



**The Florida-Georgia District of the
Lutheran Church – Missouri Synod**

FINANCIAL STATEMENTS

January 31, 2024 and 2023



	Page
REPORT	
Independent Auditor’s Report.....	1
Statements of Financial Position.....	3
Statement of Activities (with prior year summarized information)	4
Statements of Functional Expenses.....	6
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9



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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The Florida-Georgia District of the Lutheran Church - Missouri Synod
Orlando, Florida

Opinion

We have audited the accompanying financial statements of The Florida-Georgia District of the Lutheran Church - Missouri Synod (the District), (a nonprofit organization), which comprise the statement of financial position as of January 31, 2024, and the related statement of activities, functional expenses, and cash flows for the year 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 the District as of January 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 these 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 the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 the District'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 the District'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.

Report on Summarized Comparative Information

We have previously audited the District's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 6, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended January 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Orlando, Florida
June 27, 2024

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Statements of Financial Position**

<i>January 31,</i>	2024	2023
Assets		
Cash and cash equivalents	\$ 4,319,490	\$ 4,249,637
Restricted or designated investments	2,554,301	2,044,377
Restricted contributions receivable from split-interest agreements	37,899	45,117
Restricted funds held by third-party trustee	1,946,659	1,849,240
Operating lease right-of-use assets, net	784,413	863,087
Note receivable	129,270	135,520
Advance sites	2,134,023	2,118,777
Other assets	88,491	96,494
Property and equipment, net	255,860	258,551
Total assets	\$ 12,250,406	\$ 11,660,800
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 130,405	\$ 155,642
Operating lease liability, current portion	104,371	67,325
Contract liability	19,910	17,787
Funds held in trust for others	222,780	222,780
Total current liabilities	477,466	463,534
Operating lease liability, less current portion	734,403	805,123
Total liabilities	1,211,869	1,268,657
Net assets		
Without donor restrictions	6,109,486	5,959,536
With donor restrictions	4,929,051	4,432,607
Total net assets	11,038,537	10,392,143
Total liabilities and net assets	\$ 12,250,406	\$ 11,660,800

The accompanying notes are an integral part of these financial statements.

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Statement of Activities**

<i>For the years ended January 31,</i>	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 (Summarized) Total
Revenue and Other Support				
Public support				
District congregations	\$ 2,185,972	\$ 210,550	\$ 2,396,522	\$ 2,491,109
Other public support	-	891,677	891,677	1,084,540
Lutheran Church Extension Fund	-	181,966	181,966	32,609
Contributions in-kind	-	-	-	300,000
Total public support	2,185,972	1,284,193	3,470,165	3,908,258
Revenue and other income				
Conventions, conferences and workshops	460,942	-	460,942	412,079
Agreements with LCEF	130,012	-	130,012	127,149
Other revenue	146,417	-	146,417	126,608
Total revenue and other income	737,371	-	737,371	665,836
Investment income				
Income on investments and trusts	22,746	95,845	118,591	88,287
Change in value of split-interest agreements	-	(7,218)	(7,218)	(39,517)
Change in value of funds held by third-party trustee	-	97,419	97,419	(304,765)
Loss on sale of assets	(836)	-	(836)	-
Total investment income	21,910	186,046	207,956	(255,995)
Net assets released from restrictions	973,795	(973,795)	-	-
Total revenue and other support	\$ 3,919,048	\$ 496,444	\$ 4,415,492	\$ 4,318,099

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The accompanying notes are an integral part of these financial statements.

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Statement of Activities (Continued)**

<i>For the years ended January 31,</i>	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 (Summarized) Total
Expenses				
Program services				
Congregational services	\$ 1,364,477	\$ -	\$ 1,364,477	\$ 1,460,806
World and national missions	605,067	-	605,067	588,076
Synodical budget	372,131	-	372,131	364,543
Preparing church workers	88,554	-	88,554	56,331
Total program services	2,430,229	-	2,430,229	2,469,756
Support services				
Mission and ministry support services	958,415	-	958,415	1,018,548
Ecclesiastical and program administration	380,454	-	380,454	476,277
Total support services	1,338,869	-	1,338,869	1,494,825
Total expenses	\$3,769,098	-	\$3,769,098	\$3,964,581
Change in Net Assets	149,950	496,444	646,394	353,518
Net assets at beginning of year	5,959,536	4,432,607	10,392,143	10,038,625
Net assets at end of year	\$ 6,109,486	\$ 4,929,051	\$ 11,038,537	\$ 10,392,143

The accompanying notes are an integral part of these financial statements.

