,092</u>	<u>\$ 707,383,867</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 1,518,267	\$ 1,282,456
Amounts Held for the Benefit of Others	75,670,844	71,728,991
Gift Annuities	24,309,261	24,667,994
Charitable Remainder Trust Agreements	31,737,905	24,958,891
Retained Life Estates	49,319	39,944
Total Liabilities	<u>133,285,596</u>	<u>122,678,276</u>
<b>NET ASSETS</b>		
Without Donor Restrictions	635,183,749	556,257,339
With Donor Restrictions	33,279,747	28,448,252
Total Net Assets	<u>668,463,496</u>	<u>584,705,591</u>
Total Liabilities and Net Assets	<u>\$ 801,749,092</u>	<u>\$ 707,383,867</u>

See accompanying Notes to Financial Statements.

**THRIVENT CHARITABLE IMPACT & INVESTING  
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>			
Contributions	\$ 76,043,167	\$ 2,591,701	78,634,868
Contributed Nonfinancial Assets	1,093,971	1,281,295	2,375,266
Net Investment Income (Loss)	72,164,933	-	72,164,933
Change in Cash Surrender Value of Life Insurance Contracts	7,036,193	-	7,036,193
Change in Value of Split-Interest Agreements	(1,935,485)	3,242,492	1,307,007
Change in Value of Trusts Held by Others	-	(65,456)	(65,456)
Miscellaneous Income (Loss)	1,248,794	(466,513)	782,281
Net Assets Released from Restriction	1,752,024	(1,752,024)	-
Total Revenue, Gains, and Other Support	<u>157,403,597</u>	<u>4,831,495</u>	<u>162,235,092</u>
<b>EXPENSES</b>			
Program Services	65,402,660	-	65,402,660
Management and General	4,399,912	-	4,399,912
Management and General - Life Insurance Premiums	6,911,057	-	6,911,057
Total Management & General	<u>11,310,969</u>	<u>-</u>	<u>11,310,969</u>
Fundraising	1,763,558	-	1,763,558
Total Expenses	<u>78,477,187</u>	<u>-</u>	<u>78,477,187</u>
<b>CHANGE IN NET ASSETS</b>	78,926,410	4,831,495	83,757,905
Net Assets - Beginning of Year	<u>556,257,339</u>	<u>28,448,252</u>	<u>584,705,591</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 635,183,749</u>	<u>\$ 33,279,747</u>	<u>\$ 668,463,496</u>

See accompanying Notes to Financial Statements.

**THRIVENT CHARITABLE IMPACT & INVESTING  
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>			
Contributions	\$ 71,679,166	\$ 228,766	\$ 71,907,932
Contributed Nonfinancial Assets	34,796	1,463,675	1,498,471
Net Investment Income	(89,293,613)	-	(89,293,613)
Change in Cash Surrender Value of Life Insurance Contracts	4,419,998	-	4,419,998
Change in Value of Split-Interest Agreements	(1,658,898)	(8,138,970)	(9,797,868)
Change in Value of Perpetual Trust	-	(129,575)	(129,575)
Miscellaneous Income	1,220,228	(345,395)	874,833
Net Assets Released from Restriction	1,116,752	(1,116,752)	-
Total Revenue, Gains, and Other Support	(12,481,571)	(8,038,251)	(20,519,822)
<b>EXPENSES</b>			
Program Services	56,313,192	-	56,313,192
Management & General	3,991,831	-	3,991,831
Management & General - Life Insurance Premiums	6,167,696	-	6,167,696
Total Management & General	10,159,527	-	10,159,527
Fundraising	1,475,992	-	1,475,992
Total Expenses	67,948,711	-	67,948,711
<b>CHANGE IN NET ASSETS</b>	(80,430,282)	(8,038,251)	(88,468,533)
Net Assets - Beginning of Year	636,687,621	36,486,503	673,174,124
<b>NET ASSETS - END OF YEAR</b>	\$ 556,257,339	\$ 28,448,252	\$ 584,705,591

See accompanying Notes to Financial Statements.

