



Helping God's people support the ministries they love since 1965

An annual report to WELS members | 2023



Welcome from the director

DEAR FRIENDS,

When it finally came time for the weary Israelites to cross the Jordan River to enter the Promised Land, our 21st-century minds can only imagine what they were feeling. Exhaustion. Relief. Wonder. Perhaps above all, gratitude. Joshua 4:4-9 tells us the Israelites erected memorial stones by the Jordan River to remind themselves—and the generations not yet born—of the undeserved gift of God’s love.

God’s people today are not so different. They may not set up memorial stones, but they set up legacies of faith through planned gifts—gifts that support gospel work both now and after they are in heaven.

For many, they may never see the earthly benefits of their gifts. That’s why we are so privileged to assist believers in finding just

the right way to leave their legacy of faith to support the ministries they love.

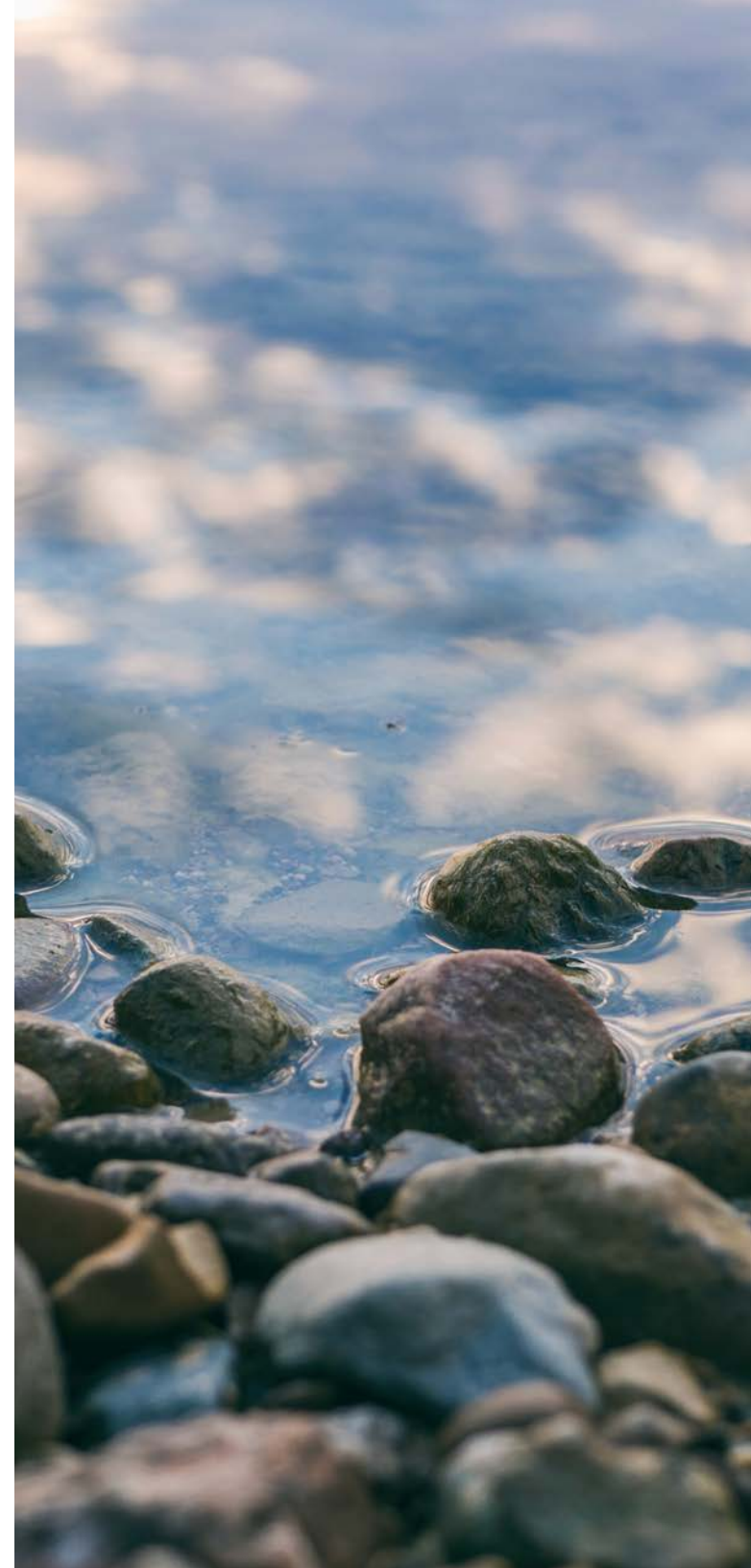
If WELS Foundation can ever serve you or your ministry, please reach out to me.