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Statements of Functional Expenses**

For the year ended January 31,

2024

	Program Services				Supporting Services		Total
	Congregational Services	World and National Missions	Synodical Budget	Preparing Church Workers	Mission and Ministry Support Services	Ecclesiastical and Program Administration	
Payroll, benefits and related costs	\$ 223,438	\$ 213,715	\$ -	\$ -	\$ 300,224	\$ 270,538	\$ 1,007,915
Depreciation and amortization	6,300	3,051	-	-	24,777	13,486	47,614
District events	588,056	1,482	-	6,800	125,492	44,135	765,965
Facilities	-	23,688	-	-	132,844	-	156,532
Grant to others	473,013	-	-	81,254	-	-	554,267
Ministry expenses	-	-	-	-	191,508	-	191,508
Mission expenses	-	351,723	-	-	-	-	351,723
Office expenses	3,134	2,164	-	-	51,528	7,105	63,931
Other expenses	23,976	-	-	500	11,590	11,244	47,310
Professional fees	34,400	1,800	-	-	110,170	6,405	152,775
Promotional and public relations	-	-	-	-	7,124	1,613	8,737
Synodical pledge	-	-	372,131	-	-	-	372,131
Travel	12,160	7,444	-	-	3,158	25,928	48,690
Total	\$ 1,364,477	\$ 605,067	\$ 372,131	\$ 88,554	\$ 958,415	\$ 380,454	\$ 3,769,098

The accompanying notes are an integral part of these financial statements.

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Statements of Functional Expenses (Continued)**

For the year ended January 31,

2023

	Program Services				Supporting Services		Total
	Congregational Services	World and National Missions	Synodical Budget	Preparing Church Workers	Mission and Ministry Support Services	Ecclesiastical and Program Administration	
Payroll, benefits and related costs	\$ 218,610	\$ 210,607	\$ -	\$ -	\$ 296,770	\$ 327,502	\$ 1,053,489
Depreciation and amortization	6,300	19,601	-	-	34,734	6,743	67,378
District events	364,299	2,920	-	12,974	139,243	59,442	578,878
Facilities	-	28,654	-	-	190,545	-	219,199
Grant to others	821,244	-	-	40,857	-	-	862,101
Ministry expenses	-	-	-	-	156,649	-	156,649
Mission expenses	-	313,887	-	-	-	-	313,887
Office expenses	1,135	1,734	-	-	65,667	9,583	78,119
Other expenses	4,214	136	-	2,500	18,551	6,542	31,943
Professional fees	36,533	-	-	-	107,979	6,700	151,212
Promotional and public relations	-	-	-	-	5,458	9,786	15,244
Synodical pledge	-	-	364,543	-	-	-	364,543
Travel	8,471	10,537	-	-	2,952	49,979	71,939
Total	\$ 1,460,806	\$ 588,076	\$ 364,543	\$ 56,331	\$ 1,018,548	\$ 476,277	\$ 3,964,581

The accompanying notes are an integral part of these financial statements.

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Statements of Cash Flows**

<i>For the years ended January 31,</i>	2024	2023
Operating Activities		
Change in net assets	\$ 646,394	\$ 353,518
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	47,614	67,378
Amortization of right-of-use assets	6,552	6,552
Contributions restricted for investment in permanent endowments	(100)	(100)
Loss on sale of assets	836	-
Contributions in-kind - advance sites	-	(300,000)
(Increase) decrease in Promises to give	-	1,177,797
Restricted contributions receivable from split-interest agreements	7,218	39,517
Restricted funds held by third-party trustee	(97,419)	304,765
Other assets	8,003	11,071
Increase (decrease) in		
Accounts payable and accrued expenses	(25,237)	44,267
Operating lease liability	38,448	2,809
Contract liability	2,123	4,766
Net cash provided by operating activities	634,432	1,712,340
Investing Activities		
Payments received on note receivable	6,250	6,250
Purchases of investments and reinvestment of interest income	(509,924)	(6,532)
Proceeds from sale of vehicle	-	4,110
Additions to advance sites	(15,246)	(78,046)
Purchases of property and equipment	(45,759)	(84,038)
Net cash used in investing activities	(564,679)	(158,256)
Financing Activities		
Proceeds from contributions restricted for investment in permanent endowments	100	100
Net cash provided by financing activities	100	100
Net change in cash and cash equivalents	69,853	1,554,184
Cash and cash equivalents at beginning of year	4,249,637	2,695,453
Cash and cash equivalents at end of year	\$ 4,319,490	\$ 4,249,637

The accompanying notes are an integral part of these financial statements.

