

**THRIVENT CHARITABLE IMPACT & INVESTING  
FKA: INFAITH COMMUNITY FOUNDATION**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2020 AND 2019**



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

**WEALTH ADVISORY  
OUTSOURCING  
AUDIT, TAX, AND  
CONSULTING**

**THRIVENT CHARITABLE IMPACT & INVESTING  
FKA: INFAITH COMMUNITY FOUNDATION  
TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

<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  
fka: InFaith Community Foundation  
Minneapolis, Minnesota

We have audited the accompanying financial statements of Thrivent Charitable Impact & Investing, fka: InFaith Community Foundation, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility 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; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management and Board of Directors  
Thrivent Charitable Impact & Investing  
fka: InFaith Community Foundation

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thrivent Charitable Impact & Investing, fka: InFaith Community Foundation as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
May 5, 2021

**THRIVENT CHARITABLE IMPACT & INVESTING  
FKA: INFAITH COMMUNITY FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019**

<b>ASSETS</b>	2020	2019
Cash and Cash Equivalents	\$ 40,702,056	\$ 36,860,338
Investments	580,222,343	424,058,460
Loans	306,738	820,620
Life Insurance and Annuity Contracts	60,026,919	56,865,100
Real Assets Held for Sale	3,345,900	1,335,700
Due from Brokers and Other	743,782	858,673
Contributions and Other Receivables	5,995,716	3,054,978
Beneficial Interests in Trust Held by Others	653,365	56,542
Prepaid Expenses	14,219	26,265
Total Assets	\$ 692,011,038	\$ 523,936,676
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 353,271	\$ 299,346
Amounts Held for the Benefit of Others	70,938,282	67,798,326
Gift Annuities	26,052,559	26,312,670
Charitable Remainder Trust Agreements	27,204,014	24,333,667
Retained Life Estates	36,588	33,579
Total Liabilities	124,584,714	118,777,588
<b>NET ASSETS</b>		
Without Donor Restrictions	535,053,920	375,958,857
With Donor Restrictions	32,372,404	29,200,231
Total Net Assets	567,426,324	405,159,088
Total Liabilities and Net Assets	\$ 692,011,038	\$ 523,936,676

See accompanying Notes to Financial Statements.

**THRIVENT CHARITABLE IMPACT & INVESTING  
FKA: INFAITH COMMUNITY FOUNDATION  
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>			
Contributions	\$ 150,477,102	\$ 2,663,046	\$ 153,140,148
Net Investment Income	51,252,054	7,445,907	58,697,961
Change in Cash Surrender Value of Life Insurance Contracts	5,882,367	-	5,882,367
Change in Value of Split-Interest Agreements	(1,895,967)	(3,032,871)	(4,928,838)
Change in Value of Perpetual Trust	-	20,613	20,613
Miscellaneous Income (Loss)	743,446	-	743,446
<b>Total Revenue, Gains, and Other Support</b>	<u>206,459,002</u>	<u>7,096,695</u>	<u>213,555,697</u>
<b>EXPENSES</b>			
Programs	41,446,934	-	41,446,934
Administrative	2,565,684	-	2,565,684
Fundraising	1,026,152	-	1,026,152
Premiums on Life Insurance Contracts	6,249,691	-	6,249,691
<b>Total Expenses</b>	<u>51,288,461</u>	<u>-</u>	<u>51,288,461</u>
<b>CHANGE IN NET ASSETS</b>	155,170,541	7,096,695	162,267,236
Net Assets Released from Restriction	3,924,522	(3,924,522)	-
Net Assets - Beginning of Year	<u>375,958,857</u>	<u>29,200,231</u>	<u>405,159,088</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 535,053,920</u>	<u>\$ 32,372,404</u>	<u>\$ 567,426,324</u>

See accompanying Notes to Financial Statements.