May you rest in the gift of God’s love!



A handwritten signature in cursive script that reads "James A. Holm".

MR. JAMES HOLM, CFP®
Executive Director, WELS Foundation
jim.holm@wels.net • 414-256-3206



GIFT SPOTLIGHT

Legacy charitable remainder trusts: a gift that lets you “give it twice”

What’s better than giving a gift once? Being able to give it twice, of course!

Legacy charitable remainder trusts have become a popular way for donors to provide for their children *and* ministry—allowing them to “give it twice.”

THE BENEFITS

Flexibility: Because the trust is funded after the Lord calls you home, you maintain control of your assets throughout your lifetime.

Provides for your heirs: Instead of leaving a one-time lump sum inheritance, you can provide an ongoing source of income for your heirs for up to 20 years.

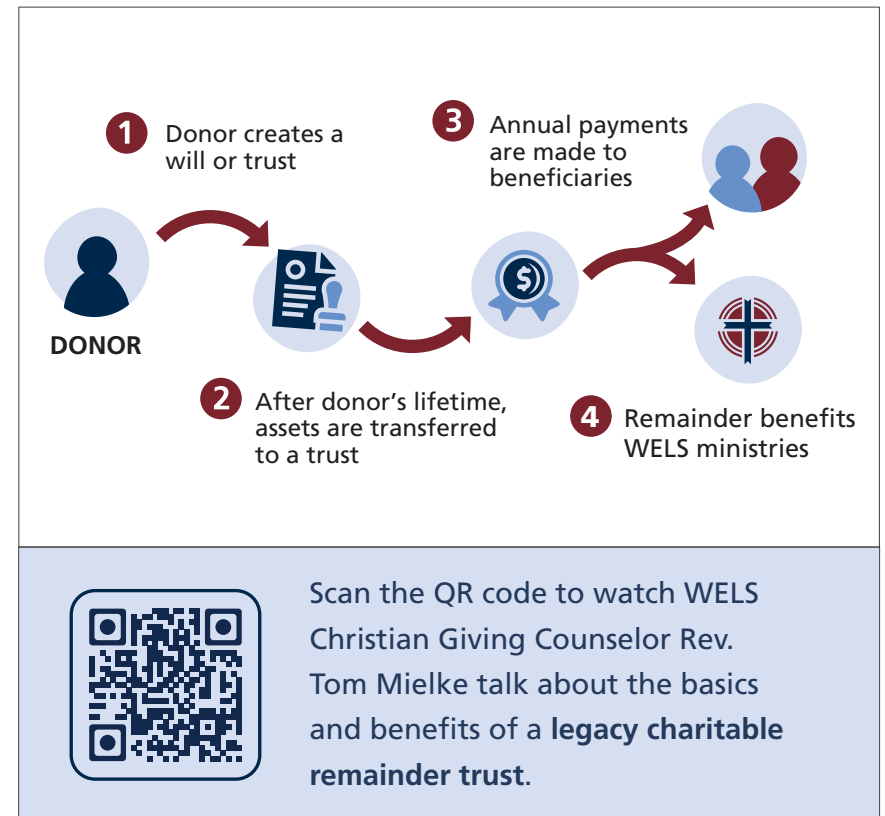
Tax savings: Funding the legacy trust from a tax-deferred retirement account may provide additional tax benefits. Rather than having to distribute an inherited IRA within 10 years, the IRA can be used via beneficiary designation to fund a legacy charitable remainder trust with a 20-year payout period.