The Florida-Georgia District of the Lutheran Church - Missouri Synod Notes to Financial Statements

Note 1: NATURE OF ACTIVITIES

The Florida-Georgia District of the Lutheran Church – Missouri Synod (the District) is a not-for-profit Florida corporation based in Orlando, Florida. The District is one of 35 districts of The Lutheran Church – Missouri Synod (the Synod), encompassing a number of congregations in the states of Florida (except the western tip), Georgia, and in the Bahamas. The Synod established its district offices to more effectively achieve its objectives, assist its congregations and their members in conserving and promoting the unity of the faith, and in carrying out their functions of worship, witness, teaching and nurture, service, and support.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates and Assumptions

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and 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. Estimates that are particularly susceptible to significant change in the near term are related to the fair market value of investments, useful lives of property and equipment, the functional allocation of expenses, and the present value of split-interest agreements.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended January 31, 2023, from which the summarized information was derived.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Notes to Financial Statements**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted or Designated Investments

Restricted or designated investments are held by Lutheran Church Extension Fund (LCEF) and consist of money market accounts and certificates of deposits.

Split-Interest Gifts

For irrevocable split-interest arrangements such as charitable gift annuities and charitable remainder trusts in which the District is trustee, the assets of such arrangements are reflected in the District's financial statements as further described in Note 6. The carrying values of such investments conform to U.S. GAAP which require that investment securities be carried at estimated fair value. The District recognizes an asset for the estimated present value of the District's benefits under the arrangements. For all irrevocable split-interest arrangements, regardless of whether or not the District acts as trustee, restricted contribution revenue is recognized for the estimated present value of the District's benefits under the arrangements in the year the arrangements are established or in the year in which the District is provided sufficient information about the existence and nature of the arrangements. Periodic adjustments are made for changes in estimated present values using applicable mortality tables and a discount rate of 3.5% during the years ended January 31, 2024 and 2023, respectively.

Restricted Funds Held By Third-Party Trustee

Restricted funds held by third-party trustee consist of irrevocable trusts from which the District is to receive the income in perpetuity. The principal is held in trust by the Lutheran Church – Missouri Synod Foundation (“the LCMS Foundation”) and will never revert to the District. The perpetual stream of income is viewed by the District as promises to give by the individuals who established the trusts and has been recorded at the estimated fair value of the trusts at January 31, 2024 and 2023, which is based on the net present value of the perpetual income stream. Given the nature of the promises, the District has recorded these contributions as net assets with donor restrictions. Income earned is recorded as either unrestricted or restricted activity based on the presence or absence of donor restrictions. Increases or decreases in the estimated fair value of the trust assets are recorded in the statements of activities as changes in net assets with donor restrictions.

Note Receivable

Note receivable consists of a loan from the District to a church to help fund its initial mission.

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Notes to Financial Statements**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advance Sites

Advance sites are recorded at original cost, if purchased, or estimated fair value on the date of donation, if donated. Advance sites include land purchased for future church sites or missions to be established by the District, as well as improvements and all holding costs associated with the property. When the property is transferred to a congregation, the District will be reimbursed costs.

Property and Equipment

Property and equipment are recorded at original cost, if purchased, or estimated fair value on the date of donation, if donated. Equipment is capitalized if it has a cost of \$1,000 or more and a useful life when acquired of more than 1 year. Depreciation is provided using the straight-line method over the following useful lives:

Buildings and improvements	10-40 years
Leasehold improvements	10 years
Office furnishings and equipment	4-10 years
Vehicles	3 years

Leases

The District leases office space under an operating lease. The District determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, and operating lease liabilities in the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liability are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the District uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the District will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The lease agreement does not contain any material residual value guarantees or material restrictive covenants.

Contract Liability

Contract liability consists primarily of amounts received in advance from LCEF for shared expenses and payments received for convocational assessments and registrations fees in advance of the related convocations.

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Notes to Financial Statements**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funds Held in Trust for Others

Funds held in trust for others consist of investments held for the benefit of other organizations or individuals (See Note 5).