**THRIVENT CHARITABLE IMPACT & INVESTING  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2023**

	Program Services	Management and General	Fundraising	Total Expenses
Grants	\$ 64,874,218	\$ -	\$ -	\$ 64,874,218
Compensation and Benefits	354,407	3,226,790	1,368,626	4,949,823
Information Technology	64,026	431,582	145,292	640,900
Outside Services	62,308	420,005	141,395	623,708
Travel	20,244	136,461	45,940	202,645
Marketing and Communications	4,000	26,961	9,076	40,037
Occupancy	9,990	67,340	22,670	100,000
Special Projects	1,552	10,462	3,522	15,536
Dues and Memberships	898	6,053	2,038	8,989
Legal	3,234	21,802	7,340	32,376
Liability Insurance	2,813	18,962	6,384	28,159
Supplies and Office Expense	708	4,769	1,605	7,082
Postage	1,369	9,230	3,107	13,706
Fees and Filings	2,880	19,413	6,535	28,828
Other	13	82	28	123
Total Expenses				
Before Life Insurance Premiums	\$ 65,402,660	\$ 4,399,912	\$ 1,763,558	\$ 71,566,130
Life Insurance Premiums	-	6,911,057	-	6,911,057
Total Expenses	<u>\$ 65,402,660</u>	<u>\$ 11,310,969</u>	<u>\$ 1,763,558</u>	<u>\$ 78,477,187</u>

See accompanying Notes to Financial Statements.



**THRIVENT CHARITABLE IMPACT & INVESTING  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2022**

	Program Services	Management and General	Fundraising	Total Expenses
Grants	\$ 55,870,136	\$ -	\$ -	\$ 55,870,136
Compensation and Benefits	295,506	2,690,508	1,141,165	4,127,179
Information Technology	49,799	335,680	113,007	498,486
Outside Services	55,011	370,814	124,835	550,660
Travel	14,192	95,661	32,204	142,057
Marketing and Communications	5,659	38,145	12,841	56,645
Occupancy	9,990	67,340	22,670	100,000
Special Projects	1,272	8,574	2,886	12,732
Dues and Memberships	3,525	23,761	7,999	35,285
Legal	1,235	8,328	2,804	12,367
Liability Insurance	1,362	9,177	3,089	13,628
Supplies and Office Expense	473	3,188	1,073	4,734
Postage	1,060	7,144	2,405	10,609
Fees and Filings	2,409	16,240	5,467	24,116
Other	1,563	317,271	3,547	322,381
Total Expenses				
Before Life Insurance Premiums	\$ 56,313,192	\$ 3,991,831	\$ 1,475,992	\$ 61,781,015
Life Insurance Premiums	-	6,167,696	-	6,167,696
Total Expenses	<u>\$ 56,313,192</u>	<u>\$ 10,159,527</u>	<u>\$ 1,475,992</u>	<u>\$ 67,948,711</u>

See accompanying Notes to Financial Statements.

**THRIVENT CHARITABLE IMPACT & INVESTING  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 83,757,905	\$ (88,468,533)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Net Realized and Unrealized (Gain) Losses on Investments	(72,164,933)	113,903,317
Real Estate Assets Held for Sale	(15,799,747)	(12,318,739)
Contributions for Charitable Remainder Trust Agreements	(4,498,326)	(2,317,771)
Change in Real Assets Held for Sale	273	-
Change in Cash Surrender Value of Life Insurance Contracts and Annuities	(2,621,522)	(4,085,282)
Changes in Operating Assets and Liabilities:		
Due from Brokers and Others	-	1,042,596
Contributions and Other Receivables	585,145	2,385,252
Beneficial Interest in Trust Held by Others	690,784	754,904
Prepaid General Expenses	29,133	(28,912)
Accounts Payable	235,811	177,337
Amounts Held for the Benefit of Others	3,941,853	(7,631,457)
Gift Annuities	(358,733)	(787,808)
Charitable Remainder Trust Agreements	6,779,014	(5,617,281)
Retained Life Estate	9,375	2,756
Net Cash Provided (Used) by Operating Activities	586,032	(2,989,621)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(198,479,558)	(177,795,855)
Proceeds from Sale of Investments	190,499,781	172,408,407
Net Cash Used by Investing Activities	(7,979,777)	(5,387,448)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Contributions Restricted for Charitable Remainder Trust Agreements	2,783,195	1,692,441
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(4,610,550)	(6,684,628)
Cash and Cash Equivalents - Beginning of Year	20,450,123	27,134,751
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 15,839,573	\$ 20,450,123

See accompanying Notes to Financial Statements.

