

**THRIVENT CHARITABLE IMPACT & INVESTING
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**



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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, 2021 and 2020, 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, 2021 and 2020, 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.

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 13, 2022

**THRIVENT CHARITABLE IMPACT & INVESTING
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020**

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 27,134,751	\$ 16,655,838
Investments	709,567,542	604,268,561
Loans	306,738	306,738
Life Insurance Contracts	64,589,826	60,026,919
Real Assets Held for Sale	891,100	3,345,900
Due from Brokers and Other	1,042,596	743,782
Contributions and Other Receivables	5,519,563	5,995,716
Beneficial Interests in Trust Held by Others	650,325	653,365
Prepaid Expenses	6,412	14,219
Total Assets	\$ 809,708,853	\$ 692,011,038
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 1,105,119	\$ 353,271
Amounts Held for the Benefit of Others	79,360,448	70,938,282
Gift Annuities	25,455,802	26,052,559
Charitable Remainder Trust Agreements	30,576,172	27,204,014
Retained Life Estates	37,188	36,588
Total Liabilities	136,534,729	124,584,714
NET ASSETS		
Without Donor Restrictions	640,597,802	535,053,920
With Donor Restrictions	32,576,322	32,372,404
Total Net Assets	673,174,124	567,426,324
Total Liabilities and Net Assets	\$ 809,708,853	\$ 692,011,038

See accompanying Notes to Financial Statements.

**THRIVENT CHARITABLE IMPACT & INVESTING
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions	\$ 94,665,065	\$ 2,236,395	\$ 96,901,460
Net Investment Income	66,316,199	6,906,533	73,222,732
Change in Cash Surrender Value of Life Insurance Contracts	6,349,253	-	6,349,253
Change in Value of Split-Interest Agreements	(1,435,684)	(3,053,032)	(4,488,716)
Change in Value of Perpetual Trust	(43)	4,381	4,338
Miscellaneous Income (Loss)	2,828,353	(1,965,837)	862,516
Total Revenue, Gains, and Other Support	<u>168,723,143</u>	<u>4,128,440</u>	<u>172,851,583</u>
EXPENSES			
Programs	56,041,733	-	56,041,733
Administrative	3,420,801	-	3,420,801
Fundraising	1,363,877	-	1,363,877
Premiums on Life Insurance Contracts	6,277,372	-	6,277,372
Total Expenses	<u>67,103,783</u>	<u>-</u>	<u>67,103,783</u>
CHANGE IN NET ASSETS	101,619,360	4,128,440	105,747,800
Net Assets Released from Restriction	3,924,522	(3,924,522)	-
Net Assets - Beginning of Year	<u>535,053,920</u>	<u>32,372,404</u>	<u>567,426,324</u>
NET ASSETS - END OF YEAR	<u>\$ 640,597,802</u>	<u>\$ 32,576,322</u>	<u>\$ 673,174,124</u>

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT			
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	
Miscellaneous Income	743,446	-	743,446
Total Revenue, Gains, and Other Support	206,459,002	7,096,695	213,555,697
EXPENSES			
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
Total Expenses	51,288,461	-	51,288,461
CHANGE IN NET ASSETS	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	375,958,857	29,200,231	405,159,088
NET ASSETS - END OF YEAR	\$ 535,053,920	\$ 32,372,404	\$ 567,426,324

See accompanying Notes to Financial Statements.

**THRIVENT CHARITABLE IMPACT & INVESTING
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021**

	Program Services	Management and General	Fundraising	Total Expenses
Operating Expenses:				
Grants	\$ 55,627,664	\$ -	\$ -	\$ 55,627,664
Compensation and Benefits	266,404	2,425,546	1,028,783	3,720,733
Information Technology	50,381	339,608	114,329	504,318
Outside Services	57,337	386,497	130,115	573,949
Travel	4,602	31,018	10,442	46,062
Marketing and Communications	6,881	46,383	15,615	68,879
Occupancy	9,990	67,340	22,670	100,000
Special Projects	1,078	7,266	2,446	10,790
Dues and Memberships	2,813	18,962	6,384	28,159
Legal	6,444	43,434	14,622	64,500
Liability Insurance	1,507	10,161	3,421	15,089
Supplies and Office Expense	789	5,317	1,790	7,896
Postage	1,527	10,292	3,465	15,284
Fees and Filings	2,330	15,706	5,288	23,324
Other	1,986	13,271	4,507	19,764
Total Operating Expenses	<u>\$ 56,041,733</u>	<u>\$ 3,420,801</u>	<u>\$ 1,363,877</u>	<u>\$ 60,826,411</u>

See accompanying Notes to Financial Statements.