Net Assets

The District reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the District, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for world and national missions, congregational services and mission and ministry support (See Note 11).

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

The District collects assessments and registration fees for conventions, conferences and workshops. In addition, the District is compensated for providing facilities and services to LCEF (See Note 15). The funds collected for these services are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied, which would be the period of time when the conventions, conferences and workshops occur or when the services are performed, respectively.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Notes to Financial Statements**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Contributions received by the District on behalf of the Synod are not recorded as revenue in the accompanying financial statements.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the District. Volunteers provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Expenses

Expenses are classified in the statement of activities by major functions of the District as follows:

Congregational services – supports District congregational service efforts and includes, but is not limited to, Sunday school activities, confirmation, family life, day care, adult education, outdoor ministry, singles ministry, disaster response, humanitarian aid, elementary and secondary education, and related conferences and events.

World and national missions – world missions include any personalized world ministry support; national missions include, but are not limited to, North American new mission work, campus ministries, deaf ministries, ethnic ministries, urban ministries, congregational subsidy, and related conferences and events.

Synodical budget – gifts made to the Synod.

Preparing church workers – includes activities of the Emergent Leader Training and Synod recognized training such as Ethnic Immigrant Institute of Theology (EIIT), Post-Seminary Applied Learning and Support (PALS), and Pastoral Leadership Institute (PLI) as well as financial aid provided to students normally attending one of the seven colleges/universities or two seminaries of the Synod.

Mission and ministry support services – includes the District's communication efforts, financial and general service activities, the operation/maintenance of District office facilities, District/Synodical convention expenses, the District's support of the LCEF efforts, and gift planning support of the District.

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Notes to Financial Statements**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenses (Continued)

Ecclesiastical and program administration – includes activities of the President’s office, Vice Presidents, Circuit Counselors, Reconcilers, and related conferences and events, as well as support of the District Board of Directors and its related committees.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Accordingly, certain costs have been allocated between the program services and supporting activities of the District. These allocations have been made based on considerations of time and space utilized for the related activities.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the District is exempt from taxes on income other than unrelated business income. The District has not incurred unrelated business income taxes.

The District utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of January 31, 2024 and 2023, the District has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 27, 2024. See Note 21 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Notes to Financial Statements**

Note 3: LIQUIDITY AND AVAILABILITY OF RESOURCES

The District's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

<i>January 31,</i>	2024	2023
Cash and cash equivalents	\$ 4,319,490	\$ 4,249,637
Restricted or designated investments	2,554,301	2,044,377
Restricted contributions receivable from split-interest agreements	37,899	45,117
Restricted funds held by third-party trustee	1,946,659	1,849,240
Total financial assets available within one year	8,858,349	8,188,371
Less amounts unavailable for general expenditures within one year, due to		
Restricted by donors with purpose restrictions (see Note 12)	(1,921,750)	(1,515,608)
Restricted by donors with time restrictions (see Note 12)	(37,899)	(45,117)
Restricted by District's endowment spending policy and appropriation (see Note 12)	(2,969,402)	(2,871,882)
Board designated (see Note 11)	(2,295,301)	(2,297,068)
Total financial assets available to management for general expenditures within one year	\$ 1,633,997	\$ 1,458,696

Liquidity Management

The District's executive staff monitors its cash flow by reviewing available cash flow reports on a monthly basis. In the event of an unanticipated liquidity need, the District could draw upon \$350,000 of available line of credit (as further discussed in Note 10). Otherwise, expenses will be prioritized and reduced according to this plan:

- a. Variable expenses such as District events
- b. Cut internal spending on non-salary expenses and optional benefits
- c. Cut salary or benefits
- d. Reduce staffing levels

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Notes to Financial Statements**

Note 4: CONCENTRATIONS

The District maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The District has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

The District's investments and term debt are held by LCEF. The District's restricted contributions receivable from split-interest agreements and restricted funds held by third-party trustee are held by the LCMS Foundation.

Note 5: RESTRICTED OR DESIGNATED INVESTMENTS

Restricted or designated investments consist of money market accounts and certificates of deposit with LCEF. As of January 31, 2024 and 2023, the interest rates on those accounts vary from .25% to 3.0% per annum, with various maturities through March 2025.