**THRIVENT CHARITABLE IMPACT & INVESTING**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 1 ORGANIZATION**

Thrivent Charitable Impact & Investing (the Organization) is a Minnesota nonprofit corporation operated for charitable purposes. The Organization is dedicated to supporting the charitable, religious, and educational purposes and activities of congregations, institutions, and communities, and benefiting society in general. The Organization was incorporated in 1994. In March 2021, the Organization legally changed its name to Thrivent Charitable Impact & Investing and was formerly known as InFaith Community Foundation.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Organization's financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

**Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

**Cash and Cash Equivalents**

The Organization considers all highly liquid securities with an original maturity of 90 days or less to be cash equivalents, except for those short-term investments managed as part of the long-term investment strategies. At times, cash balances may be in excess of federally insured limits.

**Investments**

Investments in mutual and other investment funds and common stocks are carried at fair value. Realized and unrealized gains and losses are reflected in the statements of activities and change in net assets as a component of net investment income. Net realized capital gains and losses are determined on the first-in, first-out cost basis method. Other investment funds are comprised of limited partnership investments, limited liability companies, and open-ended investment companies. Refer to Note 6 for more information.

Fixed income investments are carried at fair value. Realized and unrealized gains and losses are reflected in the statements of activities and change in net assets as a component of net investment income. Net realized capital gains and losses are determined using the specific-identification method.

**THRIVENT CHARITABLE IMPACT & INVESTING  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Life Insurance and Annuity Contracts**

Contributed life insurance and annuity contracts are carried at fair value which is estimated using the stated cash surrender value of the contracts and are reported as unrestricted contributions. Cash surrender value is the amount available to the contract owner for withdrawal prior to the death of the insured and is valued after taking expense charges and investment credits into account.

**Real Assets Held for Sale**

Investments in real assets are classified as held-for-sale and recorded at the lower of cost or fair value less estimated costs to sell. Management is actively marketing the investment in real assets at reasonable sale prices based on the advice of active third-party sales professionals.

**Contributions and Other Receivables**

Promises to make contributions to the Organization that are communicated to the Organization prior to December 31, but which are received after December 31, are recorded as contributions receivable at the cash value of the contribution. The Organization generally does not receive multi-year promises to give. Management considers these receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If amounts become uncollectible, they will be charged to operations when that determination is made.

**Contributed Nonfinancial Assets**

Contributed nonfinancial assets consist of in-kind gifts of real estate, equipment, and commodities. These are recorded at their estimated fair market value on the date of receipt through an appraisal or actual sales price. For the year ended December 31, 2023, real estate contributions were \$2,305,852, equipment contributions totaled \$37,559, and contribution of livestock totaled \$31,855. For the year ended December 31, 2022, real estate contributions were \$1,463,675, and commodities were \$34,796. Contributed nonfinancial assets for charitable trusts are considered with donor restrictions, and all others are considered without donor restrictions. The proceeds from the sale of these assets are utilized for program activities of the Organization.

**Beneficial Interests in Trusts Held by Others**

The Organization is the beneficiary of perpetual and irrevocable trusts held by third parties. Under the terms of the trusts, the Organization has the irrevocable right to receive the income generated by the trust in perpetuity. The beneficial interest in the perpetual trusts is recorded at the fair value. Changes in the net assets of the trusts are recorded as gain or loss (change in value of trusts) on the statement of activities. Net assets and changes in the net assets are recorded with donor restrictions. Distributions received from these trusts are recorded as investment income without donor restrictions.

**THRIVENT CHARITABLE IMPACT & INVESTING**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Amounts Held for the Benefit of Others**

The Organization accepts cash and other financial assets from certain donors and agrees to use those assets on behalf of or transfer those assets to specified beneficiaries. The Organization maintains legal ownership and variance power of these funds and continues to report the funds as assets of the Organization. However, in accordance with accounting standards, a liability is recorded for the amounts held for the benefit of others at the value of the related assets.

