



Today's Business I

Twelfth Regular Convention

Edmonton, Alberta | June 10-13, 2022

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PRIME MINISTER · PREMIER MINISTRE

June 10-13, 2022

Dear Friends:

I am pleased to extend my warmest greetings to everyone attending the Lutheran Church-Canada's 2022 Synod Convention.

This event offers a wonderful opportunity for participants to discuss the church's important work, both in Canada and abroad. I am certain that everyone in attendance will appreciate this opportunity to come together for worship, prayer and fellowship under the theme "Stand Firm In The Faith."

It continues to be a challenging time for planning and hosting events. That is why I would like to thank the organizers for making this year's convention possible.

Please accept my best wishes for a productive session.

Sincerely,

The Rt. Hon. Justin P. J. Trudeau, P.C., M.P.
Prime Minister of Canada



LUTHERAN CHURCH–CANADA
Twelfth Regular Convention
PROPOSED AGENDA (revised)

Friday, June 10

10:00-7:00 pm Registration (Delta Hotel)
 1:00 pm Convention (Resolution)
 Committees (Delta Hotel)
 2:00 pm Board of Directors (Delta Hotel)

SESSION 1 (Delta Hotel)

4:00 pm Opening Prayer
 Welcome & Introductions
 Registration Committee Report
 Installation of Delegates
 Voting Orientation &
 Organization
 Special Standing Rules
 Adoption of Agenda
 Acceptance of New Members –
 pastors, deacons, congregations
 5:30 pm Supper (at hotels)
 7:30 pm Divine Service (Delta Grand
 Ballroom)
 8:30-9:30 pm Late Registration (Delta Hotel)

Saturday, June 11

6:30-8:15 am Breakfast (at hotels)
 7:00-9:00 am Late Registration (Delta Hotel)

SESSION 2

8:15 am Service of Prayer & Preaching
 9:00 am Essay – “Luther at the Diet of
 Worms” (Rev. Dr. John
 Maxfield)
 10:00 am Registration Committee Report
 Approval of Minutes
 Nominations/Elections
 Reports
 Greetings
 11:50 am Noon Daily Prayer
 12:00 noon LLLC/LHM BBQ Lunch (Delta
 Hotel)

INFORMATION SESSIONS**1:30 pm & 2:45 pm**

Topics:

1. Being Christian in a post Christian world
2. LCC Missions overseas and at home
3. Technology and Proclamation
4. Sharing the Christian Faith with family &
 friends

5. Engaging younger people in the church
6. Life issues - Life, death & in between
7. Coping with declining & isolated congregations
8. LCC Seminaries - preparing church workers
9. Worker Benefit Services and CAAT
10. Purpose & Priority Planning – in depth
11. Plan to Protect: Safeguarding as a ministry of
 the church

SESSION 3

4:00 pm Opening Prayer
 WBS Presentation-Pension Plan
 Merger
 Elections
 5:00 pm Responsive Prayer 2
 5:30 pm Supper (at hotels)

SESSION 4

7:00 p.m. Opening Prayer
 Greetings
 Convention Committees
 9:15 p.m. Compline
 9:30 p.m. Seminaries Reception (Radisson
 Atrium)

Sunday, June 12

6:30-8:15 am Breakfast (at hotels)

SESSION 5

8:15 am Matins
 9:00 am Bible Study – Ephesians 6:10-20
 (Rev Dr. Thomas Winger)
 10:15 am Registration Committee Report
 Approval of Minutes
 Elections
 Reports
 Greetings
 Convention Committees
 11:50 am Noon Daily Prayer
 12:00 noon Israel Tourism Sponsored Lunch
 (Radisson Jubilee Ballroom)

SESSION 6

2:00-3:30 pm Opening Prayer
 Elections
 Reports
 Greetings
 Welcome of Guests

PROPOSED AGENDA CONTINUED:

3:30 pm Commemoration of the Faithful Departed

SESSION 7

4:00 pm Opening Prayer
Reports
Greetings
Convention Committees

5:35 pm Vespers

6:30-9:00 pm Stand Firm-Reaching Out: a mission event (Radisson Jubilee Ballroom)

Monday, June 13

6:30-8:15 am Breakfast (at hotels)

SESSION 8

8:15 am Morning Prayer

9:00 am Approval of Minutes
Convention Committees
Elections
Other Unfinished Items
Recognition of Outgoing BOD