<i>January 31,</i>	2024	2023
Net assets with donor restrictions	\$ 2,133,321	\$ 1,623,396
Board designated net assets	198,200	198,200
Funds held in trust for others	222,780	222,780
	\$ 2,554,301	\$ 2,044,376

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Notes to Financial Statements**

Note 6: RESTRICTED CONTRIBUTIONS RECEIVABLE FROM SPLIT-INTEREST AGREEMENTS

The LCMS Foundation holds irrevocable deferred gifts of which the District is the beneficiary and will receive the principal at some future date. Contributions which are expected to be collected after one year (i.e., after January 31, 2025) have been discounted at 3.5% at January 31, 2024 and 2023, and are reflected in the financial statements at their net present value.

Management believes total contributions will be received as follows:

<i>January 31,</i>	2024
Amount due	
Within one year	\$ -
One to five years	-
After five years	68,427
<hr/>	
Total amount due	68,427
Less present value component	(30,528)
<hr/>	
Total	\$ 37,899
<hr/> <hr/>	

Note 7: FAIR VALUE MEASUREMENTS

Valuation techniques used to measure fair value are prioritized into the following hierarchy:

Level 1 – Quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities, mutual fund investments, and listed derivatives.

Level 2 – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data such as published interest rates and yield curves, over-the-counter derivatives, market modeling, or other valuation methodologies. Assets and liabilities in this level typically include debt securities and partnerships that hold Level 1 assets, interest rate swap contracts, and real estate held for investment if measured by a current appraisal.

Level 3 – Unobservable inputs that reflect management’s assumptions and best estimates based on available data. Assets in this level typically include alternative investments, real estate held for investment if measured using management estimates, investments in private companies, partnerships and limited liability companies, and beneficial interests in charitable remainder trusts.

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Notes to Financial Statements**

Note 7: FAIR VALUE MEASUREMENTS (Continued)

Estimated fair values of certain assets measured on a recurring basis at January 31, 2024 and 2023, are as follows:

January 31, 2024	Level 1	Level 2	Level 3	Total
Restricted contributions receivable from split-interest agreements	\$ -	\$ -	\$ 37,899	\$ 37,899
Restricted funds held by third-party trustee	-	-	1,946,659	1,946,659
Total	\$ -	\$ -	\$ 1,984,558	\$ 1,984,558

January 31, 2023	Level 1	Level 2	Level 3	Total
Restricted contributions receivable from split-interest agreements	\$ -	\$ -	\$ 45,117	\$ 45,117
Restricted funds held by third-party trustee	-	-	1,849,240	1,849,240
Total	\$ -	\$ -	\$ 1,894,357	\$ 1,894,357

The District's Level 3 assets are held by the LCMS Foundation and valued by an actuary. Assets measured at estimated fair value on a recurring basis using significant unobservable inputs:

February 1, 2022	\$ 2,238,639
Contributions	-
Distributions	(28,844)
Total gains or losses (realized/unrealized)	(315,438)
January 31, 2023	1,894,357
Contributions	-
Distributions	-
Total gains or losses (realized/unrealized)	90,201
January 31, 2024	\$ 1,984,558

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Notes to Financial Statements**

Note 8: NOTE RECEIVABLE

In November 2020, the District loaned \$150,000 to a church to fund their initial mission. The note has a zero percent interest rate with monthly installments of approximately \$640 beginning in May 2021, maturing in November 2040. The balance of the note was \$129,270 and \$135,520 at January 31, 2024 and 2023, respectively.

Note 9: PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following:

<i>January 31,</i>	2024	2023
Land	\$ 57,015	\$ 57,015
Buildings and improvements	658,526	658,526
Leasehold improvements	83,209	83,209
Office furnishings and equipment	536,951	518,727
Vehicles	117,506	107,698
Total property and equipment	1,453,207	1,425,175
Less accumulated depreciation and amortization	(1,197,347)	(1,166,624)
Net property and equipment	\$ 255,860	\$ 258,551

Depreciation and amortization expense amounted to \$47,614 and \$67,378, for the years ended January 31, 2024 and 2023, respectively.

Note 10: LINE OF CREDIT

As of January 31, 2024 and 2023, the District had a line of credit available of approximately \$350,000. The line of credit bears interest at 3.875% per annum and expires in January 2045. No amounts were outstanding on this line of credit as of January 31, 2024 and 2023.

