



Consolidated Financial Statements
December 31, 2025



INDEPENDENT AUDITORS' REPORT

To the Board of Overseers of
Elevation Church
Matthews, North Carolina

Opinion

We have audited the accompanying consolidated financial statements of Elevation Church (the "Church" - a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Elevation Church as of December 31, 2025, 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 of 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 Elevation Church 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 the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Elevation Church's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, including omissions, 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.

Elevation Church
Matthews, North Carolina

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 consolidated 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 consolidated 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 purposes of expressing an opinion on the effectiveness of Elevation Church'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Elevation Church'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.

Foard & Company, P.A.

February 16, 2026

Elevation Church
Consolidated Statement of Financial Position

December 31, 2025

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	37,660,979
Prepaid Expenses		1,868,462
Other Receivables		667,786
Total Current Assets		40,197,227

Property and Equipment:

Property and Equipment		189,675,082
Less - Accumulated Depreciation		(75,005,625)
Total Property and Equipment (Net)		114,669,457

Long-Term Assets:

Investments		223,027,898
Operating Lease Right of Use Asset		13,400,605
Cash Held For Long-Term Purposes		868,433
Investment in Subsidiary		9,286,296
Other Assets		1,812,757
Lease Deposits		64,756
Total Long-Term Assets		248,460,745

Total Assets	\$	403,327,429
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accrued Liabilities	\$	3,001,762
Current Portion of Right of Use Lease Liability		1,507,941
Total Current Liabilities		4,509,703

Long-Term Liabilities:

Long-term Liabilities		14,169,292
Total Liabilities		18,678,995

Net Assets:

Without Donor Restrictions

Undesignated		280,580,447
Board Designated (quasi-endowment)		100,000,000

Net Assets Without Donor Restrictions		380,580,447
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Net Assets With Donor Restrictions		4,067,987
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Total Net Assets		384,648,434
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Total Liabilities and Net Assets	\$	403,327,429
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See accompanying notes to financial statements

Elevation Church
Consolidated Statement of Activities

	Year Ended December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue			
Tithes and Offerings	\$ 77,446,860	10,560,935	\$ 88,007,795
Year End Offering	10,089,122	1,375,790	11,464,912
Total Operating Revenue	87,535,982	11,936,725	99,472,707
Net Assets Released From Donor Restrictions			
Outreach Disbursements	11,808,510	(11,808,510)	-
Net Assets Released From Donor Restrictions	11,808,510	(11,808,510)	-
Operating Revenue, Net	99,344,492	128,215	99,472,707
EXPENSES			
Personnel	33,078,229	-	33,078,229
Facilities	7,086,339	-	7,086,339
Central Operations	4,794,534	-	4,794,534
Central Ministry and Creative	5,407,857	-	5,407,857
Campus Operations	10,743,725	-	10,743,725
Online Ministry	2,545,413	-	2,545,413
Tech/AVL/Web	3,312,583	-	3,312,583
Outreach	11,808,510	-	11,808,510
Total Expenses	78,777,190	-	78,777,190
Income From Operations	20,567,302	128,215	20,695,517
Depreciation and Amortization	8,463,135	-	8,463,135
Net Change in Assets From Operations	12,104,167	128,215	12,232,382
OTHER REVENUE AND EXPENSE			
Other Revenue	46,726,494	-	46,726,494
Other Expense	20,064,844	-	20,064,844
Total Other Net Revenue	26,661,650	-	26,661,650
Increase in Net Assets	38,765,817	128,215	38,894,032
Net Assets, Beginning of Year	341,814,630	3,939,772	345,754,402
Net Assets, End of Year	\$ 380,580,447	\$ 4,067,987	\$ 384,648,434

See accompanying notes to financial statements

**Elevation Church
Consolidated Statement of Cash Flows**

December 31, 2025

Cash Flows From Operating Activities

Change in net assets	\$ 38,894,032
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Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:

Depreciation and amortization	8,463,135
Unrealized gain on investments	(13,932,196)
Realized gain on sale of fixed assets	(31,515)

Changes in assets and liabilities that provided (used) cash:

Prepaid expenses	48,668
Other receivables	(114,146)
Other assets	626,395
Right of use asset, net	215,082
Lease deposits	8,504
Accrued liabilities	(453,689)
Long-term liabilities	304,149

Net Cash Provided by Operating Activities	34,028,419
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Cash Flows From Investing Activities

Decrease in cash realized from:

Purchases of investments, net	(9,176,253)
Purchases of fixed assets	(32,268,351)
Proceeds from sale of fixed assets	31,515
Investment in Subsidiary	(3,008,031)

Net Cash Used by Investing Activities	(44,421,120)
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Decrease in Cash	(10,392,701)
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Cash and Cash Equivalents, Beginning of Year	48,922,113
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Cash and Cash Equivalents, End of Year	\$ 38,529,412
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Cash Reconciliation	2025
Operating Cash	\$ 37,660,979
Cash Held for Long-Term Purposes	868,433
Total Cash and Cash Equivalents, End Of Year	\$ 38,529,412

See accompanying notes to financial statements

Elevation Church
Consolidated Statement of Functional Expenses

	Year Ended December 31, 2025			
	Volunteer			Total
	Recruitment and		Central Office	
	Ministry Activities	Fundraising Activities		
Operating Expenses				
Personnel	\$ 23,981,716	\$ 1,653,911	\$ 7,442,602	\$ 33,078,229
Facilities	6,023,389	354,316	708,634	7,086,339
Central Ministry and Creative -				
eKidz	157,552	17,506	-	175,058
eGroups	351,887	39,098	-	390,985
Broadcast Worship	202,354	22,485	-	224,839
YTH	460,846	51,205	-	512,051
Campus Leadership	144,216	16,024	-	160,240
YTHX	1,620,544	180,060	-	1,800,604
Creative	1,337,881	148,655	-	1,486,536
Other Central Ministry	591,790	65,754	-	657,544
Campus Operations	9,669,352	1,074,373	-	10,743,725
Online Ministry				-
Online Campus	348,675	38,742	-	387,417
Other Online Ministry	1,942,196	215,800	-	2,157,996
Central Operations	3,835,627	239,727	719,180	4,794,534
Tech/AVL/Web	2,815,696	298,132	198,755	3,312,583
Outreach	11,808,510	-	-	11,808,510
Depreciation and Amortization	8,209,241	169,263	84,631	8,463,135
Total Operating Expenses	73,501,472	4,585,051	9,153,802	87,240,325
Other Expense				
Elevation Worship	10,057,966	-	-	10,057,966
National Media	6,294,852	-	-	6,294,852
Other	2,740,887	-	971,139	3,712,026
Total Other Expense	19,093,705	-	971,139	20,064,844
Total Functional Expense	\$ 92,595,177	\$ 4,585,051	\$ 10,124,941	\$ 107,305,169

See accompanying notes to financial statements

Elevation Church
Notes To Financial Statements
December 31, 2025

NOTE 1 – NATURE OF OPERATIONS

Organization and Mission

Elevation Church (the “Church”) was incorporated in June 2005 in the State of North Carolina as a nonprofit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Church’s headquarters is in Matthews, North Carolina.

The mission of the Church is “So That People Far From God Will Be Raised to Life in Christ.” In pursuit of this mission, the Church seeks to share the gospel of Jesus Christ with people around the world through local, national, and digital ministry efforts.

Physical Locations

The Church conducts multiple worship experiences each week across North Carolina, South Carolina, Virginia, and Florida. As of December 31, 2025, the Church operated eighteen physical locations, of which nine are owned and nine are leased. The Church continues to prayerfully and strategically evaluate opportunities to expand its network of physical locations. In addition, the Church maintains affiliate relationships with two locations in Toronto, Canada.

Online Ministry (eFam)

Weekend worship experiences are available through live streaming on the Church’s website (elevationchurch.org), YouTube, and Facebook. Prior sermons and teaching content are also accessible through the Church’s website, YouTube, and various podcast platforms, extending the Church’s reach beyond its physical locations.

National Media (Television Ministry)

Through Steven Furtick Ministries, sermons are broadcast weekly through national and international media outlets, including Trinity Broadcasting Network (TBN) and Inspire. The Church also broadcasts on local television stations in cities where it has a physical presence, as well as in major metropolitan areas throughout the United States.

Elevation Worship Records

Elevation Worship Records (“EWR”) writes, produces, and releases worship music that flows directly from the life and ministry of the Church. These songs are used regularly in weekend worship experiences and are recorded and distributed to the public. EWR also conducts tours throughout the United States and participates in Christian conferences and concert events.

Subsidiaries

Elevation Church has five operating subsidiaries, all of which are wholly owned by the Church and organized in the State of North Carolina.