**THRIVENT CHARITABLE IMPACT & INVESTING
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
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 105,747,800	\$ 162,267,236
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Net Realized and Unrealized (Gain) Losses on Investments	(49,425,998)	(46,093,469)
Contribution of Investments	(43,283,777)	(96,341,949)
Other Forms of Contributions	(8,986,332)	(4,623,460)
Contributions for Charitable Remainder Trust Agreements	(3,308,989)	(3,308,989)
Change in Real Assets Held for Sale	(2,377,532)	284,128
Change in Cash Surrender Value of Life Insurance Contracts and Annuities	(4,459,237)	(3,058,149)
Changes in Operating Assets and Liabilities:		
Due from Brokers and Others	(298,814)	114,891
Contributions and Other Receivables	476,153	(2,940,738)
Beneficial Interest in Trust Held by Others	628,370	28,507
Prepaid General Expenses	7,807	12,046
Accounts Payable	751,848	53,925
Amounts Held for the Benefit of Others	8,422,166	3,139,956
Gift Annuities	(596,757)	(260,111)
Charitable Remainder Trust Agreements	3,372,158	2,870,347
Retained Life Estate	600	3,009
Net Cash Provided by Operating Activities	6,669,466	12,147,180
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(204,890,704)	(244,550,834)
Proceeds from Sale of Investments	206,016,492	209,515,495
Net Cash Provided (Used) by Investing Activities	1,125,788	(35,035,339)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Contributions Restricted for Charitable Remainder Trust Agreements	2,683,659	2,683,659
NET CHANGE IN CASH AND CASH EQUIVALENTS	10,478,913	(20,204,500)
Cash and Cash Equivalents - Beginning of Year	16,655,838	36,860,338
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 27,134,751	\$ 16,655,838

See accompanying Notes to Financial Statements.

THRIVENT CHARITABLE IMPACT & INVESTING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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 on 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 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
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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, 2021 AND 2020**

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 2020 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.

Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in these financial statements through May 13, 2022, 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>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 27,134,751	\$ 16,655,838
Investments, Short-Term and Liquid	495,731,950	416,260,023
Pledges, Notes, and Other Receivables	<u>6,517,933</u>	<u>6,680,530</u>
Total	<u>\$ 529,384,634</u>	<u>\$ 439,596,391</u>

THRIVENT CHARITABLE IMPACT & INVESTING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

The assets above include donor funds subject to donor restrictions and recommendations as of December 31, 2021 and 2020. 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 \$3,623,057 and \$2,546,312 at December 31, 2021 and 2020, 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 \$30,613,360 and \$27,240,602 at December 31, 2021 and 2020, respectively.

THRIVENT CHARITABLE IMPACT & INVESTING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

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

	<u>2021</u>	<u>2020</u>
Charitable Remainder Trust Agreements	\$ 31,788,066	\$ 31,587,148
Beneficial Interest in Perpetual Trust	645,944	645,944
Real Estate Remainder Interest in Trust	142,312	139,312
Total	<u>\$ 32,576,322</u>	<u>\$ 32,372,404</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>2021</u>	<u>2020</u>
Mutual Funds:		
Large Cap Equities	\$ 289,493,992	\$ 253,536,800
Mid Cap Equities	33,188,315	25,661,078
Small Cap Equities	9,505,105	8,711,861
Marketable Alternatives	372,983	101,715
Fixed Income	85,587,215	77,410,070
Total Mutual Funds	<u>418,147,610</u>	<u>365,421,524</u>
Common Stocks:		
Large Cap Stocks	11,594,262	9,183,191
Mid Cap Stocks	3,831,976	2,588,309
Small Cap Stocks	11,751,043	874,489
Total Common Stocks	<u>27,177,281</u>	<u>12,645,989</u>
Fixed Income Investments:		
U.S. Treasury Notes	6,870,809	6,284,099
Corporate Bonds	8,283,239	6,060,226
Municipal Bonds	1,789,966	1,701,967
Certificate of Deposit	100,000	100,000
Total Fixed Income Investments	<u>17,044,014</u>	<u>14,146,292</u>
Closely-Held Stock	3,635,544	-
Other Investment Funds	210,200,048	188,008,538
Cash and Cash Equivalents	<u>33,363,045</u>	<u>24,046,218</u>
Total Investments	<u>\$ 709,567,542</u>	<u>\$ 604,268,561</u>

THRIVENT CHARITABLE IMPACT & INVESTING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 5 INVESTMENTS (CONTINUED)

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

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Dividends and Interest Income	\$ 23,491,093	\$ 400,484	\$ 23,891,577
Net Realized Gain on Investments	8,616,202	652,230	9,268,432
Net Unrealized Gain on Investments	35,147,354	6,304,906	41,452,260
Investment Expenses	(938,450)	(451,087)	(1,389,537)
Total	\$ 66,316,199	\$ 6,906,533	\$ 73,222,732
	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 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

NOTE 6 MANAGEMENT AND ADMINISTRATIVE CONTRACTS AND OTHERS

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 \$3,504,659 and \$218,074 for the years ended December 31, 2021 and 2020, 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 53% and 58% of total investments at December 31, 2021 and 2020, respectively.