**Gift Annuities and Charitable Remainder Trust Agreements**

Liabilities for gift annuities and charitable remainder trust agreements represent the actuarial present value of amounts from contributed assets due to the donor. Liabilities are valued based on mortality and interest assumptions according to tables established by the Internal Revenue Service (IRS) and are calculated in a manner consistent with the assumptions underlying the American Council on Gift Annuities rates in effect at the time of issuance. The liabilities are revalued using updated IRS assumptions as of December 31 each year. The impact of the revaluation is reflected as a component of the Change in Value of Split-Interest Agreements on the statements of activities and change in net assets. As of December 31, 2023 the Organization held assets in segregated accounts adequate to cover its charitable gift annuity liabilities.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Revenue and Revenue Recognition**

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is communicated or received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Administrative fee revenue and other miscellaneous income is recognized over time when the related services have been provided and earned.

**THRIVENT CHARITABLE IMPACT & INVESTING**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investment Income**

Net investment income is comprised of dividend and interest income, realized and unrealized gains and losses on investments, and investment expenses. Dividend and interest income are recorded when earned. Realized gains and losses are recorded at the time of sale for the amount of the difference between the sale price and the cost basis of the investment. Unrealized gains and losses are recorded for the change in the fair value of the securities which are still held as of year-end. Investment expenses are recorded as incurred.

**Functional Allocation of Expenses**

The costs of providing programs and services have been summarized on a functional basis. Accordingly, certain costs have been allocated between program and the supporting services benefitted. All costs are allocated on the basis of estimates of time and effort.

Grants made by the Organization are recorded as program expense at the time the recipient is notified. Other expenses are recognized when incurred. Certain expenses, such as compensation, other employee benefits, and space rental, are allocated among program, administrative, and fundraising expenses, as they are not directly attributable to those functions.

**Life Insurance Premiums**

Life insurance premiums relate to life insurance policies which have been absolutely assigned (donated) to the Organization. The Organization is the beneficiary of those policies and at the time of absolute assignment, the Organization becomes the owner of those policies. The donors continue to make the policy premium payments. Income is recorded when the policy premiums are contributed, and a corresponding expense is recorded to premiums on life insurance contracts.

**Income Taxes**

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and only unrelated business income is subject to federal and state income tax. The Organization is a nonprivate foundation and contributions to the Organization qualify as a charitable tax deduction by the contributor.

The Organization follows the accounting standards for contingencies in evaluating uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the Organization due to the implementation of this standard. The Organization's tax returns are subject to review and examination by federal and state authorities.

**THRIVENT CHARITABLE IMPACT & INVESTING**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurements**

The Organization reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

*Level 1* – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

*Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

*Level 3* – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of the Organization's investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values. The fair values of beneficial interests in charitable trusts are determined by us using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and are based on the fair values of trust investments as reported by the trustees. These are considered to be Level 3 measurements.

**THRIVENT CHARITABLE IMPACT & INVESTING  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurements (Continued)**

The Organization uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

**Reclassifications**

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. The reclassifications had no effect on the change in net assets or total net assets as previously reported.

**Subsequent Events**

The Organization has evaluated events and transactions for potential recognition or disclosure in these financial statements through May 20, 2024, the date the financial statements were available to be issued. There were no subsequent events or transactions which required recognition or disclosure.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

Financial assets available for grants and general expenditure within one year of the statement of financial position date are comprised of the following at December 31:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 15,839,573	\$ 20,450,123
Investments, Short-Term and Liquid	504,998,984	442,110,102
Pledges, Notes, and Other Receivables	2,549,166	3,134,311
Total	<u>\$ 523,387,723</u>	<u>\$ 465,694,536</u>

The investment balance includes assets held at Level 1 and Level 2 including cash held for investing purposes. Donor funds are generally either permanent (endowed) or nonpermanent. Nonpermanent funds may be granted out at any time, subject to terms of the fund agreement and approval by the board of directors.

The Organization generally uses the assets held for donor advised funds for grantmaking based on donor recommendations although those funds are not donor-restricted.