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Notes to Financial Statements**

Note 11: NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions is comprised of the following:

<i>January 31,</i>	2024	2023
Board designated subject to expenditure for specific purpose:		
World and national missions	\$ 1,564,057	\$ 1,569,496
Congregational services	487,340	483,668
Mission and ministry support	243,904	243,904
Total board designated	2,295,301	2,297,068
Net investment in property and equipment	255,860	258,551
Undesignated	3,558,325	3,403,917
Total net assets without donor restrictions	\$ 6,109,486	\$ 5,959,536

Note 12: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following:

<i>January 31,</i>	2024	2023
Subject to expenditure for specific purpose:		
Congregational services	\$ 468,831	\$ 700,826
World and national missions	914,919	264,271
Preparing church workers	457,601	483,499
Missions and ministry support services	48,390	46,009
Ecclesiastical and program administration	15,489	4,308
Fundraising	16,520	16,695
	1,921,750	1,515,608
Subject to passage of time:		
For periods after January 31, 2024	37,899	45,117
Subject to District's endowment spending policy and appropriation:		
Investment in perpetuity (including amounts above original gifts of \$2,147,739), the income from which is expendable to support:		
World and national missions	462,486	443,584
Preparing church workers	1,855,863	1,789,361
Missions and ministry support services	237,927	231,414
Fundraising	132,790	127,185
Any activities of the District	280,336	280,338
	2,969,402	2,871,882
Total net assets with donor restrictions	\$ 4,929,051	\$ 4,432,607

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Notes to Financial Statements**

Note 12: NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors as follows:

<i>January 31,</i>	2024	2023
Purpose restrictions accomplished:		
Congregational services	\$ 578,349	\$ 900,057
World and national missions	221,357	161,130
Preparing church workers	139,067	62,537
Missions and ministry support services	11,444	47,177
Ecclesiastical and program administration	23,403	13,416
Fundraising	175	-
Total restrictions released	\$ 973,795	\$ 1,184,317

Note 13: ENDOWMENTS

The District's endowments consists of sixteen individual funds established for a variety of purposes. Eight of these funds are restricted funds held by third-party trustee, the LCMS Foundation. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Board of Directors of the District has interpreted the State of Florida's Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the District retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by the District in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the District considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the District, and (7) the District's investment policies.

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Notes to Financial Statements**

Note 13: ENDOWMENTS (Continued)

Investment Return Objectives, Risk Parameters and Strategies

The District follows investment and spending policies for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

Endowment assets are invested in money market accounts and certificates of deposit. The District expects its endowment assets, over time, to produce an average rate of return of approximately 2% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

Spending Policy

The District seeks the advice of management and the Board when determining amounts to be spent on supported programs. The District has a policy of spending the income generated by the endowment funds to support donor stipulated restrictions. This is consistent with the District's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts.

Endowments are restricted for purposes disclosed in Note 12.

Changes in endowment net assets was as follows:

January 31,	2024	2023
Endowment net assets - beginning of year	\$ 2,871,882	\$ 3,190,660
Contributions	100	100
Distributions	-	(14,113)
Investment income	27,702	18,294
Net appreciation (depreciation)	97,420	(304,765)
Amount appropriated for expenditure	(27,702)	(18,294)
Endowment net assets - end of year	\$ 2,969,402	\$ 2,871,882

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Notes to Financial Statements**

Note 14: REVENUE

The District is recognizing assessment and registration fee revenue at the point in time when the conventions, conferences and workshops occur. The District is recognizing revenue from services provided to LCEF when the services are performed. As of January 31, 2024 and 2023, there are performance obligations to be satisfied of \$19,910 and \$17,787, respectively. At January 31, 2024, management expects to recognize \$19,910 as revenue in 2025. All performance obligations at January 31, 2023 were recognized in 2024. These performance obligations are based upon conventions, conferences and workshops occurring and services performed.

Contract Balances

The balance of contract liability was as follows:

<i>January 31,</i>	2024	2023
Beginning of year	\$ 17,787	\$ 13,021
End of year	\$ 19,910	\$ 17,787

Note 15: RELATED PARTY TRANSACTIONS

The LCEF is a financial organization that was created to assist ministries and Lutheran Church – Missouri Synod partners with customized loans and ministry support services. In accordance with certain agreements, which are subject to renegotiation each July, LCEF agreed to compensate the District approximately \$10,000 per month for providing facilities and services to LCEF, and approximately \$2,500 per month for the promotion and coordination of activities of the church extension program within the District. The amount received by the District in connection with these agreements for the years ended January 31, 2024 and 2023, was \$130,012 and \$127,149, respectively. LCEF also reimburses the District for certain other stipulated expenses made on behalf of LCEF (e.g., travel, conferences, and workshops). As of January 31, 2024 and 2023, a receivable from LCEF for these expenses was \$14,201 and \$12,002, respectively, and is included in other assets in the accompanying statements of financial position.