11:45 am Adjournment

12:00 p.m. Responsive Prayer 1

12:15 p.m. Box Lunch

Convention Essayists



Rev. Dr. John A. Maxfield, Professor of History and Religious Studies at Concordia University of Edmonton, is an ordained pastor of Lutheran Church – Canada, called by the Church in 2009 to teach Theology and Church History at Concordia (at the time an institution of LCC). He was ordained into the pastoral ministry in 1990 and served LCMS parishes in Pennsylvania, New Jersey, and Minnesota, and continues to be an active member in his local congregation, All Saints Lutheran Church in Edmonton. Dr. Maxfield attended Lutheran elementary and high schools in the Washington, DC, metropolitan area where he grew up, as well as Lutheran colleges in the United States (Bethany Lutheran College and Gettysburg College). He completed his theological studies at Concordia Theological Seminary (MDiv, 1989) and graduate studies in History at Indiana University (MA, 1990) and Princeton Theological Seminary (PhD, 2004).

Dr. Maxfield is the author of *Martin Luther's Lectures on Genesis and the Formation of Evangelical Identity*, SCES 80 (Truman State UP, 2008), and editor of *Defending Luther's Reformation: Its Ongoing Significance in the Face of Contemporary Challenges* (Concordia, 2017), which includes his Introduction as well as a chapter titled "The Enduring Importance of Luther's Exposition of the Old Testament as Christian Revelation." His article "Martin Luther's Practice of Old Testament Commentary" appeared in the online *Oxford Research Encyclopedia of Religion* (Oxford UP, 2017) and in *The Oxford Encyclopedia of Martin Luther*, ed. Derek R. Nelson and Paul R. Hinlicky, 3 vols. (Oxford UP, 2017). He is co-editor (with Anna Marie Johnson) of *The Reformation as Christianization: Essays on Scott Hendrix's Christianization Thesis*, SMHR 66 (Mohr Siebeck, 2012), which includes his chapter "Martin Luther and Idolatry." His article "Martin Luther's Swan Song: Luther's Students, Melancthon, and the Publication of the Lectures on Genesis (1544–1554)" appeared in *Lutherjahrbuch* 81 (2014).

Summary of Presentation:

Martin Luther at the Diet of Worms, 1521

Among the many events of the Reformer's life being recognized in this era of a quincentennial, Martin Luther's stand before the Emperor and Estates of the Holy Roman Empire at its diet (assembly) at Worms in April, 1521, has perhaps become the most legendary. This is to say, Luther's stand—his bold confession of faith in God and God's Word before the great authorities of the world—has shaped our understanding of Martin Luther and his age, the age of the Reformation of Christianity, and this understanding has in turn shaped subsequent human history even to our own day, five hundred years later. This essay will focus on the meaning and significance of Luther's famous stand at Worms and will raise the question of what Luther's confession of God's Word means for Christians today as we seek, by the grace and power of God, to "Stand Firm in the Faith."



Rev. Dr. Thomas M. Winger is President and Professor at Concordia Lutheran Theological Seminary (CLTS), St. Catharines, Ontario, Canada. He is also a graduate of that institution (MDiv, 1990), after having studied at Concordia College, Ann Arbor, Michigan (BA, 1985), and Westfield House, Cambridge, England. He pursued graduate studies at Concordia Seminary, St. Louis, Missouri (STM, 1992; ThD, 1997).

Dr Winger is the author of the Concordia Commentary on *Ephesians* (2015), *Lutheranism 101: Worship* (2017), and a contributor to *The Lutheran Study Bible* (2009). He was a member of the liturgy committee of *Lutheran Service Book*, and has written essays for its soon-to-be-published companion volume. He was pastor of Grace Evangelical Lutheran Church, St. Catharines, a German-English congregation (1993-99). He then served for seven years as tutor at Westfield House, Cambridge, the theological training house of the Evangelical Lutheran Church of England (ELCE). In 2006 he returned to Canada as a professor at CLTS, and has served as its president since 2012.

Born in Coventry, England, into an ELCE parsonage, young Tom followed his father Roger from church to church in England and Canada, before following him into the ministry. He met his dear wife Sara at Ann Arbor, and with her received from the Lord two children, Anne and Benjamin. Their house is filled with the music of piano, strings, and brass.