**THRIVENT CHARITABLE IMPACT & INVESTING  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)**

The Organization's core operations are funded primarily through asset-based administrative fees on the charitable funds under management, calculated as a percentage of market value. The Organization has established operating reserves to support operations during periods of market volatility, when administrative fees may fall short of budgeted expectations. Operating reserves of \$11,307,978 and \$4,023,432 at December 31, 2023 and 2022, respectively, are included in the amounts above and are invested in the Organization's multi-asset pool.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to become available as its awarded grants, general expenditures, liabilities and other obligations become due. The Organization invests cash in excess of daily requirements in money markets, sweep accounts, certificates of deposit, and short-term investments.

**NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are held in trust by the Organization. During the life of the trust, the Organization, as trustee, makes payments to the income beneficiary/beneficiaries. Trust termination occurs upon death of the income beneficiary/beneficiaries or in accordance with the trust agreement. Upon trust termination, the restriction is lifted on the Organization's use of principal and income remaining in accordance with the trust agreement. In each taxable year of the trusts until trust termination, the Organization will make payments to the income beneficiary/beneficiaries in an amount determined in accordance with the trust agreement, generally a percentage of the net fair market value of the assets of each trust valued as of the first day of each taxable year or the original date of the gift for unitrusts or annuity trusts, respectively. Net assets with donor restrictions shown in the statements of financial position and above are net of a related liability to income beneficiary/beneficiaries of \$31,787,224 and \$24,998,835 at December 31, 2023 and 2022, respectively.

Net assets with donor restrictions consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Charitable Remainder Trust Agreements	\$ 31,520,168	\$ 27,763,245
Beneficial Interest in Trusts Held by Others	1,545,098	520,751
Real Estate Remainder Interest in Trust	214,481	164,256
Total	<u>\$ 33,279,747</u>	<u>\$ 28,448,252</u>

**THRIVENT CHARITABLE IMPACT & INVESTING**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 5 INVESTMENTS**

Investments in mutual and other investment funds, common stocks, and fixed income investments are comprised of the following at December 31:

	<u>2023</u>	<u>2022</u>
Mutual Funds:		
Large Cap Equities	\$ 270,058,559	\$ 246,885,409
Mid Cap Equities	32,398,464	28,113,048
Small Cap Equities	9,790,723	8,865,460
Marketable Alternatives	800,356	1,279,207
Fixed Income	<u>73,474,287</u>	<u>79,714,605</u>
Total Mutual Funds	386,522,389	364,857,729
Common Stocks:		
Large Cap Stocks	20,113,570	12,396,858
Mid Cap Stocks	5,650,331	4,281,725
Small Cap Stocks	<u>11,530,853</u>	<u>9,697,669</u>
Total Common Stocks	37,294,754	26,376,252
Fixed Income Investments:		
U.S. Treasury Notes	11,926,231	8,952,065
Corporate Bonds	5,620,615	3,973,201
Municipal Bonds	2,802,155	1,758,984
Certificate of Deposit	<u>130,444</u>	<u>100,000</u>
Total Fixed Income Investments	20,479,445	14,784,250
Trusts Held by Others	1,545,098	520,751
Closely-Held Stock at Cost	10,222,503	4,212,336
Other Investment Funds	194,288,947	167,770,812
Cash and Cash Equivalents	<u>60,702,396</u>	<u>36,091,871</u>
Total Investments	<u>\$ 711,055,532</u>	<u>\$ 614,614,001</u>

**THRIVENT CHARITABLE IMPACT & INVESTING**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 6 FAIR VALUE OF FINANCIAL INSTRUMENTS**

The carrying value and estimated fair value of the Organization's financial instruments carried at fair value as of December 31 were as follows:

	2023			Total
	Level 1	Level 2	Level 3	
Investments and Assets at Fair Value:				
Mutual Funds:				
Large Cap Equities	\$ 270,058,559	\$ -	\$ -	\$ 270,058,559
Mid Cap Equities	32,398,464	-	-	32,398,464
Small Cap Equities	9,790,723	-	-	9,790,723
Marketable Alternatives	800,356	-	-	800,356
Fixed Income	73,474,287	-	-	73,474,287
Common Stocks:				
Large Cap Stocks	20,113,570	-	-	20,113,570
Mid Cap Stocks	5,650,331	-	-	5,650,331
Small Cap Stocks	11,530,853	-	-	11,530,853
Fixed Income Investments:				
U.S. Treasury Notes	11,926,231	-	-	11,926,231
Corporate Bonds	-	5,620,615	-	5,620,615
Municipal Bonds	-	2,802,155	-	2,802,155
Certificate of Deposit	-	130,444	-	130,444
Closely-Held Stock	-	-	-	-
Trusts Held by Others	-	-	1,545,098	1,545,098
Total	<u>\$ 435,743,374</u>	<u>\$ 8,553,214</u>	<u>\$ 1,545,098</u>	445,841,686
				194,288,947
				Closely-Held Stock at Cost 10,222,503
				Cash and Equivalents 60,702,396
				<u>Total Investments \$ 711,055,532</u>