**THRIVENT CHARITABLE IMPACT & INVESTING**  
**FKA: INFAITH COMMUNITY FOUNDATION**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>			
Contributions	\$ 66,086,207	\$ 1,077,423	\$ 67,163,630
Net Investment Income	45,093,891	8,210,348	53,304,239
Change in Cash Surrender Value of Life Insurance Contracts	5,067,959	-	5,067,959
Change in Value of Split-Interest Agreements	(1,517,273)	(3,848,763)	(5,366,036)
Miscellaneous Income (Loss)	1,207,679	(410,722)	796,957
Total Revenue, Gains, and Other Support	115,938,463	5,028,286	120,966,749
<b>EXPENSES</b>			
Programs	31,747,240	-	31,747,240
Administrative	2,685,301	-	2,685,301
Fundraising	1,082,010	-	1,082,010
Initiatives	90,301	-	90,301
Premiums on Life Insurance Contracts	5,555,061	-	5,555,061
Total Expenses	41,159,913	-	41,159,913
<b>CHANGE IN NET ASSETS</b>	74,778,550	5,028,286	79,806,836
Net Assets Released from Restriction	675,846	(675,846)	-
Net Assets - Beginning of Year	300,504,461	24,847,791	325,352,252
<b>NET ASSETS - END OF YEAR</b>	\$ 375,958,857	\$ 29,200,231	\$ 405,159,088

See accompanying Notes to Financial Statements.

**THRIVENT CHARITABLE IMPACT & INVESTING  
FKA: INFAITH COMMUNITY FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2020**

	Program Services	Management and General	Fundraising	Total Expenses
Operating Expenses:				
Grants	\$ 41,137,990	\$ -	\$ -	\$ 41,137,990
Compensation and Benefits	204,135	1,858,595	788,313	2,851,043
Information Technology	35,470	239,097	80,492	355,059
Outside Services	31,584	212,898	71,672	316,154
Travel	6,186	41,701	14,038	61,925
Marketing and Communications	4,310	29,055	9,781	43,146
Occupancy	2,511	16,925	5,698	25,134
Special Projects	1,071	7,217	2,430	10,718
Dues and Memberships	757	5,100	1,717	7,574
Legal	9,569	64,500	21,714	95,783
Liability Insurance	2,840	19,144	6,445	28,429
Supplies and Office Expense	2,082	14,033	4,724	20,839
Postage	1,932	13,024	4,385	19,341
Fees and Filings	1,478	9,963	3,354	14,795
Other	5,019	34,432	11,389	50,840
Total Operating Expenses	<u>\$ 41,446,934</u>	<u>\$ 2,565,684</u>	<u>\$ 1,026,152</u>	<u>\$ 45,038,770</u>

See accompanying Notes to Financial Statements.



**THRIVENT CHARITABLE IMPACT & INVESTING  
FKA: INFAITH COMMUNITY FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2019**

	Program Services	Management and General	Fundraising	Total Expenses
Operating Expenses:				
Grants	\$ 31,423,988	\$ -	\$ -	\$ 31,423,988
Compensation and Benefits	208,288	1,896,409	804,352	2,909,049
Information Technology	30,511	205,670	69,239	305,420
Outside Services	29,388	198,097	66,689	294,174
Travel	19,873	133,958	45,097	198,928
Marketing and Communications	12,691	85,550	28,800	127,041
Occupancy	9,107	61,386	20,665	91,158
Special Projects	9,021	60,809	20,471	90,301
Dues and Memberships	3,921	26,434	8,899	39,254
Legal	986	6,644	2,237	9,867
Liability Insurance	2,790	18,806	6,331	27,927
Supplies and Office Expense	1,059	7,139	19,178	27,376
Postage	2,136	14,396	4,847	21,379
Fees and Filings	1,073	7,233	2,435	10,741
Other	1,429	23,579	3,241	28,249
Total Operating Expenses	<u>\$ 31,756,261</u>	<u>\$ 2,746,110</u>	<u>\$ 1,102,481</u>	<u>\$ 35,604,852</u>

See accompanying Notes to Financial Statements.