EC Winston LLC (“ECW”)

EC Winston LLC is a not-for-profit limited liability company. The Church advanced \$3,163,465 to ECW, which was used to acquire a facility previously owned by the Winston-Salem, North Carolina, YWCA. As part of the acquisition, ECW entered into a long-term lease agreement with the YWCA, allowing the YWCA to remain a tenant in a portion of the facility. The remaining space is utilized by the Church as the permanent location for its Winston-Salem campus.

Million Little Miracles, LLC (“MLM”)

Million Little Miracles, LLC is a not-for-profit limited liability company established to allow licensed Church staff members to serve as the general contractor for internal construction projects with budgets under \$500,000. To satisfy State of North Carolina licensing requirements, the Church advanced \$150,000 to MLM.

KDI Property Corp (“KDI”)

KDI Property Corp is a for-profit C corporation wholly owned by the Church. The Church invested \$1,500,000 to acquire 1,000 shares of KDI common stock and provided an additional \$1,000,000 to support operating cash needs.

KDI invested \$1,500,000 for a 50% ownership interest in Concord Retail Investment Group, LLC (the “Group”). The Group is a joint venture which acquired a shopping center in downtown Concord, North Carolina. The Church subsequently entered into a long-term lease agreement with the Group to establish a permanent location for its Concord campus.

In 2023, the Church advanced \$2,500,000 to KDI to purchase land in Charlotte that is being held as an investment pending future development opportunities.

During 2024, the Church invested an additional \$750,000 in KDI through the purchase of additional common stock. These funds were used by KDI for a SAFE (Simple Agreement for Future Equity) investment in a church engagement software company. Under the terms of the SAFE agreement, upon the occurrence of certain future events, including a public offering, acquisition, or qualifying financing, KDI may either elect to recover its investment or convert the investment into common stock.

During 2025, the Church advanced \$3,100,000 to KDI, to support KDI's entry into a joint venture known as Catalyst Land Fund I, LLC (the "Fund"). KDI has committed a total of \$5,000,000 to the Fund, with \$3,500,000 advanced as of December 31, 2025. The remaining commitment of \$1,500,000 is expected to be funded during the first quarter of 2026.

The Fund's primary purpose is to acquire, manage, and develop residential land to provide affordable housing options in Charlotte, North Carolina.

Under the terms of the joint venture agreement, KDI earns interest on its advances to the Fund at a minimum annual rate of 6%, which is payable monthly.

Elevation College, LLC (“Elevation College”)

Elevation College, LLC is a not-for-profit limited liability company established to partner with Southeastern University (“SEU”) to offer fully accredited degree programs to qualified students. SEU will perform primary administrative functions, including admissions, financial aid, and online course delivery. Students will gain hands-on ministry experience through involvement at Elevation Church while pursuing their academic studies. Elevation College is expected to launch in Fall 2026.

EC Ministry Housing, LLC (“EC Housing”)

EC Ministry Housing, LLC is a not-for-profit limited liability company formed to acquire residential housing for use by Elevation College students. The Church advanced approximately \$3.2 million to EC Housing for the purchase of eight townhomes in the Charlotte, North Carolina area. EC Housing has also committed to purchase six additional townhomes upon completion of construction, which is expected to occur in 2026.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Accounting**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Financial Statement Presentation

The Church reports contributions, other revenues, expenses, and gifts of land, buildings, or equipment based on the existence or absence of donor-imposed restrictions. Accordingly, contributions and revenues are reported as increases in net assets without donor restrictions unless donor-imposed restrictions limit the use of the assets received. Gifts of land, buildings, and equipment are recorded as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used.

Contributions and other gifts subject to donor-imposed stipulations that are more restrictive than the Church’s mission and purpose are reported as increases in net assets with donor restrictions. Donor-imposed restrictions may be temporary in nature, such as those that will be satisfied by the passage of time or by specific actions of the Church. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed or when the purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions may be perpetual in nature when the donor requires that the resources be maintained in perpetuity. The Church has not received contributions with permanent donor restrictions.

In addition, the Church has established a policy to commit 12% of all contributions received to its Outreach Ministry, through which resources are returned to the communities it serves. Due to the timing of contributions received late in the year, it is not always feasible to disburse these outreach funds within the same fiscal year. Accordingly, amounts committed to Outreach are classified as net assets with donor restrictions until such funds are disbursed.

Gifts of long-lived assets with explicit donor-imposed restrictions specifying how the assets are to be used, as well as gifts of cash or other assets restricted for the acquisition of long-lived assets, are reported as support with donor restrictions. In the absence of explicit donor stipulations regarding the period the assets must be maintained, the Church releases the donor restriction when the donated or acquired long-lived asset is placed into service.