**THRIVENT CHARITABLE IMPACT & INVESTING  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 6 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

	2022			
	Level 1	Level 2	Level 3	Total
Investments and Assets at Fair Value:				
Mutual Funds:				
Large Cap Equities	\$ 246,885,409	\$ -	\$ -	\$ 246,885,409
Mid Cap Equities	28,113,048	-	-	28,113,048
Small Cap Equities	8,865,460	-	-	8,865,460
Marketable Alternatives	1,279,207	-	-	1,279,207
Fixed Income	79,714,605	-	-	79,714,605
Common Stocks:				
Large Cap Stocks	12,396,858	-	-	12,396,858
Mid Cap Stocks	4,281,725	-	-	4,281,725
Small Cap Stocks	9,697,669	-	-	9,697,669
Fixed Income Investments:				
U.S. Treasury Notes	8,952,065	-	-	8,952,065
Corporate Bonds	-	3,973,201	-	3,973,201
Municipal Bonds	-	1,758,984	-	1,758,984
Certificate of Deposit	-	100,000	-	100,000
Perpetual Trust	-	-	520,751	520,751
Total	<u>\$ 400,186,046</u>	<u>\$ 5,832,185</u>	<u>\$ 520,751</u>	406,538,982
			Investments Measured at Net Asset Value or its Equivalent	167,770,812
			Closely-Held Stock at Cost	4,212,336
			Cash and Equivalents	36,091,871
			Total Investments	<u>\$ 614,614,001</u>

There were no significant transfers into or out of Level 1 or Level 2 in 2023 and 2022. Transfers between fair value hierarchy levels are recognized at the date of the event or change in circumstance that caused the transfer.

**Level 3 Rollforward**

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31:

	Beneficial Interest in Trusts
Balance - December 31, 2021	\$ 650,325
Contributions of Investments	-
Investment Return, Net	(129,574)
Balance - December 31, 2022	<u>520,751</u>
Balance - December 31, 2022	
Contributions of Investments	1,089,801
Change in Value	(112,214)
Investment Return, Net	46,760
Distributions	-
Balance - December 31, 2023	<u>\$ 1,545,098</u>

**THRIVENT CHARITABLE IMPACT & INVESTING  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 6 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

**Level 3 Rollforward (Continued)**

The following tables describe the valuation techniques used to calculate fair value for assets in Level 3. There was no change in valuation techniques and related inputs from the prior year.

Quantitative Information About Level 3 Fair Value Measurements			
Type of Assets	Fair Value at December 31, 2023	Principal Valuation Technique	Unobservable Inputs
Beneficial Interest in Perpetual Trust	\$ 567,511	FMV of Trust Investments	Amount and Timing of Future Distributions
Beneficial Interest in Living Trust	977,587	FMV of Assets	Appraised Value of Underlying Assets

Quantitative Information About Level 3 Fair Value Measurements			
Type of Assets	Fair Value at December 31, 2022	Principal Valuation Technique	Unobservable Inputs
Beneficial Interest in Perpetual Trust	\$ 520,751	FMV of Trust Investments	Amount and Timing of Future Distributions

**Investments in Entities that Calculate Net Asset Value Per Share (or its Equivalent)**

The following tables include information related to investments in certain other invested assets whose fair value is measured on a recurring basis using the net asset value (NAV) per share as an expedient to measure fair value.