**THRIVENT CHARITABLE IMPACT & INVESTING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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:

	2021			Total
	Level 1	Level 2	Level 3	
Investments and Assets at Fair Value:				
Mutual Funds:				
Large Cap Equities	\$ 289,493,992	\$ -	\$ -	\$ 289,493,992
Mid Cap Equities	33,188,315	-	-	33,188,315
Small Cap Equities	9,505,105	-	-	9,505,105
Marketable Alternatives	372,983	-	-	372,983
Fixed Income	85,587,215	-	-	85,587,215
Common Stocks:				
Large Cap Stocks	11,594,262	-	-	11,594,262
Mid Cap Stocks	3,831,976	-	-	3,831,976
Small Cap Stocks	11,751,043	-	-	11,751,043
Fixed Income Investments:				
U.S. Treasury Notes	6,870,809	-	-	6,870,809
Corporate Bonds	-	8,283,239	-	8,283,239
Municipal Bonds	-	1,789,966	-	1,789,966
Certificate of Deposit	-	100,000	-	100,000
Closely-Held Stock	-	-	3,635,544	3,635,544
Perpetual Trust	-	-	650,325	650,325
Total	<u>\$ 452,195,700</u>	<u>\$ 10,173,205</u>	<u>\$ 4,285,869</u>	466,654,774
Investments Measured at Net Asset Value or its Equivalent				210,200,048
Cash and Equivalents				33,363,045
Total Investments				<u>\$ 676,854,822</u>
	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	<u>384,351,612</u>	<u>7,862,193</u>	<u>645,944</u>	392,859,749
Investments Measured at Net Asset Value or its Equivalent				188,008,538
Cash and Equivalents				24,046,218
Total Investments				<u>\$ 604,914,505</u>

**THRIVENT CHARITABLE IMPACT & INVESTING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 7 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

There were no significant transfers into or out of Level 1 or Level 2 in 2021 and 2020. 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	Closely-Held Stock
Balance at December 31, 2019	\$ -	\$ -
Contributions of Investments	625,330	-
Investment Return, Net	20,614	-
Balance at December 31, 2020	<u>645,944</u>	-
Contributions of Investments	-	3,635,544
Investment Return, Net	4,381	-
Balance at December 31, 2021	<u>\$ 650,325</u>	<u>\$ 3,635,544</u>

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, 2021	Principal Valuation Technique	Unobservable Inputs
Beneficial Interest in Perpetual Trust	<u>\$ 650,325</u>	FMV of Trust Investments	Amount and Timing of Future Distributions
Closely-Held Stock	<u>\$ 3,635,544</u>	FMV of Assets	Appraised Value of Underlying Assets

Quantitative Information About Level 3 Fair Value Measurements			
Type of Assets	Fair Value at December 31, 2020	Principal Valuation Technique	Unobservable Inputs
Beneficial Interest in Perpetual Trust	<u>\$ 645,944</u>	FMV of Trust Investments	Amount and Timing of Future Distributions

THRIVENT CHARITABLE IMPACT & INVESTING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 7 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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 2021	Unfunded Commitments at December 31, 2021	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Global Equities Collective Funds	\$ 26,539,891	\$ -	Quarterly	90 Days
Global Equities Collective Funds	87,825,000	-	Monthly	5 to 15 Days
Emerging Market Equities Collective Funds	18,413,724	-	Quarterly	90 Days
Emerging Market Equities Collective Funds	7,035,858	-	Monthly	10 to 60 Days
Fixed Income Collective Fund	10,085,832	-	Monthly	30 Days
Hedge Funds	4,410,875	-	Monthly	3 to 30 Days
Hedge Funds	21,604,295	-	Quarterly	60 Days
Hedge Funds	18,376,644	-	Annually	90 Days
Private Equity	15,737,819	10,291,342	N/A	N/A
REIT	170,110	-	N/A	N/A
Total	<u>\$ 210,200,048</u>	<u>\$ 10,291,342</u>		

	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	<u>\$ 188,008,538</u>	<u>\$ 7,508,963</u>		

Subsequent to December 31, 2021, an additional \$8.5 million in commitments have been made to fund additional investments at net asset value.

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.

**THRIVENT CHARITABLE IMPACT & INVESTING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 7 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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

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.

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