**THRIVENT CHARITABLE IMPACT & INVESTING  
FKA: INFAITH COMMUNITY FOUNDATION  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 162,267,236	\$ 79,806,836
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Net Realized and Unrealized (Gain) Losses on Investments	(46,093,469)	(47,075,252)
Contribution of Investments	(96,341,949)	(35,094,901)
Other Forms of Contributions	(4,623,460)	(3,712,066)
Contributions for Charitable Remainder Trust Agreements	(3,308,989)	(1,077,423)
Change in Real Assets Held for Sale	284,128	338,240
Change in Cash Surrender Value of Life Insurance Contracts and Annuities	(3,058,149)	(5,137,652)
Changes in Assets and Liabilities:		
Due from Brokers and Others	114,891	(162,695)
Contributions and Other Receivables	(2,940,738)	(1,190,497)
Beneficial Interest in Trust Held by Others	28,507	48,252
Prepaid General Expenses	12,046	1,716
Accounts Payable	53,925	120,647
Amounts Held for the Benefit of Others	3,139,956	10,845,192
Gift Annuities	(260,111)	77,316
Charitable Remainder Trust Agreements	2,870,347	2,794,813
Retained Life Estate	3,009	(19,899)
Net Cash Provided by Operating Activities	12,147,180	562,627
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(220,504,616)	(142,035,418)
Proceeds from Sale of Investments	209,515,495	139,901,759
Net Cash Used by Investing Activities	(10,989,121)	(2,133,659)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Contributions Restricted for Charitable Remainder Trust Agreements	2,683,659	1,077,423
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,841,718	(493,609)
Cash and Cash Equivalents - Beginning of Year	36,860,338	37,353,947
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 40,702,056	\$ 36,860,338

See accompanying Notes to Financial Statements.

**THRIVENT CHARITABLE IMPACT & INVESTING  
FKA: INFAITH COMMUNITY FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 1 ORGANIZATION**

**Organization**

Thrivent Charitable Impact & Investing, fka: InFaith Community Foundation (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 on December 22, 1994, was organized on April 1, 1995, and began operations on September 11, 1995. Subsequent to year-end, in March 2021, the Organization legally changed its name to Thrivent Charitable Impact & Investing.

**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 debt instruments with an original maturity of three months or less to be cash equivalents.

**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 7 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  
FKA: INFAITH COMMUNITY FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

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

**Loans**

Loan investments are reflected at their outstanding principal balance due to the Organization. Interest payments are reflected in the statements of activities and change in net assets as a component of net investment income.

**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.

**Due from Brokers and Others**

Due from brokers and others represents receivable balances owed from brokers for investments that have been sold, or have matured, but have not yet settled.

**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.

**Beneficial Interests in Trusts Held by Others**

Beneficial interests in trusts held by others represent resources neither in the possession nor under the control of the Organization, but held and administered by outside fiscal agents, with the Organization deriving income from such funds and are reported at fair value. Fair values for beneficial interests in trusts held by others are based on the net present value of the future stream of payments receivable from a charitable lead annuity trust. Due to the short-term nature of the payments, the discount rate used is equal to the rate applicable on the date of the trust agreement.

**THRIVENT CHARITABLE IMPACT & INVESTING  
FKA: INFAITH COMMUNITY FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**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.

**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  
FKA: INFAITH COMMUNITY FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**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.

**Premiums on Life Insurance Contracts**

Premiums on life insurance contracts 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 insureds (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  
FKA: INFAITH COMMUNITY FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**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  
FKA: INFAITH COMMUNITY FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**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 2019 financial statement presentation to correspond to the current year format. Total assets, net assets and change in net assets were unchanged due to these reclassifications.

**Concentrations**

For the year ended December 31, 2020, the Organization received approximately 50% of their support from one source.

**Risks and Uncertainties**

The Coronavirus Disease 2019 (COVID-19) has recently affected global markets, supply chains, employees of companies, and our communities. As a result, COVID-19 may impact various parts of the Organization's 2021 operations and financial results. Management believes that the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated.

**Subsequent Events**

The Organization has evaluated events and transactions for potential recognition or disclosure in these combined financial statements through May 5, 2021, the date the financial statements were available to be issued.

**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>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 40,702,056	\$ 36,860,338
Investments, Short-Term and Liquid	392,213,805	231,048,487
Pledges, Notes, and Other Receivables	6,680,530	3,839,941
Total	<u>\$ 439,596,391</u>	<u>\$ 271,748,766</u>



**THRIVENT CHARITABLE IMPACT & INVESTING**  
**FKA: INFAITH COMMUNITY FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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

The assets above include donor funds subject to donor restrictions and recommendations as of December 31, 2020 and 2019. 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.