As of December 31, 2025, net assets with donor restrictions totaled \$4,064,987, which represents future outreach disbursements based on contributions received during 2025. These restrictions are expected to be released as outreach funds are disbursed during 2026.

Revenue Recognition

Contributions are recognized when cash, securities, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the specified conditions have been substantially met.

Donated Services

The Church benefits from the services of numerous volunteers who assist in carrying out its mission. Although these services are essential to the Church's ministry activities, the value of such donated services is not recognized in the accompanying consolidated financial statements, as the criteria for recognition under GAAP have not been met.

Other Support

Contributions of marketable securities and cryptocurrencies are sold upon receipt. Donated real property or equipment is recorded at fair value at the date of donation when such contributions are considered material.

Promises to Contribute

Unconditional promises to contribute are recognized as revenue when received by the Church. Conditional promises to contribute are not recognized until the specified conditions have been substantially met, at which time they are recorded as unconditional promises.

Intentions to contribute are not recognized in the consolidated financial statements, as they represent a donor's expressed intention rather than a legally binding pledge. The Church considers all amounts pledged to its capital campaigns to be intentions to contribute. While the Church provides statements to donors to communicate progress toward campaign goals, it does not actively pursue collection of these amounts. Accordingly, such intentions are not included in the accompanying consolidated financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of funds held in operating accounts with immediate availability and overnight investment accounts.

Investments

The Church invests excess cash in various investment vehicles intended to support long-term objectives. Investments are reported at fair value based on quoted market prices. Interest and dividend income, as well as realized and unrealized gains and losses, are included in other revenue in the consolidated statement of activities.

Liquidity Management

As of December 31, 2025, the Church held \$37,660,979 in cash and cash equivalents without donor restrictions available to meet general operating needs. The Church expects that ongoing contributions without donor restrictions received in 2026 will be sufficient to meet its anticipated operational requirements.

Other Receivables

Other receivables primarily consist of \$584,238 in sales taxes receivable. Under North Carolina law, the Church is required to pay sales taxes on purchases and subsequently file a claim for reimbursement. These receivables are stated at net realizable value and are expected to be collected within twelve months.

Inventory

Merchandise held for resale is expensed at the time of purchase, as the value of unsold inventory is not material. The Church also maintains inventories of materials and supplies used during weekend services at its physical locations. The cost of these supplies is expensed when items are issued from inventory.

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842), which superseded the previous leasing guidance under Topic 840. Under Topic 842, lessees recognize right-of-use assets and lease liabilities for most leases with terms greater than twelve months. Leases are classified as either operating or finance leases, which affects the pattern of expense recognition in the statement of activities.

Income Taxes

The Church is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation under Section 509(a). Contributions to the Church qualify for the maximum charitable deduction permitted by law. Management believes the Church has no uncertain tax positions that would have a material effect on its financial position.

The Church is subject to unrelated business income tax ("UBIT") on net earnings from activities that are not substantially related to its exempt purpose. During the year ended December 31, 2025, the Church paid \$25,617 in estimated UBIT. Tax years 2022 through 2024 remain subject to examination by the Internal Revenue Service and the North Carolina Department of Revenue.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Elevation Worship Records

All costs associated with writing, recording, and publishing music through Elevation Worship Records are expensed as incurred.

Functional Allocation of Expenses

The Church's expenses are classified into two primary functional categories: ministry activities and supporting services. Ministry activities represent the core programs and services through which the Church fulfills its mission. Supporting services include volunteer recruitment, fundraising, and central office activities.

Volunteer recruitment and fundraising activities include all costs associated with generating volunteers and financial resources. The Church does not utilize advertising agencies, marketing firms, or consultants for fundraising purposes.

Personnel and other expenses are allocated among ministry activities, fundraising, volunteer recruitment, and central office functions based on management's estimates of time and effort expended and other reasonable allocation methodologies. All expenses are considered recurring in nature.

Quasi-Endowment Fund

The Church's Board of Directors (the "Board") has designated certain net assets without donor restrictions to function as a quasi-endowment (also referred to as a Board-designated endowment). These funds are intended to provide long-term financial stability and support for the Church's general operations, ministry programs, facility maintenance, future capital needs, church planting efforts, or to supplement annual giving during periods of shortfall. The designation helps preserve principal while allowing prudent spending of investment returns or portions of the fund as approved by the Board.

Quasi-endowment funds are not subject to donor restrictions and may be expended at the Board's discretion.

