




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

REQUIRED COMMUNICATIONS

January 31, 2024





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June 27, 2024

The Board of Directors and Management of
Florida-Georgia District of the Lutheran Church - Missouri Synod

We are pleased to present the results of our audit of the 2024 financial statements of Florida-Georgia District of the Lutheran Church - Missouri Synod (the District).

This report to the Board of Directors and management summarizes our audit, the report issued and various analyses and observations related to the District's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express an opinion on the District's 2024 financial statements. We considered the District's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of the District's personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 407-644-7455 or Cswain@cricpa.com.

Very truly yours,

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

Carr, Riggs & Ingram, LLC



As discussed with the Board of Directors and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the District. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board of Directors, in accordance with auditing standards generally accepted in the United States of America, in order to express an opinion on the District's financial statements for the year ended January 31, 2024;
- Communicate directly with the Board of Directors and management regarding the results of our procedures;
- Address with the Board of Directors and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Board of Directors and management; and
- Address other audit-related projects as they arise and upon request.



We have audited the financial statements of Florida-Georgia District of the Lutheran Church - Missouri Synod (the District) for the year ended January 31, 2024, and have issued our report thereon dated June 27, 2024. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Auditor's responsibility under Generally Accepted Auditing Standards</p>	<p>As stated in our engagement letter dated April 4, 2024, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
<p>Client's responsibility</p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p> <p>Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.</p>
<p>Planned scope and timing of the audit</p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Management judgments and accounting estimates <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditor's conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality."</p>
<p>Potential effect on the financial statements of any significant risks and exposures <i>Major risks and exposures facing the District and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditor's judgment about the quality of accounting principles</p>	<p>Significant accounting policies are described in Note 2 to the financial statements. No new accounting policies were adopted during the year.</p> <p>Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements were: Note 12 Net Assets with Donor Restrictions and Note 13 Endowments.</p> <p>The financial statement disclosures are neutral, consistent, and clear.</p>
<p>Significant difficulties encountered in the audit <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<p>Disagreements with management <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial accounting, reporting, or auditing matter, that could be significant to the financial statements or the auditor's report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Other findings or issues <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	<p>None noted.</p>
<p>Matters arising from the audit that were discussed with, or the subject of correspondence with, management <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	<p>None noted.</p>
<p>Corrected and uncorrected misstatements <i>All significant audit adjustments arising from the audit, whether or not recorded by the District, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board of Directors about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.</i></p>	<p>See "Summary of Audit Adjustments" section.</p>
<p>Major issues discussed with management prior to retention <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	<p>Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>
<p>Consultations with other accountants <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	<p>To our knowledge, there were no such consultations with other accountants.</p>
<p>Written representations <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	<p>See "Management Representation Letter" section.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Fraud and illegal acts <i>Fraud involving senior management or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditor's attention involving senior management and any other illegal acts, unless clearly inconsequential.</i></p>	<p>We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.</p>
<p>Other information in documents containing audited financial statements <i>The external auditor's responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact. <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>
<p>Significant unusual accounting transactions <i>Auditor communication with governance to include auditor's views on policies and practices management used, as well as the auditor's understanding of the business purpose.</i></p>	<p>No significant unusual accounting transactions were noted during the year.</p>

Accounting Policies, Judgments, and Sensitive Estimates & CRI Comments on Quality



We are required to communicate our judgments about the quality, not just the acceptability, of the District's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Board of Directors may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

**Accounting Policies, Judgments, and Sensitive Estimates
& CRI Comments on Quality**



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Property and Equipment	Useful lives of depreciable assets range from 3-40 years and are depreciated on a straight-line basis.	X	Depreciation expense is a sensitive estimate since it is calculated based on management's estimate of useful lives and the depreciation method used.	The District's policies appear to be in accordance with accounting principles generally accepted in the United States of America (GAAP).
Valuation of Split Interest Agreements	Based on the present value of future distributions expected to be received using published life expectancy tables and a 3.4% discount rate.	X	Present value of the interest split agreement is provided by the LCMS Foundation. Discount rate is based on the current US prime rate.	The District's policies appear to be in accordance with GAAP.
Valuation of Interest in Funds held by LCMS Foundation	Based on the percentage interest in the principal market value of the underlying trust assets for each trust held by LCMS Foundation.	X	Fair value as well as the percent interest in funds is provided by the LCMS Foundation.	The District's policies appear to be in accordance with GAAP.

**Accounting Policies, Judgments, and Sensitive Estimates
& CRI Comments on Quality**



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Functional Allocation of Expenses	The District follows FASB 958 Not-For-Profit Entities for classifying expenses on the statement of activities by program and supporting services.	X	The functional allocation of expenses is based on management's best estimate of the program and/or supporting activities being benefited.	The District's policies appear to be in accordance with GAAP.
Interest Rate on Operating Lease	Management uses an incremental borrowing rate to calculate the lease assets and liabilities when an implicit rate is not present in the lease agreement.	X	The incremental borrowing rate is determined using management's best estimate of the market rate to obtain similar financing.	The District's policies appear to be in accordance with GAAP.



During the course of our audit, we accumulate differences between amounts recorded by the District and amounts that we believe are required to be recorded under GAAP reporting guidelines. Those adjustments are either recorded (corrected) by the District or passed (uncorrected). Uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in the auditor's judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Adjusting (Corrected) Journal Entries

None.

Passed (Uncorrected) Journal Entries

None.

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the District's operating environment that has been identified as playing a significant role in the District's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.



This representation letter is provided in connection with your audit of the financial statements of Florida-Georgia District of the Lutheran Church - Missouri Synod, which comprise the statements of financial position as of January 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the disclosures (collectively, the financial statements), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of June 27, 2024, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 4, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) There are no known actual or possible litigation, claims, and assessments to be accounted for and disclosed in accordance with U.S. GAAP.
- 9) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.



10) Guarantees, whether written or oral, under which the District is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP. (There were no such guarantees.)

Information Provided

11) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the District and involves:

- a) Management,
- b) Employees who have significant roles in internal control, or
- c) Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, grantors, regulators, or others.

16) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statement, and we have not consulted a lawyer concerning litigation, claims or assessments.

18) We have disclosed to you the names of all of the District's related parties and all the related-party relationships and transactions, including any side agreements.

19) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

20) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.



- 21) Florida-Georgia District of the Lutheran Church - Missouri Synod is an exempt organization under Section 501c3 of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the District's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- 22) In regard to the non-attest services (preparation of the financial statements) performed by you, we have –
 - a) Assumed all management responsibilities.
 - b) Designated Laura Zirbel, who has suitable skill, knowledge, or experience to oversee the services.
 - c) Evaluated the adequacy and results of the services performed.