The synodical budget is an expense account for tithes made to the Synod. For the years ended January 31, 2024 and 2023, the expense amounted to \$372,131 and \$364,543, respectively, and is included as a separate line item in the statement of activities. For the year ended January 31, 2023, payables related to that expense amounted to \$650.

As noted in previous footnotes, the District also has investments with LCEF.

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Notes to Financial Statements**

Note 16: RETIREMENT PLAN

The District participates in the Worker Benefit Plans (the Plans) of the Synod, a 403(b) tax-advantaged savings plan. Substantially all full-time employees are covered by these retirement and survivor programs. The District contributes a fixed percentage of each participant's salary to the Plans. Retirement and survivor program expenses for the years ended January 31, 2024 and 2023, were approximately \$81,657 and \$75,015, respectively.

Note 17: LEASES

The District is obligated under a non-cancelable operating lease for office space with monthly payments of approximately \$13,000, which expired December 2022, and was recorded as a short term lease below.

Effective January 1, 2023, the District entered into an operating lease for a period of 113 months, with monthly payments of approximately \$8,400, which expires in May 2032. The agreement includes an option to renew for two additional three-year periods, which the District is currently not reasonably certain to exercise. The District received one month of rent abatement in January 2023. Future minimum annual rental payments are subject to escalations and certain rent holidays in future periods based on the terms of the agreement.

The components of lease expense consist of the following:

<i>For the year ended January 31,</i>	2024	2023
Operating lease cost	\$ 112,033	9,360
Short-term lease cost	\$ -	158,677

Weighted average remaining lease term and discount rates consist of the following:

<i>For the year ended January 31,</i>	2024	2023
Weighted average remaining lease term		
Operating leases	8.3 years	9.0 years
Weighted average discount rate		
Operating leases	3.88%	3.88%

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Notes to Financial Statements**

Note 17: LEASES (Continued)

Future minimum lease payments under non-cancellable leases as of January 31, 2024, were as follows:

<i>For the years ended January 31,</i>	Operating Leases
2025	\$ 104,371
2026	108,024
2027	111,805
2028	115,718
2029	119,768
Thereafter	430,724
Total future minimum lease payments	990,410
Less imputed interest	(151,636)
Present value of lease liabilities	\$ 838,774

Note 18: COMMITMENTS

In November 2019, the District entered into two separate contracts with a hotel for two conferences to be held in September 2021. In April 2021, because of COVID-19, two new contracts were agreed to that revised the dates of the conferences to September 2025. The contracts call for the hotel to provide lodging and meals for fees of approximately \$56,000 and \$91,000, respectively.

In November 2022, the District entered two separate contracts with a hotel for two conferences to be held in September 2024. The contracts call for the hotel to provide lodging and meals for fees of approximately \$54,000 and \$96,000, respectively.

For all of the hotel contracts, the District is obligated to pay a percentage of the estimated revenues regardless of contract cancellation. The percentage is higher the closer it is to the event date.

Note 19: CONTRIBUTIONS IN-KIND

During the year ending January 31, 2023, one of the District's congregations shut down and in accordance with its bylaws, its land and building were transferred to the District. The District accounted for this transaction as an in-kind contribution. An advanced site of \$300,000 was recorded at the estimated fair market value of \$300,000 based on a real estate appraisal of the property.

**The Florida-Georgia District of the
Lutheran Church - Missouri Synod
Notes to Financial Statements**

Note 20: SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Noncash transactions consist of the following:

<i>For the years ended January 31,</i>	2024	2023
Right-of-use assets obtained in exchange for lease obligations		
Operating leases	\$ -	\$ 869,640

During the years ended January 31, 2024 and 2023, no amounts were paid for interest or income taxes.

Note 21: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after January 31, 2024 through June 27, 2024, the date the District's financial statements were available to be issued. The following items occurred:

In May 2024 the District contributed advanced sites in Naples, Florida and Milledgeville, Florida totaling \$1,573,256 to congregations.