Summary of presentation:

Take up the Full Armour of God and Stand Firm

The “armour of God” section of Ephesians 6 is beloved to Christians. It offers a great encouragement that God promises victory in our ongoing fight with the spiritual forces of darkness. It highlights the divine gifts of truth, righteousness, peace, faith, salvation, and God’s Word, which arm and protect us. But as Dr Winger connects this armour to the convention them, “Stand Firm”, he will strengthen our resolve by focussing on the victory that Christ has already won. We are called upon not to defeat the devil but to stand firm in Christ’s victory, to take comfort in the armour and weapons Christ has put upon us in our Baptism, and to trust that on the Last Day He will rescue us from the fight.

RESOLUTION 22.1.14 TO PROVIDE FOR ANNUAL MEETING OF MEMBERS

(Reference Overture 1.14)

- WHEREAS Lutheran Church- Canada was incorporated by the Senate of Canada by means of a Special Act , An Act to Incorporate Lutheran Church –Canada, which was assented to June 4, 1959 (Special Act Corporation); and
- WHEREAS certain provisions of the Canada Not-for-profit Corporations Act (CNCA) apply to Special Act corporations including section 160(1) which imposes the Annual Meeting requirement on Special Act Corporations; and
- WHEREAS the current LCC statutory bylaws don't include a provision for conducting annual meetings; therefore, be it
- RESOLVED the Statutory bylaws be amended to provide for the business of Annual Meetings as follows:

Article IX.1 Annual Meeting of Members

- 9.1.01 **Time of Meeting** . An annual meeting of the Members shall be held in each year within six months of the end of the immediately preceding Fiscal year of Lutheran Church-Canada, or as soon as practicable thereafter, as the board may determine.
- 9.1.02 **Attendees**. All Members shall be entitled to attend the annual meeting of the Members, provided, however, that, in accordance with section 7.10, Individual Members shall not be entitled to vote thereat.
- 9.1.03 **Delegates**. With respect to Member Congregations, the delegates entitled to attend the annual meeting of the Members, shall be the delegates appointed by the Member Congregation in question to attend the last quadrennial Convention of the Lutheran Church-Canada, provided that the Member Congregation may appoint different delegates to the annual meeting of the Members, subject to the restriction in section 8.06, and the requirement that the Member Congregation shall provide the names and addresses (including e-mail address) of each individual so appointed to the secretary at least 15 days prior to the annual meeting of the Members.
- 9.1.04 **Meeting to be held by Electronic Means**. The annual meeting of the Members shall be held entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, as determined by the directors. A person participating in a meeting by such means is deemed to be present at the meeting. Any person participating in an annual meeting of Members pursuant to this section who is entitled to vote at that meeting may vote, by means of any telephonic, electronic or other communication facility that has made available for that purpose.
- 9.1.05 **Quorum**. A quorum for an annual meeting of Members shall consist of at least 1% of eligible delegates.
- 9.1.06 **Business of the meeting**. At each annual meeting of Members:
- a. the report of the Board of Directors, the financial statements of the Corporation and the report of the auditors thereon (if applicable) shall be presented;

- b. auditors shall be appointed (or the appointment of auditors dispensed with) for the ensuing fiscal year; and
- c. additional business may be considered at the annual meeting of the Members, provided that the directors shall provide the members with notice of such business which contains sufficient detail to permit a Member to form reasoned judgment on the business. The members should also receive the stated text of any special resolutions to be submitted to the meeting.

Committee #1

RESOLUTION 22.2.08 TO DECLARE ALTAR AND PULPIT FELLOWSHIP WITH THE LUTHERAN CHURCH IN NORWAY AND ICELAND

(Reference Overture 2.08)

- WHEREAS discussions have taken place between representatives of Lutheran Church-Canada (LCC) and the Lutheran Church in Norway and Iceland (LCNI); and
- WHEREAS these discussions have revealed a clear unity in the doctrine of the Gospel and the right administration of the Sacraments (AC VII); and
- WHEREAS the LCC Commission on Theology and Church Relations (CTCR) has reviewed the minutes of these discussions and has concurred with this mutual agreement between LCC and the LCNI; and
- WHEREAS the CTCR views the benefits of fellowship to be a future blessing from the Lord of the Church for both church bodies; therefore be it
- RESOLVED that Lutheran Church—Canada in convention declare Altar and Pulpit Fellowship with the Lutheran Church in Norway and Iceland.