Subsequent Events

The Church evaluates subsequent events occurring after the statement of financial position date but before the consolidated financial statements are issued to determine whether recognition or disclosure is required.

For the year ended December 31, 2025, management evaluated subsequent events through February 11, 2026, the date the consolidated financial statements were available for issuance. No subsequent events occurred that require recognition or disclosure in the accompanying consolidated financial statements.

NOTE 3 – INVESTMENTS

Investments are presented at estimated fair value and consist of the following on December 31:

	2025
Equities	\$ 76,893,498
Fixed Income	114,492,970
Alternatives	11,497,320
Government Money Market Portfolio	20,144,110
	\$ 223,027,898

Investment income/losses for the year ended December 31:

	2025
Interest/Dividends	\$ 7,007,112
Realized Gain	92,613
Unrealized Gain, net	13,932,196
	\$ 21,031,921

Note 4 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require the fair value of financial instruments to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

Level 1 – Fair value is based on quoted prices in active markets for identical assets or liabilities.

Level 2 – Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Fair value is based on unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

In determining fair value, the Church uses valuation approaches within the FASB ASC 820 fair value measurement framework and utilizes the end of the reporting period for determining when transfers between levels are recognized. The following is a description of the valuation methodologies used for instruments measured at fair value and their classification within the hierarchy.

The following table sets forth by level, within the fair value hierarchy, the Church's assets at fair value as of December 31, 2025:

Investments	Total	Level 1	Level 2	Level 3
Equities	\$ 76,893,498	\$ 76,893,498	\$ -	\$ -
Fixed Income	114,492,970	114,492,970	-	-
Alternatives	11,497,320	-	-	11,497,320
Government Money Market Portfolio	20,144,110	20,144,110	-	-
Total	\$ 223,027,898	\$ 211,530,578	\$ -	\$ 11,497,320

Alternatives	2025
Balance, Beginning of Year	\$ 7,640,324
Purchases	3,134,869
Sales	(274,646)
Unrealized Gains	996,773
Balance, End of Year	\$ 11,497,320

The Church invests in alternative investments that pursue multiple strategies to diversify risks and reduce volatility. The investments focus on achieving long-term capital appreciation with moderate to lower levels of volatility. The Church recognizes shifts between the levels in the fair value hierarchy at the end of the reporting period.

As stated above, The Church believes the Level 3 investments assist the Church in diversifying its portfolio and reducing risks while allowing for capital appreciation.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	2025
Buildings	\$ 93,289,437
Land	24,082,441
Audio/Video Equipment	26,532,513
Leasehold Improvements	7,671,849
Computer Equipment/Software	3,203,764
Furniture and Equipment	15,685,799
Vehicles and Trailers	1,004,215
Studio	648,796
Construction in Progress	17,556,268
	189,675,082
Less: Accumulated Depreciation	(75,005,625)
Property and Equipment, Net	\$ 114,669,457

Property and equipment are stated at cost, or at fair value at the date of donation for contributed assets. Property and equipment purchases (excluding computer equipment) with a cost of \$2,500 or more are capitalized. Computer equipment purchases with a cost of \$1,000 or more are capitalized. Expenditures for repairs and maintenance that do not extend the useful life of an asset are expensed as incurred.

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the related assets.

For the year ended December 31, 2025, depreciation and amortization expense totaled \$8,463,135 and is included in the accompanying consolidated statement of activities.

NOTE 6 – GUARANTEED DEBT

Through its wholly owned subsidiary, KDI Property Corp (“KDI”), the Church has guaranteed long-term debt with an outstanding balance of \$4,463,135 as of December 31, 2025. The guaranteed debt relates to property used in connection with the Church’s Concord, North Carolina campus.

The Church has not recorded a liability related to this guarantee, as management believes the likelihood of performance under the guarantee is remote as of December 31, 2025.

NOTE 7 – NET ASSET CATEGORIES

Without Donor Restrictions

Undesignated - Contributions and other gifts available for use in general operations and not subject to donor restrictions are reported as increased net assets in the period received. Contributions received with donor restrictions whose restrictions are met in the same reporting period are generally reposted as support without donor restrictions in the same reporting year.

Board Designated (Quasi-Endowment)

The Church follows an investment policy approved by the Board that emphasizes a diversified portfolio of equities, fixed income, alternative investments, and money market assets with a moderate risk profile to achieve long-term growth while preserving capital. The spending policy generally permits annual appropriations to a quasi-endowment to support operations or other designated purposes. This approach is intended to preserve the purchasing power of the fund over time while providing ongoing support.