A gift to ministry: At the end of the payout period, the trust remainder is distributed to the ministry (or ministries) of your choosing.

HOW WE CAN HELP

To get started, contact WELS Foundation or your local WELS Christian giving counselor. We can walk you through the process.

HOW IT WORKS



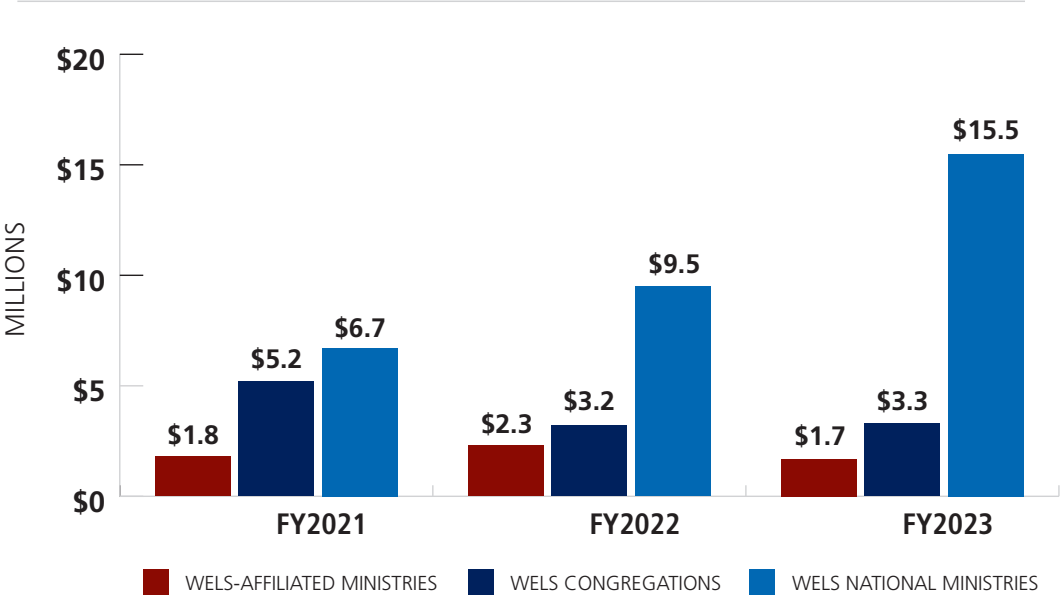
Generosity snapshot

Distribution to synod ministries

FY2021-FY2023

Over the last three years, WELS Foundation has been privileged to distribute **\$49.2 million in donor-directed gifts to various WELS ministries.**

BREAKDOWN BY YEAR



THREE-YEAR TOTALS



Scan the QR code to access our Helpful Giving Tools page or visit wels.net/helpful-giving-tools.

To learn more about ways to give, contact your WELS mission advancement representative or your local WELS Christian giving counselor:

- mcg@wels.net
- 800-827-5482
- wels.net/givingcounselors



Helpful tools to support you in giving

Letters of instruction

Letters of instruction make it easy to benefit the ministries of your choice.

YOU:

- List “WELS Foundation” as your charitable beneficiary.
- Can change your letter of instruction at any time, with no cost to you. Your WELS Christian giving counselor can help.

WELS FOUNDATION:

- Provides a letter of instruction to allocate a percentage of your gift to each of the WELS ministries of your choice.

Stock gifts

Donating appreciated securities like stocks to WELS Foundation provides great tax benefits.

YOU:

- Avoid paying capital gains tax.
- Enjoy the ease of having WELS Foundation handle the transaction.

WELS FOUNDATION:

- Can sell the stock without having to pay capital gains tax.
- Will give the proceeds to the ministry of your choice.