RESOLUTION 22.3.05 TO RECEIVE SHALOM OROMO LUTHERAN CHURCH, WINNIPEG, MANITOBA INTO MEMBERSHIP OF LUTHERAN CHURCH—CANADA

(Reference Overture 3.05)

- WHEREAS the congregation of Shalom Oromo Lutheran Church, Winnipeg, Manitoba has applied for membership in Lutheran Church—Canada; and
- WHEREAS the constitution and bylaws of Shalom Oromo Lutheran Church have been submitted and reviewed by the President and approved by the Board of Directors of LCC in accordance with Synodical Bylaw 1.15 a; therefore be it
- RESOLVED that Shalom Oromo Lutheran Church, Winnipeg, Manitoba be joyfully received as a member of Lutheran Church—Canada.

Committee #3

RESOLUTION 22.3.06 TO RECEIVE ÉGLISE ÉVANGÉLIQUE LUTHÉRIENNE DE LA RÉCONCILIATION, SHERBROOKE, QUEBEC INTO MEMBERSHIP OF LUTHERAN CHURCH—CANADA

(Reference Overture 3.06)

- WHEREAS the congregation of Église Évangélique Luthérienne de la Réconciliation, Sherbrooke, Quebec has applied for membership in Lutheran Church—Canada; and
- WHEREAS the constitution and bylaws of Église Évangélique Luthérienne de la Réconciliation have been submitted and reviewed by the President and approved by the Board of Directors of LCC in accordance with Synodical Bylaw 1.15 a; therefore be it
- RESOLVED that Église Évangélique Luthérienne de la Réconciliation, Sherbrooke, Quebec be joyfully received as a member of Lutheran Church—Canada.

Committee #3

RESOLUTION 22.3.07 TO RATIFY AMENDMENTS AND REVISIONS TO CONGREGATION CONSTITUTIONS

(Reference Overture 3.07)

- WHEREAS upon review of changes to various congregation constitutions and subsequent recommendation of the President, the Board of Directors has approved the revisions and amendments to these constitutions; and
- WHEREAS such actions by the Board are to be “submitted to the next Convention for ratification” (Synodical Bylaw 1.5.b); therefore be it
- RESOLVED that the Convention ratify the actions of the Board on the following dates pertaining to its approval of amendments and revisions to the constitutions of the following congregations:
- April 5, 2019 – First St. Paul’s, Wellesley ON; St. Peter’s, Simcoe ON; Faith, Middle Lake SK; Grace, Port Alberni BC; Bethel, Kitchener ON; St. Paul’s, Elmira ON; All Saints, Edmonton AB; St. Matthew, Inlet QC; Emmanuel, Moose Jaw, SK
- June 19, 2019 – Grace, Oshawa ON; St. John’s, Mount Forest ON; Messiah, Waterloo ON; Church of the Lutheran Hour, Fort Frances ON
- September 19, 2019 – Immanuel, Rocky Mountain House AB; St. John’s, Snyder ON; Grace, Edmonton AB; Christ, Red Lake ON; King of Kings, St. Albert AB; Grace, Saskatoon SK
- November 15, 2019 – St. John’s, Clifford ON; St. Peter, Oxbow SK; St. Paul’s, Chilliwack BC; Concordia, Edmonton AB
- November 21, 2020 – Good Shepherd, Moncton NB; St. John’s, Frobisher SK; Redeemer, Hamilton ON; St. Paul’s, Saskatoon SK; Faith, Kitchener ON; Living Christ, Lipton SK; Resurrection, St. Catharines ON; Redeemer, Didsbury AB; Our Saviour, Etobicoke ON; Redeemer, Winnipeg MB; Zion, Yorkton SK; Duchess, Duchess AB; Zion, Augsburg ON
- February 26, 2021 – Lappe, Thunday Bay ON; Zion, Prince George BC; First, Lloydminster AB

November 19, 2021 – Peace, Tillsonburg ON

February 10, 2022 – King of Kings, St. Albert AB; Redeemer, Victoria (Langford) BC; Our Saviour & St. Mark, Dryden, ON & Vermilion Bay, ON; Faith, Desboro ON

April 9, 2022 – Calvary, Thunder Bay, ON; Grace, St. Catharines, ON

May 24, 2022- Hope, Port Coquitlam, BC; Peace, Grenfell, SK; Good Shepherd, Regina, SK

Committee #3

**RESOLUTION 22.3.08 TO DIRECT THE SYNOD BOARD OF DIRECTORS TO REVISIT
RESOLUTION 17.2.01**

(Reference Overture 3.08)

