



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

FINANCIAL STATEMENTS

For the year ended December 31, 2025



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CARR, RIGGS & INGRAM, L.L.C.

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

1031 West Morse Boulevard

Suite 200

Winter Park, FL 32789

407.644.7455

407.628.5277 (fax)

CRIadv.com

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 December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 December 31, 2025, and the changes in its net assets and its cash flows for the year 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.

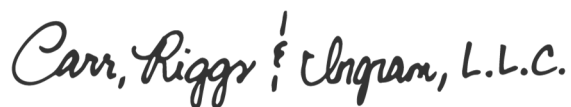
Auditor's Responsibilities for the Audit of the Financial Statements

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.



CARR, RIGGS & INGRAM, L.L.C.

Orlando, Florida

June 29, 2026

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

<i>December 31,</i>	2025
Assets	
Cash and cash equivalents	\$ 4,918,266
Restricted or designated investments	2,072,420
Restricted contributions receivable from split-interest agreements	19,186
Restricted funds held by third-party trustee	2,293,262
Other assets	64,382
Operating lease right-of-use asset, net	626,369
Notes receivable	248,020
Advance sites	595,730
Property and equipment, net	225,529
Total assets	\$ 11,063,164
Liabilities and Net Assets	
Accounts payable and accrued expenses	\$ 51,020
Operating lease liability	692,917
Contract liability	16,875
Funds held in trust for others	222,780
Total liabilities	983,592
Net assets	
Without donor restrictions	4,940,143
With donor restrictions	5,139,429
Total net assets	10,079,572
Total liabilities and net assets	\$ 11,063,164

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 year ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	2025 Total
Revenue and Other Support			
Public support			
District congregations	\$ 2,280,697	\$ 92,819	\$ 2,373,516
Other public support	-	180,063	180,063
Total public support	2,280,697	272,882	2,553,579
Revenue and other income			
Conventions, conferences and workshops	544,589	-	544,589
Other revenue	229,802	-	229,802
Total revenue and other income	774,391	-	774,391
Investment income			
Income on investments and trusts	30,355	127,243	157,598
Change in value of split-interest agreements	-	(19,667)	(19,667)
Change in value of funds held by third-party trustee	-	228,055	228,055
Loss on disposal of assets	(3,648)	-	(3,648)
Total investment income	26,707	335,631	362,338
Net assets released from restrictions	312,020	(312,020)	-
Total revenue and other support	3,393,815	296,493	3,690,308

(Continued)

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 year ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	2025 Total
Expenses			
Program services			
Congregational services	991,762	-	991,762
World and national missions	597,179	-	597,179
Synodical budget	389,842	-	389,842
Preparing church workers	99,934	-	99,934
Total program services	2,078,717	-	2,078,717
Support services			
Mission and ministry support services	710,075	-	710,075
Ecclesiastical and program administration	406,411	-	406,411
Total support services	1,116,486	-	1,116,486
Total expenses	3,195,203	-	3,195,203
Change in Net Assets	198,612	296,493	495,105
Net assets at beginning of year	4,741,531	4,842,936	9,584,467
Net assets at end of year	\$ 4,940,143	\$ 5,139,429	\$ 10,079,572

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

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

For the year ended December 31,

	Program Services				Supporting Services		2025
	Congregational Services	World and National Missions	Synodical Budget	Preparing Church Workers	Mission and Ministry Support Services	Ecclesiastical and Program Administration	Total
Payroll, benefits and related costs	\$ 241,924	\$ 181,250	\$ -	\$ -	\$ 232,351	\$ 303,392	\$ 958,917
Depreciation	-	4,897	-	-	9,889	7,867	22,653
District events	459,206	1,691	-	58,148	115,997	54,549	689,591
Facilities	-	28,593	-	-	123,268	-	151,861
Grant to others	51,872	-	-	41,786	-	-	93,658
Ministry expenses	182,467	-	-	-	3,635	-	186,102
Mission expenses	6,750	367,256	-	-	-	-	374,006
Office expenses	1,149	2,097	-	-	65,082	5,606	73,934
Other expenses	16,093	20	-	-	12,009	4,001	32,123
Professional fees	20,000	1,000	-	-	138,055	2,337	161,392
Promotional and public relations	-	-	-	-	6,560	4,211	10,771
Synodical pledge	-	-	389,842	-	-	-	389,842
Travel	12,301	10,375	-	-	3,229	24,448	50,353
Total	\$ 991,762	\$ 597,179	\$ 389,842	\$ 99,934	\$ 710,075	\$ 406,411	\$ 3,195,203

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

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

<i>December 31,</i>	2025
Operating Activities	
Change in net assets	\$ 495,105
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	22,653
Loss on disposal of assets	3,648
(Increase) decrease in	
Restricted contributions receivable from split-interest agreements	19,667
Restricted funds held by third-party trustee	(228,055)
Other assets	35,824
Increase (decrease) in	
Accounts payable and accrued expenses	(106,457)
Operating lease, net	4,616
Contract liability	1,792
Net cash provided by operating activities	248,793
Investing Activities	
Payments received on notes receivable	21,250
Purchases of investments and reinvestment of interest income	(12,951)
Additions to advance sites	(17,760)
Purchases of property and equipment	(32,043)
Net cash used by investing activities	(41,504)
Net change in cash and cash equivalents	207,289
Cash and cash equivalents at beginning of year	4,710,977
Cash and cash equivalents at end of year	\$ 4,918,266

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.