IRA charitable distributions

If you are 70.5 and older, you can support WELS ministries through your individual retirement account (IRA).

YOU:

- Give up to \$100,000 directly to WELS ministries from your IRA.
- Won't pay income tax on your gift.

WELS FOUNDATION:

- Can distribute the money to the WELS ministries of your choice, if you choose to direct your IRA distribution to WELS Foundation.
- Will give you the proper gift acknowledgment for income tax purposes.

Please note: This information is provided to give general gift and financial planning options and is not intended to be interpreted or relied upon as legal, tax, or financial advice. Before entering into a planned gift with any charity, the donor should seek professional legal, tax, and/or financial advice.

Charitable gift annuities: a gift that pays income for life

Did you know that there are charitable giving plans that will pay you supplemental retirement income for life? These charitable gift annuity plans are not new. In fact, they have been around since 1831. In addition to quarterly income payments for life, you can receive significant tax benefits from your charitable gift. Then when the Lord calls you home, the remainder of your gift will be distributed to the ministry or ministries of your choosing.

As of June 30, 2023, WELS Foundation administered 675 gift annuity contracts.

| | 2023 | 2022 | 2021 |
|--------------------------|----------------------|----------------------|----------------------|
| Opening Balance | \$ 12,023,202 | \$ 13,178,723 | \$ 10,589,564 |
| Gifts Received | 1,404,507 | 2,455,711 | 1,361,100 |
| Net Investment Income | 1,017,923 | (2,213,847) | 2,440,026 |
| Annuity Payments | (1,040,771) | (974,333) | (898,409) |
| Charitable Distributions | (181,948) | (423,052) | (313,558) |
| Ending Balance | \$ 13,222,913 | \$ 12,023,202 | \$ 13,178,723 |

HOW IT WORKS



Scan the QR code or visit wels.net/charitable-gift-annuity to learn more about charitable gift annuities.

Charitable remainder trusts: a tax-wise way of providing for children and church

Did you know that you can provide for yourself and your family while reducing taxes and supporting the ministries that you love? Charitable remainder trusts provide income to you for life and/or your children for up to 20 years, with the remainder going to support the ministries of your choice after you are in heaven.

As of June 30, 2023, WELS Foundation administered 120 charitable remainder trusts.

| | 2023 | 2022 | 2021 |
|--------------------------|----------------------|----------------------|----------------------|
| Opening Balance | \$ 25,332,872 | \$ 32,967,921 | \$ 29,327,639 |
| Gifts Received | 2,510,200 | 373,733 | 2,611,302 |
| Net Investment Income | 2,011,216 | (5,229,818) | 6,465,735 |
| Income Payments | (1,685,594) | (1,948,070) | (1,884,995) |
| Charitable Distributions | (1,139,257) | (830,894) | (3,551,760) |
| Ending Balance | \$ 27,029,437 | \$ 25,332,872 | \$ 32,967,921 |

HOW IT WORKS



Donor-advised funds: one-stop giving

Did you know there is an efficient and flexible way to establish an ongoing charitable legacy? Through a donor-advised fund, you can give a gift now, and recommend the ministries that benefit later. Your gift can also be divided among the ministries you care about, and you'll receive a single receipt for income tax purposes. In addition, you can involve family members in the joy of recommending the ministries that benefit from your gift.

As of June 30, 2023, WELS Foundation administered 83 donor-advised funds.

| | 2023 | 2022 | 2021 |
|--------------------------|---------------------|----------------------|---------------------|
| Opening Balance | \$ 10,227,310 | \$ 6,302,799 | \$ 4,816,911 |
| Gifts Received | 1,826,907 | 7,046,121 | 2,092,421 |
| Net Investment Income | 511,335 | (1,340,919) | 940,449 |
| Charitable Distributions | (7,163,830) | (1,780,691) | (1,546,982) |
| Ending Balance | \$ 5,401,722 | \$ 10,227,310 | \$ 6,302,799 |

HOW IT WORKS



Scan the QR code or visit wels.net/donor-advised-fund to learn more about donor-advised funds.