WHEREAS The Synod in convention (2017) passed resolution 17.2.01; and

WHEREAS Resolution 17.2.01 was passed, based on the Synod in convention (2011) which passed resolution 11.2.03; and

WHEREAS Resolution 11.2.03 reads ‘That the Board of Directors affirm the recommendations of the Vicarage Task Force, including the development and implementations of a synodical system of subsidizing vicarages whereby congregations, by a yearly assessment, contribute to a “Vicarage Placement Fund”; and

WHEREAS such an assessment and fund would allow for more beneficial placement of vicars; and

WHEREAS according to ARTICLE III Objectives #3 of the Synodical Constitution of Lutheran Church Canada The Synod, under Scripture and the Lutheran Confessions shall recruit and train pastors, deacons and other professional church workers and provide opportunity for their continuing growth’; and

WHEREAS vicars are studying and training to be future pastors for Lutheran Church Canada Congregations; and

WHEREAS there may be good congregations and on-site supervising pastors suited to train, guide and mentor vicars but do not have the funds to do so; and

WHEREAS the Board reported to the 2014 convention that ‘11.2.03 To Implement the Recommendations of the Vicarage Task Force Report required further work to develop a funding model’; and

WHEREAS no report or update on Resolution 17.2.01 (To Direct the Synod Board of Directors to Implement Resolution 11.2.03) has been given, verbally or written; therefore, be it

RESOLVED that the Board of Directors give a verbal acknowledgement at this convention (2022) on the status of resolution 17.2.01 and be it further

RESOLVED that the Lutheran Church-Canada in convention direct the Board of Directors to revisit the feasibility of the implementation of Resolution 17.2.01 in conjunction with Resolution 11.2.03, in the context of the additional circumstances of both restructuring and the COVID-19 pandemic, during this upcoming quadrennium.

Committee #3

RESOLUTION 22.3.09 TO APPOINT AUDITORS FOR LUTHERAN CHURCH-CANADA

(Reference Overture 3.09)

WHEREAS the statutory Bylaws (Article V – provision 5.01) state the delegates present at Convention appoint an auditor for auditing the financial statements of LCC; therefore be it

RESOLVED that KPMG be appointed auditors of LCC and hold office until the next Convention

Committee #3

RESOLUTION 22.3.10 TO SUPPORT AND AFFIRM THE DECISION OF LUTHERAN CHURCH-CANADA TO MERGE THE LCC PENSION PLAN INTO CAAT PENSION PLAN

(Reference Overture 3.10)

WHEREAS the Lutheran Church-Canada (LCC) Board of Directors (the LCC Board) authorized LCC Worker Benefit Service Inc. (WBS) to enter into a Memorandum of Understanding (MOU), with the Colleges of Applied Arts and Technology Pension Plan (CAAT), a jointly-sponsored defined benefit pension plan registered in the province of Ontario; and

WHEREAS the MOU outlined the intention of the two parties to consider the participation of some or all LCC employers and their eligible employees in CAAT on a go-forward basis and for the transfer of assets and liabilities from the Lutheran Church-Canada Pension Plan (LCC Plan) to CAAT (the Merger); and

WHEREAS the WBS Board of Directors evaluated the pros and cons to members and employers for merging the LCC Plan into CAAT and, having determined that the Merger was in the best interests of both LCC Plan-members and participating employers, recommended LCC proceed with the Merger; and

WHEREAS the LCC Board approved the recommendation and directed WBS to inform members and participating employers on the details of the proposed merger and to seek their support; and

WHEREAS WBS has held a number of information sessions with LCC Plan members and participating employers and believes they have received necessary information to make an informed decision on whether to support the Merger; and

WHEREAS the Merger will be subject to regulatory approvals, the requirements of which include receipt of the required number of consents from LCC Plan members; and

WHEREAS LCC is prepared to sign a memorandum of agreement with CAAT to move forward with the Merger, and is desirous of a strong endorsement of the Merger from the convention delegates; therefore be it

RESOLVED the convention supports and affirms the decision of LCC to enter into a Memorandum of Agreement (MOA) with CAAT for the purposes of the merger of the LCC Plan and CAAT; and be it further

RESOLVED that participating employers in the LCC plan will indicate their decision to participate in CAAT by returning a signed agency agreement to LCC by July 31, 2022 authorizing LCC to enter into the MOA on their behalf.