Cash and Cash Equivalents

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

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 deposit.

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 year ended December 31, 2025.

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 December 31, 2025, 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.

Notes Receivable

Notes receivable consists of a loan from the District to a church to help fund its initial mission and a loan from the District to a church to help fund its school expansion.

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 may be reimbursed costs.

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The operating lease is included in the operating lease right-of-use (ROU) asset, and operating lease liability in the statements of financial position.

ROU asset represents the right to use an underlying asset for the lease term and lease liability represent the obligation to make lease payments arising from the lease. Operating lease ROU asset 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 assets 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.

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).

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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.

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

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the District efforts to strengthen congregations, families, and church workers through Lutheran Counseling Services and the Ministerial Assistance Program, adult education, coaching, youth and school ministries, Lutheran Life publication, disaster response, President’s Circle initiatives, and related conferences and events. This area also includes administrative costs associated with these ministry efforts, as well as continuing teacher certification, and oversight and support of school accreditation.

World and national missions – supports the District mission efforts, including new church plants, campus ministries, ethnic and urban ministries, congregational assistance, and related conferences and events. This includes Kingdom Seeds and Miracle Grow initiatives, administrative support for mission and outreach programs, and expenses associated with district-owned church properties, including repairs, insurance, and depreciation. Funding also supports church planting grants and revitalization efforts designed to strengthen and expand Gospel outreach throughout the Florida-Georgia District.

Synodical budget – gifts made to the Synod.

Preparing church workers – supports District efforts to provide Synod recognized training through the various Concordia University and Seminary programs, which includes scholarship funding for students studying for full time church worker positions as well as support for students in other Synod recognized educational training programs such as Ethnic Immigrant Institute of Theology (EIIT), Center for Hispanic Studies (CHS), Specific Ministry Program (SMP) and General Pastor Certification (GPC) and Post-Seminary Applied Learning (PALS).

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenses (Continued)

Mission and ministry support services – supports District infrastructure and with services that support the District’s ministry program efforts, including communications, financial and administrative services, operation and stewardship of District facilities, and collaboration with LCEF initiatives. This area also includes expenses related to District and Synodical conventions, as well as administrative costs associated with mission advancement, fundraising, and gift planning efforts that support the ongoing ministry of the District.

Ecclesiastical and program administration – supports District activities of the President’s office, Vice Presidents, Circuit Visitors and related conference and events, including conflict resolution training and support. Includes support for Board of Directors meetings and its related committees as required.

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 December 31, 2025, 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 29, 2026, and determined there were no events that occurred that required 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>December 31,</i>	2025
Cash and cash equivalents	\$ 4,918,266
Restricted or designated investments	2,072,420
Other Assets	64,382
Restricted funds held by third-party trustee	<u>2,293,262</u>
Total financial assets available within one year	<u>9,348,330</u>
Less amounts unavailable for general expenditures within one year, due to	
Restricted by donors with purpose restrictions (see Note 12)	(1,804,135)
Restricted by donors with time restrictions (see Note 12)	(19,186)
Restricted by District's endowment spending policy and appropriation (see Note 12)	(3,316,108)
Board designated (see Note 11)	<u>(2,180,378)</u>
Total financial assets available to management for general expenditures within one year	<u><u>\$ 2,028,523</u></u>

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 \$286,000 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 line of credit 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 December 31, 2025, the interest rates on those accounts vary from 1.25% to 4.0% per annum, with various maturities through March 2030.

<i>December 31,</i>	2025
Net assets with donor restrictions	\$ 1,649,640
Board designated net assets	200,000
Funds held in trust for others	222,780
	\$ 2,072,420

**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 December 31, 2026) have been discounted at 3.5% at December 31, 2025, and are reflected in the financial statements at their net present value.

Management believes total contributions will be received as follows:

<i>December 31,</i>	2025
Amount due	
Within one year	\$ -
One to five years	-
After five years	46,783
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Total amount due	46,783
Less present value component	(27,597)
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Total	\$ 19,186

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 December 31, 2025, are as follows:

<i>December 31, 2025</i>	Level 1	Level 2	Level 3	Total
Restricted contributions receivable from split-interest agreements	\$ -	\$ -	\$ 19,186	\$ 19,186
Restricted funds held by third-party trustee	-	-	2,293,262	2,293,262
Total	\$ -	\$ -	\$ 2,312,448	\$ 2,312,448

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:

<i>For the year ended December 31,</i>	2025
<i>Balance, beginning of year</i>	\$ 2,104,060
Contributions	-
Distributions	-
Total gains or losses (realized/unrealized)	208,388
<i>Balance, end of year</i>	\$ 2,312,448

Note 8: NOTES 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 \$113,020 at December 31, 2025.