Endowments:

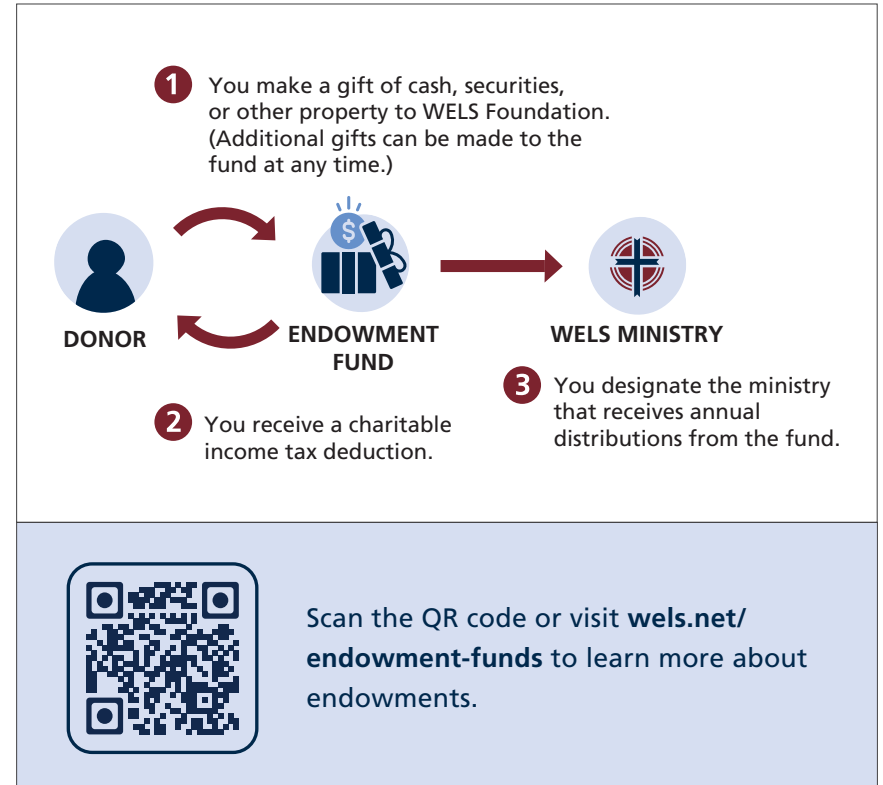
ongoing, dependable support for ministry

Did you know that there is a way to provide predictable annual support for the ministries that you care about, even after you are home in heaven? Endowments are an ideal way to leave a legacy of faith and also involve others in the joy of giving. They are easy to establish, and once established, they make steady annual distributions to ministry that increase as the fund grows. The benefits also increase as gifts are made to the endowment, either by you or others.

As of June 30, 2023, WELS Foundation administered 396 endowments.

| | 2023 | 2022 | 2021 |
|--------------------------|-----------------------|-----------------------|-----------------------|
| Opening Balance | \$ 111,692,068 | \$ 127,727,209 | \$ 95,737,782 |
| Gifts Received | 3,652,910 | 9,521,600 | 4,913,192 |
| Net Investment Income | 13,419,580 | (22,017,585) | 30,238,600 |
| Charitable Distributions | (8,424,797) | (3,539,156) | (3,162,365) |
| Ending Balance | \$ 120,339,761 | \$ 111,692,068 | \$ 127,727,209 |

HOW IT WORKS



Scan the QR code or visit wels.net/endowment-funds to learn more about endowments.

Financial summary

Summary financial information for the fiscal years ending June 30, 2023, 2022, and 2021.