Committee #3

LATE OVERTURES

OVERTURE 3.11 TO ACKNOWLEDGE RECEIPT OF AUDITED FINANCIAL STATEMENTS AND AUDITORS REPORT THEREON FOR FISCAL YEAR ENDING JANUARY 31, 2022

WHEREAS the comparative financial statements prepared by management for the fiscal year ending January 31, 2022 were audited by KPMG in March 2022; and

WHEREAS the audited financial statements and accompanying report of the auditor was reviewed and approved by the Board of Directors at a meeting held on May 24, 2022; therefore be it

RESOLVED that the members of Lutheran Church–Canada, in convention, hereby acknowledge receipt of the audited statements and auditor report thereon for the fiscal year ending January 31, 2022

Submitted by

LCC Board of Directors
Arnold Drung, Chair
Grace Henderson, Secretary

OVERTURE 3.12 TO RECEIVE THE LCC QUADRENNIAL WORK PROGRAM

WHEREAS the Administrator and Board of Directors of Lutheran Church-Canada have prepared a four-year work program for the years 2022-2026; and

WHEREAS this work program can only be implemented by the cooperation and action of congregations, regions, and the solicitation and receipt of necessary funds; therefore be it

RESOLVED that Lutheran Church-Canada assembled in Convention receive this work program for information, study, and action by the Board of Directors

LCC Board of Directors
Arnold Drung, Chair
Grace Henderson, Secretary

UPDATES AND CORRECTIONS TO THE CONVENTION WORKBOOK

The following omissions/errors/changes to the Convention Workbook are being noted for your information. Please enter the changes into your copy of the Convention Workbook.

- C.1 Add Rev. Chris McLean – Hudson Bay, Good Shepherd, Melfort, St. Paul’s; Mistatim, Zion; Nipawin, Zion
- C.5 Rev. Robert Bryans replaced by Rev. Saulo Bledoff
- C.7 Lay delegate Al Molzan replaced by Jim Décor
- C.8 Spelling correction: Fort McMurray, Trinity lay delegate Abbie Tang
- C.9 Rev. Gerhard Wilch replaced by Rev. Eduardo Rodriguez
- C.10 Remove Rev. Chris McLean – now vacant
- C.10 Remove lay delegate Charles Friesen
- C.12 Add **Registered Advisory Delegates:**

Clergy

Rev. David Bode
 Rev. Kristopher (Scott) Brayall
 Rev. James Dimitroff
 Rev. Dr. James Gimbel
 Rev. Robert Hasselstrom
 Rev. Randy Heide
 Rev. Dr. John Hellwege
 Rev. David Jackson
 Rev. Michael Keith
 Rev. Dong Joo Kim
 Rev. Min Kim
 Rev. Dr. John Maxfield
 Rev. Ron Mohr
 Rev. Dr. Harold Ristau
 Rev. Ken Rodeman
 Rev. Dr. Harold Ruf
 Rev. Donald Schiemann
 Rev. Dr. Sam Thompson
 Rev. Howard Ulmer
 Rev. Dr. Alex Vieira
 Rev. Orland Welke
 Rev. Dr. Thomas Winger

Deacons

Dcn. Dr. Jennifer Frim
 Dcn. Amanda Hastings
 Dcn. Lisa Olding
 Dcn. Monica Schultz
 Dcn. Lenora Simpson

- D.9 Commission on Theology and Church Relations - Paul Walrath withdraws
- E.16 Entered the Synod c. Received by Transfer – add
- BLEDOFF, Paulo (IELB, Lutheran Church in Brazil), St. John’s, Stevensville, ON, 2022-05-22 by Rev. Kurt Lantz
 - THOMPSON, Sam (India Evangelical Lutheran Church), Concordia Lutheran Seminary, Edmonton, AB, 2022-05-28 by Rev. Timothy Teuscher
 - VIEIRA, Alexandre (IELB, Lutheran Church in Brazil), Concordia Lutheran Seminary, Edmonton, AB, 2022-05-28 by Rev. Timothy Teuscher
- E.18 Candidate status – add GAMBLE, Scott 2022-01-27

REPORT ON NOMINATIONS FOR CIRCUIT COUNSELLORS

Bylaw 4.11 provides for the direct nomination of candidates for the Office of Circuit Counsellor by the congregations of Synod. Each congregation in each circuit has the opportunity of placing two names from among the pastors of congregations of the circuit or from among the emeriti who hold membership in one of the member congregations of that circuit in nomination and sending them to the Secretary of Synod at least three months prior to the convention.