The Endowment was established as of the end of 2025, so there were no earnings or appropriations from the fund.

Although the Board does not intend to spend funds from the quasi endowment other than annual appropriations, the funds could be redesignated and made available if necessary.

With Donor Restrictions

Contributions and other gifts received by the Church for the purchase of fixed assets, expansion, or related debt reduction are initially recorded as net assets with donor restrictions. A portion of these funds (12%) are restricted to be donated to outreach partners. As amounts are paid, they are released from restriction and included in one of the property and equipment classifications in Note 5, or related debt is reduced, or the amount is included as an outreach expense, as appropriate.

NOTE 8 – RETIREMENT PLAN

The Church sponsors a defined contribution retirement plan under Section 403(b) of the Internal Revenue Code for eligible employees. The Church provides a matching contribution of up to 4% of a full-time, salaried employee's base compensation and housing allowance, where applicable. The plan is maintained, administered, and controlled by an independent third-party administrator. Employees are eligible to participate in the plan immediately upon commencement of employment.

For the year ended December 31, 2025, the Church contributed \$1,359,525 to the plan, which is included in retirement benefits expense in the accompanying consolidated statement of activities.

NOTE 9 – LEASES

The Church leases office facilities, equipment, and meeting spaces, including auditoriums, under various long-term, non-cancelable operating lease agreements. These leases have expiration dates extending through 2042.

Certain operating leases include provisions for future increases in minimum annual rental payments. The weighted average discount rate applied to lease obligations represents the risk-free discount rate for a period comparable to the individual lease terms.

In accordance with accounting standards, operating leases with terms of 12 months or less are generally not recorded on the statement of financial position.

Total right-of-use assets and lease liabilities on December 31, 2025, are as follows:

Lease Assets

Operating lease right-of-use - \$13,433,190

Lease Liabilities

Operating lease liabilities - \$14,049,033

Total Lease Costs For The Year	
Operating Leases	\$ 3,420,182
Short Term Equipment Leases	178,663
All Other Short Term Leases	1,071,262
Total Lease Payments	\$ 4,670,107

Weighted average discount rate – 2.57%

Weighted average remaining lease term – 10.4 years

Future minimum rent payments required under operating leases that have an initial remaining non-cancelable lease term over one year are as follows:

Year Ending December 31,	Operating Amounts
2026	\$ 1,875,927
2027	1,860,677
2028	1,896,552
2029	1,935,645
2030	1,806,811
Thereafter	6,152,882
Total Lease Payments	15,528,494
Less: Imputed Interest	(1,479,462)
Net Right of Use Liability	\$ 14,049,032

NOTE 10 – CONCENTRATIONS OF CREDIT RISK

Cash Above Insured Limits

Elevation Church regularly maintains cash balances that exceed the insurance limits provided by the Federal Deposit Insurance Corporation. However, management believes the risk of loss related to uninsured balances is minimal due to the creditworthiness of the financial institutions where the Church's deposits are held.

Leadership

The Church's financial contributions could be impacted, particularly in the short term, if key leadership were unable to perform their duties.

NOTE 11 – OTHER REVENUE AND EXPENSE

Other revenue and expenses for the year ending December 31 are presented below.

	2025
Other Revenue	
EWR	\$ 17,666,006
Resources	4,090,028
National Media	3,000,155
Investments	21,031,922
All Other	938,383
Total Other Revenue	\$ 46,726,494
Other Expense	
EWR	\$ 10,057,966
Resources	2,740,887
National Media	6,294,852
All Other	971,139
Total Other Expense	20,064,844
Net Other Revenue	\$ 26,661,650

NOTE 12 – COMMITMENTS

The Church is currently constructing a new campus in Raleigh, North Carolina, which is expected to open during the first quarter of 2026. Estimated construction costs to be incurred during the year ending December 31, 2026, are approximately \$4.2 million.

In addition, the Church, through its wholly owned subsidiary EC Ministry Housing, LLC, has a commitment to purchase six townhomes during the second quarter of 2026 at an estimated cost of \$2.4 million. The townhomes are intended to be leased to students at Elevation College for use during the 2026–2027 academic year.

NOTE 13 – RELATED PARTY TRANSACTIONS

Members of the Church’s Board of Directors serve without compensation for their duties as Board members. From time to time, Board members may participate in worship experiences, Church events, or staff seminars in a guest capacity. In such instances, honorariums may be provided in a manner consistent with those offered to other guest speakers.

No honorariums or other payments were made to Board members for these activities during the year ended December 31, 2025.