All glory and honor to our gracious God for continuing to bless WELS Foundation!

| | AS OF JUNE 30, 2023 | AS OF JUNE 30, 2022 | AS OF JUNE 30, 2021 |
|--|------------------------|------------------------|------------------------|
| ASSETS | | | |
| Investments, cash, and cash equivalents | \$ 179,364,202 | \$ 172,363,194 | \$ 199,809,584 |
| Property held for sale, life insurance, bequest, and other receivables | 2,381,157 | 2,489,134 | 2,613,428 |
| Total Assets | \$ 181,745,359 | \$ 174,852,328 | \$ 202,423,012 |
| LIABILITIES AND NET ASSETS | | | |
| Accounts payable and accrued expenses | \$ 51,014 | \$ 70,070 | \$ 60,444 |
| Gift annuities and trusts payable | 22,283,311 | 21,728,977 | 25,160,980 |
| Liabilities to outside beneficiaries | 19,093,988 | 17,223,073 | 23,208,852 |
| Investments held for WELS and schools | 72,598,303 | 68,519,673 | 78,895,436 |
| Net assets and funds held for WELS and WELS subsidiaries | 67,718,743 | 67,310,535 | 75,097,300 |
| Total Liabilities and Net Assets | \$ 181,745,359 | \$ 174,852,328 | \$ 202,423,012 |
| SUPPORT AND REVENUES | | | |
| Gifts and bequests | \$ 4,154,188 | \$ 10,624,715 | \$ 6,102,575 |
| Net investment and rental income (loss) | 9,174,849 | (16,152,106) | 22,150,222 |
| Trustee and administrator fees | 673,820 | 750,869 | 728,214 |
| Net change in value of split-interest agreements | (1,652,298) | 3,888,208 | (5,547,806) |
| Total Support and Revenues | \$ 12,350,559 | \$ (888,314) | \$ 23,433,205 |
| DISTRIBUTIONS AND EXPENSES | | | |
| Administrative expenses | \$ 379,161 | \$ 375,903 | \$ 335,485 |
| Program expenses | 882,327 | 1,046,811 | 867,329 |
| Distributions to WELS and WELS subsidiaries ⁽¹⁾ | 10,680,863 | 5,475,737 | 5,695,765 |
| Total Distributions and Expenses | \$ 11,942,351 | \$ 6,898,451 | \$ 6,898,579 |
| CHANGE IN NET ASSETS | \$ 408,208 | \$ (7,786,765) | \$ 16,534,626 |
| NET ASSETS, BEGINNING OF YEAR | \$ 67,310,535 | \$ 75,097,300 | \$ 58,562,674 |
| NET ASSETS, END OF YEAR | \$ 67,718,743 | \$ 67,310,535 | \$ 75,097,300 |

⁽¹⁾Distributions to WELS and WELS subsidiaries does not include distributions to WELS congregations, WELS-affiliated ministries, or pass-through gifts managed by WELS Foundation. For a breakdown of all distributions managed by WELS Foundation, see p. 4.

Board of directors

The services of WELS Foundation are managed by a volunteer board of directors, who are elected to four-year terms by the WELS Synodical Council.

All directors are dedicated communicant members of WELS congregations—they know the grace of our Lord Jesus Christ and want to help their fellow believers honor our Savior with their gifts so more people come to know God’s salvation.

Board members



MARK MAURICE

Chairman

*term expires June 30, 2024
(Minnesota District)*



SCOTT NEITZEL

Director

*term expires June 30, 2027
(Western Wisconsin District)*



MARK SCHULZ

Vice Chairman

*term expires June 30, 2024
(Western Wisconsin District)*



JOHN PAHMEIER

Director

*term expires June 30, 2027
(Southeastern Wisconsin District)*



MIKE KRUEGER

Secretary

*term expires June 30, 2026
(Michigan District)*



DAVID WENDLAND

Director

*term expires June 30, 2027
(Northern Wisconsin District)*



REV. JONATHAN KOLANDER

Director

*term expires June 30, 2026
(Arizona-California District)*



KYLE EGAN

Ex-Officio Member

WELS Chief Financial Officer



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Find your local Christian giving counselor at **wels.net/givingcounselors**.