Candidates shall be vetted by the Regional Pastor in consultation with the other pastors and deacons in the same circuit. Circuit Counsellors being considered for re-election shall recuse themselves from the vetting process. The qualifications for this position include:

- a. Membership in good standing on the roster,
- b. Demonstrated spiritual and pastoral leadership,

The names of the vetted candidates shall be submitted to the Commission on Nominations and Elections. If no candidate has received a majority, the Commission on Nominations and Elections shall provide an open ballot at the Convention providing the Commission on Nominations and Elections has confirmed the vetting of anyone nominated from the floor and that such candidates meet the conditions for candidacy. The election of circuit counsellor shall be made by the delegates of the respective circuit providing the Commission on Nominations and Elections has confirmed the vetting of anyone nominated from the floor and that such candidates meet the conditions for candidacy. The secretary shall prepare a slate of circuit counsellors. The Convention shall have the right to alter the slate by amendment. The Convention shall then ratify the slate of circuit counsellors, which ratification shall constitute election.

Central Region – Candidates Receiving a Majority (Elected)

| Assiniboine Circuit | Northland Circuit | Southland Circuit |
|---------------------|-------------------|--------------------|
| Rev. Barry Wood | Rev. Clint Magnus | Rev. Jason Schultz |

Central Region – Candidates for Election

| Ontario Circuit | Portage Circuit | Qu'Appelle Circuit |
|-----------------------|-----------------------|------------------------|
| Rev. Daniel Barr | Rev. Alexander Klages | Rev. Gerald Andersen |
| Rev. Stephen Bartlett | Rev. Sean Smallwood | Rev. Joshua Kurtenbach |
| Rev. Keith Blom | | |
| Rev. Brian Falkenholt | | |
| Rev. Michael Montague | | |
| Rev. Neil Otke | | |
| Rev. Jacob Quast | | |
| Rev. Daniel Repo | | |
| Rev. Alexander Timm | | |

Central Region – Candidates for Election (continued)

| Red River Circuit | Saskatoon Circuit | Wascana Circuit |
|--------------------------|--------------------------|-----------------------------|
| Rev. Assefa Aredo | Rev. Quentin Adams | Rev. James Chimirri-Russell |
| Rev. Dr. Richard Beinert | Rev. Robert Grout | Rev. Theodore Giese |
| Rev. Harold Borchardt | Rev. Murray Keith | Rev. Arron Gust |
| Rev. David Godkin | Rev. Peter Knelson | Rev. Luther Heintz |
| Rev. Oboya Ochalla | Rev. Rodney Parker | Rev. Bryan Rosnau |
| Rev. Thomas Prachar | Rev. Rudy Pastucha | |
| Rev. Cameron Schnarr | Rev. Wayne Olson | |
| Rev. Dr. Harald Schoubye | | |
| Rev. Glenn Worcester | | |

East Region – Candidates Receiving a Majority (Elected)

| Hamilton Circuit | Hanover Circuit | Windsor Circuit |
|-------------------------|------------------------|------------------------|
| Rev. Kevin Walrath | Rev. Ken Maher | Rev. Kirk Radford |

East Region – Candidates for Election

| Kitchener Circuit | London Circuit | Niagara Circuit |
|--------------------------|-----------------------|--------------------------|
| Rev. William Chuol | Rev. Dan Abraham | Rev. Dr. Jonathan Grothe |
| Rev. Richard Frey | Rev. Oscar Castillo | Rev. David Hamp |
| Rev. Larry Gajdos | Rev. Lawrence Labatt | Rev. Todd Hoeffs |
| Rev. David Gallas | Rev. Siem Manna | Rev. Richard Juritsch |
| Rev. Konstantin Hahn | Rev. Paul Pollex | Rev. Thomas Korcok |
| Rev. Warren Hamp | Rev. Donald Schieman | Rev. Kurt Lantz |
| Rev. Dr. Dieter Kays | | Rev. John Makey |
| Rev. Dr. James Keller | | Rev. Michael Meleg |
| Rev. Robin Korsch | | Rev. Larry Ritter |
| Rev. Robert Krestick | | |
| Rev. Marcus Kuehn | | |
| Rev. Joel Kuhl | | |
| Rev. Ronald Mohr | | |
| Rev. John Rapp | | |
| Rev. Allan Scharlach | | |
| Rev. Ralph Schmidt | | |
| Rev. Andre Schroth | | |
| Rev. Gary Weber | | |
| Rev. Paul Zabel | | |