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 \$2,546,312 and \$2,177,765 at December 31, 2020 and 2019, 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 \$27,240,602 and \$24,394,195 at December 31, 2020 and 2019, respectively.

**THRIVENT CHARITABLE IMPACT & INVESTING**  
**FKA: INFAITH COMMUNITY FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

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

	<u>2020</u>	<u>2019</u>
Charitable Remainder Trust Agreements	\$ 31,587,148	\$ 29,080,865
Beneficial Interest in Perpetual Trust	645,944	-
Real Estate Remainder Interest in Trust	139,312	119,366
Total	<u>\$ 32,372,404</u>	<u>\$ 29,200,231</u>

**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>2020</u>	<u>2019</u>
Mutual Funds:		
Large Cap Equities	\$ 253,536,800	\$ 123,775,367
Mid Cap Equities	25,661,078	21,172,989
Small Cap Equities	8,711,861	8,892,830
Marketable Alternatives	101,715	5,462,707
Fixed Income	77,410,070	49,862,878
Total Mutual Funds	<u>365,421,524</u>	<u>209,166,771</u>
Common Stocks:		
Large Cap Stocks	9,183,191	5,588,674
Mid Cap Stocks	2,588,309	1,474,443
Small Cap Stocks	874,489	372,781
Total Common Stocks	<u>12,645,989</u>	<u>7,435,898</u>
Fixed Income Investments:		
U.S. Treasury Notes	6,284,099	8,133,045
Corporate Bonds	6,060,226	4,555,306
Municipal Bonds	1,701,967	1,484,414
Certificate of Deposit	100,000	51,353
Total Fixed Income Investments	<u>14,146,292</u>	<u>14,224,118</u>
Other Investment Funds	<u>188,008,538</u>	<u>193,231,673</u>
Total Investments	<u>\$ 580,222,343</u>	<u>\$ 424,058,460</u>

**THRIVENT CHARITABLE IMPACT & INVESTING  
FKA: INFAITH COMMUNITY FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 5 INVESTMENTS (CONTINUED)**

Investment income (loss) is comprised of the following for the years ended December 31:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Dividends and Interest Income	\$ 12,238,492	\$ 340,104	\$ 12,578,596
Net Realized Gain (Loss) on Investments	7,454,552	(439,148)	7,015,404
Net Unrealized Gain (Loss) on Investments	32,296,426	7,671,806	39,968,232
Investment Expenses	(737,416)	(126,855)	(864,271)
Total	\$ 51,252,054	\$ 7,445,907	\$ 58,697,961
	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Dividends and Interest Income	\$ 5,978,188	\$ 250,799	\$ 6,228,987
Net Realized Gain on Investments	2,871,798	201,607	3,073,405
Net Unrealized Gain (Loss) on Investments	37,234,105	7,881,007	45,115,112
Investment Expenses	(990,200)	(123,065)	(1,113,265)
Total	\$ 45,093,891	\$ 8,210,348	\$ 53,304,239

**NOTE 6 MANAGEMENT AND ADMINISTRATIVE CONTRACTS AND OTHERS**

The Organization reimbursed Thrivent Financial for Lutherans for certain management and administrative services provided to the Organization, including rent, IT services, postage, and other related expenses of \$218,074 and \$243,435 for the years ended December 31, 2020 and 2019, 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 58% and 46% of total investments at December 31, 2020 and 2019, respectively.

