

Central Illinois District, LCMS
Church Extension Fund Convention
July 6, 2009

President's Report

I humbly ask my Lord to bless each of you as you prepare yourselves for this Convention. He has promised to provide if we ask. So be it, Lord, according to your promise.

This is the Central Illinois District Church Extension Fund's (CID CEF) fifth convention since it was organized on January 1, 1995.

Dave Rohe and Susan Bachmann continue as very capable CEF staff. We run very efficiently with very low overhead.

We have continued the "Mission Grants" program begun in 1999. In the past three years grants have been approved for a number of projects.

At each meeting of the Board of Trustees, interest rates on investments are reviewed with local banking institutions. Loan applications from CID congregations and RSOs are considered. The status of loans outstanding is reviewed. Mortgage rates are reviewed and compared with the local market. As of December 31, 2008 an interest rebate of \$150,000 was approved and recorded. This was distributed to each congregation with a loan, in proportion to interest paid in 2008. We have provided an interest rebate for the past three years.

In 2005, a bequest was received for \$331,300. The CEF Board shared a portion with the CID. Through Board Grants, we used the interest earned in building Christ's kingdom in Central Illinois. We intend to continue this practice. Income from this Board restricted gift will and has been used for special projects within the CID and Synod. Most particularly, the Board made a grant to LCMS World Relief and Human Care for the purchase of an historic building in Wittenberg Germany which will be used for a Welcome Center and outreach into the community. Other grants have been made to the CID for work within the district that are outside their budget.

CEF has made loans of over \$8.3 million in the three years since the last convention. All of our non-loan investments are in Jumbo CDs (FDIC Insured), Local Bank CDs (FDIC Insured), and the Lutheran Church Extension Fund in St. Louis. We have stayed safe in our investments and have not taken unnecessary risk.

Our Capital Ratio is 18.3%. The LCMS Board for Church Extension Guideline is at least 11% and the NASAA Guideline is at least 5%, so we are very well capitalized.

We do not have any loans that are 90 days or more delinquent. This is due to sound underwriting of the loans and the sound manner in which the CID churches manage their budgets.

We have maintained good Net Income, which allows us to maintain and grow our capital. The Net Income numbers are net after the \$150,000 interest rebate that was given to the CEF borrowers. In addition to the interest rebates, we have made Board Designated Grants totaling over \$250,000 in the last three years.

Your CID CEF is very sound financially. We are well positioned to continue on with our mission of financing capital purchases and construction in the district, as well as give back through the Board Grants. We try to keep our deposit rates competitive in the market place, and our loan rates are very competitive.

We would like to have a CEF Representative in every CID congregation to be our “voice” in the congregations. Dave Rohe will be working within the District to get the representatives established. These representatives will help communicate our deposit and loan rates. As we get new loan requests, we will need new deposits to fund these loans. We want congregations to know that the CEF is a safe institution with competitive rates to invest their funds.

Over the years, our Lord has blessed our Church Extension with Trustees who have the wonderful ability to work together and have the expertise to cover the complexity of the operation. Thank you, Lord for giving our District such individuals.

In summary, your CEF is very sound financially. Your money is at work building God’s Kingdom in the CID.

As we have said in the past, all that we are and have comes from our Lord. Thank you Lord, for Your Spirit working in each of us.

Kim Kleinschmidt
President
CEF Board of Trustees