In August 2024, the District loaned \$150,000 to a church to fund their school expansion. The note has a zero percent interest rate with monthly installments of approximately \$1,250 that began in January 2025, maturing in December 2034. The balance of the note was \$135,000 at December 31, 2025.

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

Note 9: PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following:

<i>December 31,</i>	2025
Land	\$ 57,015
Buildings and improvements	658,526
Leasehold improvements	83,209
Office furnishings and equipment	494,655
Vehicles	96,702
Total property and equipment	1,390,107
Less accumulated depreciation	(1,164,578)
Net property and equipment	\$ 225,529

Depreciation expense amounted to \$22,653, for the year ended December 31, 2025.

Note 10: LINE OF CREDIT

As of December 31, 2025, the District had a line of credit available of approximately \$286,000. 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 December 31, 2025.

**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 are comprised of the following:

<i>December 31,</i>	2025
<hr/>	
Board designated subject to expenditure for specific purpose:	
World and national missions	\$ 1,355,129
Congregational services	581,345
Mission and ministry support	243,904
Total board designated	<u>2,180,378</u>
Net investment in property and equipment	225,529
Undesignated	<u>2,534,236</u>
Total net assets without donor restrictions	<u><u>\$ 4,940,143</u></u>

Note 12: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following:

<i>December 31,</i>	2025
<hr/>	
Subject to expenditure for specific purpose:	
Congregational services	\$ 794,589
World and national missions	492,735
Preparing church workers	498,626
Missions and ministry support services	8,708
Ecclesiastical and program administration	9,477
	<u>1,804,135</u>
<hr/>	
Subject to passage of time:	
For periods after December 31, 2025	19,186
<hr/>	
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	92,247
Preparing church workers	2,059,972
Missions and ministry support services	883,553
Any activities of the District	280,336
	<u>3,316,108</u>
<hr/>	
Total net assets with donor restrictions	<u><u>\$ 5,139,429</u></u>

**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>December 31,</i>	2025
<hr/>	
Purpose restrictions accomplished:	
Congregational services	\$ 58,182
World and national missions	108,676
Preparing church workers	78,878
Missions and ministry support services	19,419
Ecclesiastical and program administration	30,345
Fundraising	16,520
<hr/>	
Total restrictions released	\$ 312,020
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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 were as follows:

<i>For the year ended December 31,</i>	2025
Endowment net assets - beginning of year	\$ 3,088,050
Contributions	-
Distributions	-
Investment income	45,275
Net appreciation (depreciation)	228,055
Amount appropriated for expenditure	(45,272)
Endowment net assets - end of year	\$ 3,316,108

**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 December 31, 2025, there were performance obligations to be satisfied of \$16,875. At December 31, 2025, management expects to recognize \$16,875 as revenue in 2026. These performance obligations are based upon conventions, conferences and workshops occurring and services performed.

Contract Balances

The balance of contract liability was as follows:

December 31, 2024	\$	15,083
December 31, 2025	\$	16,875

Note 15: RELATED PARTY TRANSACTIONS

The synodical budget is an expense account for tithes made to the Synod. For the year ended December 31, 2025, the expense amounted to \$389,842, and is included as a separate line item in the statement of activities. For the year ended December 31, 2025, there were no payables related to that expense.

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

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 year ended December 31, 2025, were \$82,897.

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

Note 17: LEASES

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>December 31,</i>	2025
Operating lease cost	\$ 102,864

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

<i>For the year ended December 31,</i>	2025
Weighted average remaining lease term	
Operating leases	5.4 years
Weighted average discount rate	
Operating leases	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 December 31, 2025, were as follows:

<i>December 31,</i>	Operating Leases
2026	111,479
2027	115,382
2028	119,419
2029	123,599
Thereafter	317,426
Total future minimum lease payments	
	787,305
Less imputed interest	(94,388)
Present value of lease liabilities	
	\$ 692,917

Note 18: COMMITMENTS

In October 2024, the District entered into a contract with a hotel for a President’s Equip Conference to be held in September 2026. The contract calls for the hotel to provide lodging and meals for fees of approximately \$16,000 and \$200,000, respectively.

In November 2025, the District entered into a contract with a hotel for a District Convention to be held in June 2028. The contract calls for the hotel to provide lodging and meals for fees of approximately \$104,000 and \$105,000, respectively.

In December 2025, the District entered into a contract with a hotel for an Educators Conference and a Pastors Conference to be held in September 2027. The contract calls for the hotel to provide setup, power infrastructure, Wi-Fi services, and equipment rental for approximately \$4,880.

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: SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

During the year ended December 31, 2025, no amounts were paid for interest or income taxes.