**THRIVENT CHARITABLE IMPACT & INVESTING  
FKA: INFAITH COMMUNITY FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 7 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:

	2020			
	Level 1	Level 2	Level 3	Total
Investments and Assets at Fair Value:				
Mutual Funds:				
Large Cap Equities	\$ 253,536,800	\$ -	\$ -	\$ 253,536,800
Mid Cap Equities	25,661,078	-	-	25,661,078
Small Cap Equities	8,711,861	-	-	8,711,861
Marketable Alternatives	101,715	-	-	101,715
Fixed Income	77,410,070	-	-	77,410,070
Common Stocks:				
Large Cap Stocks	9,183,191	-	-	9,183,191
Mid Cap Stocks	2,588,309	-	-	2,588,309
Small Cap Stocks	874,489	-	-	874,489
Fixed Income Investments:				
U.S. Treasury Notes	6,284,099	-	-	6,284,099
Corporate Bonds	-	6,060,226	-	6,060,226
Municipal Bonds	-	1,701,967	-	1,701,967
Certificate of Deposit	-	100,000	-	100,000
Perpetual Trust	-	-	645,944	645,944
Total	\$ 384,351,612	\$ 7,862,193	\$ 645,944	392,859,749
				Investments Measured at Net Asset Value or its Equivalent 188,008,538
				Total Investments \$ 580,868,287

	2019			
	Level 1	Level 2	Level 3	Total
Investments and Assets at Fair Value:				
Mutual Funds:				
Large Cap Equities	\$ 123,775,367	\$ -	\$ -	\$ 123,775,367
Mid Cap Equities	21,172,989	-	-	21,172,989
Small Cap Equities	8,892,830	-	-	8,892,830
Marketable Alternatives	5,462,707	-	-	5,462,707
Fixed Income	49,862,878	-	-	49,862,878
Common Stocks:				
Large Cap Stocks	5,588,674	-	-	5,588,674
Mid Cap Stocks	1,474,443	-	-	1,474,443
Small Cap Stocks	372,781	-	-	372,781
Fixed Income Investments:				
U.S. Treasury Notes	8,133,045	-	-	8,133,045
Corporate Bonds	-	4,555,306	-	4,555,306
Municipal Bonds	-	1,484,414	-	1,484,414
Foreign Bonds	-	51,353	-	51,353
Total	\$ 224,735,714	\$ 6,091,073	\$ -	230,826,787
				Investments Measured at Net Asset Value or its Equivalent 193,009,973
				Total Investments \$ 423,836,760

**THRIVENT CHARITABLE IMPACT & INVESTING  
FKA: INFAITH COMMUNITY FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 7 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

There were no significant transfers into or out of Level 1 or Level 2 in 2020 and 2019. 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 Perpetual Trusts
Balance at December 31, 2019	\$ -
Contributions of Investments	625,330
Investment Return, Net	20,614
Balance at December 31, 2020	\$ 645,944

**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 2020	Unfunded Commitments at December 31, 2020	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Global Equities Collective Funds	\$ 22,105,463	\$ -	Quarterly	90 Days
Global Equities Collective Funds	75,588,877	-	Monthly	5 to 15 Days
Emerging Market Equities Collective Funds	18,269,781	-	Quarterly	90 Days
Emerging Market Equities Collective Funds	6,890,881	-	Monthly	10 to 60 Days
Fixed Income Collective Fund	2,841,128	-	Monthly	30 Days
Hedge Funds	22,774,615	-	Monthly	3 to 30 Days
Hedge Funds	18,827,893	-	Quarterly	60 Days
Hedge Funds	17,008,665	-	Annually	90 Days
Private Equity	3,701,235	7,508,963	N/A	N/A
Total	\$ 188,008,538	\$ 7,508,963		

**THRIVENT CHARITABLE IMPACT & INVESTING  
FKA: INFAITH COMMUNITY FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 7 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

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

	Net Asset Value 2019	Unfunded Commitments at December 31, 2019	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Global Equities Collective Funds	\$ 18,135,035	\$ -	Quarterly	90 Days
Global Equities Collective Funds	84,478,268	-	Monthly	5 to 15 Days
Emerging Market Equities Collective Funds	15,379,598	-	Quarterly	90 Days
Emerging Market Equities Collective Funds	17,757,890	-	Monthly	10 to 60 Days
Fixed Income Collective Fund	1,760,231	-	Monthly	30 Days
Hedge Funds	26,082,698	-	Monthly	3 to 30 Days
Hedge Funds	14,444,481	-	Quarterly	60 Days
Hedge Funds	12,942,333	-	Annually	90 Days
Private Equity	2,029,439	5,996,031	N/A	N/A
Total	<u>\$ 193,009,973</u>	<u>\$ 5,996,031</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.