	Net Asset Value 2023	Unfunded Commitments at December 31, 2023	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Global Equities Collective Funds	\$ 13,591,073	\$ -	Quarterly	90 Days
Global Equities Collective Funds	85,309,736	-	Monthly	5 to 15 Days
Emerging Market Equities Collective Funds	16,273,377	-	Quarterly	90 Days
Emerging Market Equities Collective Funds	7,974,304	-	Monthly	10 to 60 Days
Fixed Income Collective Fund	13,592,781	-	Monthly	30 Days
Hedge Funds	7,218,723	-	Monthly	3 to 30 Days
Hedge Funds	22,754,311	-	Quarterly	60 Days
Hedge Funds	2,848,942	-	Annually	90 Days
Private Equity	24,418,886	19,757,205	N/A	N/A
REIT	306,814	-	N/A	N/A
Total	\$ 194,288,947	\$ 19,757,205		

**THRIVENT CHARITABLE IMPACT & INVESTING  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 6 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

**Investments in Entities that Calculate Net Asset Value Per Share (or its Equivalent)  
(Continued)**

	Net Asset Value 2022	Unfunded Commitments at December 31, 2022	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Global Equities Collective Funds	\$ 19,330,172	\$ -	Quarterly	90 Days
Global Equities Collective Funds	63,932,301	-	Monthly	5 to 15 Days
Emerging Market Equities Collective Funds	15,325,176	-	Quarterly	90 Days
Emerging Market Equities Collective Funds	6,567,337	-	Monthly	10 to 60 Days
Fixed Income Collective Fund	10,846,328	-	Monthly	30 Days
Hedge Funds	6,353,852	-	Monthly	3 to 30 Days
Hedge Funds	21,458,365	-	Quarterly	60 Days
Hedge Funds	3,664,243	-	Annually	90 Days
Private Equity	20,001,850	13,067,072	N/A	N/A
REIT	291,188	-	N/A	N/A
Total	<u>\$ 167,770,812</u>	<u>\$ 13,067,072</u>		

Global Equities and Emerging Market Equities Collective Funds includes investments in funds that are invested in international developed and emerging markets common stocks. The unobservable inputs used to determine the fair value of the equity collective funds are based on quoted market prices for the underlying securities which comprise the net asset value of the collective fund. The funds provide full disclosure of the underlying holdings, whereby the Organization is able to verify its account balances.

Fixed Income Collective Funds includes investments in a diversified fixed income product that provides both financial return and positive economic and social impact. The investable universe is comprised of U.S. small businesses that have passed through a loan underwriting process and aims to construct a balanced investment portfolio of high-yield, short duration fixed income assets diversified by loan, sector, and geography.

The unobservable inputs used to determine the fair value of the fixed income collective funds are based on quoted market prices for the underlying securities which comprise the net asset value of the collective fund. The funds provide full disclosure of the underlying holdings, whereby the Organization is able to verify its account balances.

Hedge Funds are invested primarily in a diversified portfolio of directly originated loan investments, distressed corporate and mortgage bonds, long/short credit, long/short equity, global macro, event driven, and other strategies. The unobservable inputs used to determine the fair value of the fund of hedge funds in this category has been estimated using the net asset value per share of the investments.

Private Equity funds includes investments in venture capital, buy-outs, U.S. private equity, growth equity, and natural resources. The unobservable inputs used to determine the fair value of the fund of private equity funds and direct investments has been estimated based on the capital account balances reported by underlying partnerships subject to the private equity funds' management review and judgment.

**THRIVENT CHARITABLE IMPACT & INVESTING  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 7 RELATED PARTY TRANSACTIONS**

Effective January 1, 2021, the Organization entered into a master services agreement with Thrivent Financial for Lutherans for personnel, management, and administrative support, as well as occupancy and office expenses. The Organization reimbursed Thrivent Financial for Lutherans for services provided to the Organization for expenses totaling \$4,524,146 and \$3,720,291 for the years ended December 31, 2023 and 2022, respectively. Financial representatives of Thrivent Financial for Lutherans are involved in the generation of contributions to the Organization. Additionally, the Organization invests in Thrivent Mutual Funds advised by and held by Thrivent Asset Management, LLC and Thrivent Investment Management, Inc., wholly owned subsidiaries of Thrivent Financial for Lutherans. These investments equate to approximately 52% and 54% of total investments at December 31, 2023 and 2022, respectively.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.