East Region – Candidates for Election (continued)

| Ottawa Circuit | Stratford Circuit | Toronto Circuit |
|---------------------------|--------------------------|------------------------------|
| Rev. Dr. Jorge Groh | Rev. Michael Mayer | Rev. Seungwoo “Sam” Choi |
| Rev. Dr. Bryan King | Rev. John Trembulak III | Rev. Vasilios Christoforidis |
| Rev. Milton Lam | | Rev. Dr. Kevin Fast |
| Rev. Frank Morgret | | Rev. Lawrence Flohr |
| Rev. David Smilek | | Rev. Matthew Habermas |
| Rev. Dr. David Somers | | Rev. Jack Hetzel |
| Rev. Albin (Bill) Stanfel | | Rev. James Luke |
| Rev. Paul Williams | | Rev. Dr. Stephen Omoregie |
| | | Rev. Vishal Paul |
| | | Rev. Ling Pui Yeong |

West Region – Candidates Receiving a Majority (Elected)

| Calgary Circuit | Cariboo Circuit | Elk Island Circuit |
|----------------------------------|-------------------------|----------------------------|
| Rev. David Bode | Rev. Noel Smith | Rev. Jeffery Dul |
| Greater Vancouver Circuit | Okanagan Circuit | Peace River Circuit |
| Rev. Wayne Lunderby | Rev. Michael Schutz | Rev. Terrance Goerz |
| Vancouver Island | | |
| Rev. Fraser Coltman | | |

West Region – Candidates for Election

| Edmonton Circuit | Kootenay Circuit | Lethbridge Circuit |
|----------------------------|---------------------------|---------------------------|
| Rev. James Avery | Rev. Ronald Abresch | Rev. Carl Bogda |
| Rev. Mark Danielson | Rev. Kai Buck | Rev. Richard Brown |
| Rev. Daniel Deyell | Rev. Ken Schauer | Rev. Kenneth Edel |
| Rev. James Dimitroff | Rev. Douglas Stapleton | Rev. James Lindemann |
| Rev. Garry Dombrosky | | Rev. Richard Williams |
| Rev. Lowell Eckert | | |
| Rev. Paul Eifert | | |
| Rev. James Fritsche | | |
| Rev. Mark Hennig | | |
| Rev. Wayne Jensen | | |
| Rev. James Kay | | |
| Rev. David Kihn | | |
| Rev. Jonathan Kraemer | | |
| Rev. Scott Lyons | | |
| Rev. Larry MacKay | | |
| Rev. Jan Pastucha | | |
| Rev. Dr. Harold Ruf | | |
| Rev. Warren Steckelberg | | |
| Rev. Jonathan Strand | | |
| Rev. Sye Van Maanen | | |
| Rev. Marvin Ziprick | | |
| Rev. Matthew Ziprick | | |
| | | |
| Stony Plain Circuit | Wetaskiwin Circuit | |
| Rev. Rodney Buck | Rev. Brian Amison | |
| Rev. Cody Cooper | Rev. Donald Hennig | |
| Rev. Mark Dressler | Rev. Russell Howard | |
| Rev. Dan Hansard | Rev. Allen Lewis | |
| Rev. James Heinbuch | Rev. Timothy Richholt | |
| Rev. Keith Hoveland | Rev. Mark Schultz | |
| Rev. Michael Keith | | |
| Rev. Roland Kubke | | |
| Rev. Robert Marshall | | |
| Rev. Kenneth Rodeman | | |
| Rev. Donald Schiemann | | |
| Rev. Rojar Singh | | |

**LUTHERAN CHURCH CANADA
QUADRENNIAL WORK PROGRAM
FEB 1, 2022- JAN 31,2026**

| | 2023 | 2024 | 2025 | 2026 | Total |
|--------------------------------------------------|------------------|---------------------|---------------------|---------------------|---------------------|
| REVENUE | Budget | Work Program | Work Program | Work Program | Work Program |
| Congregation Contributions | 2,200,000 | 2,350,000 | 2,450,000 | 2,500,000 | 9,500,000 |
| Specified Purpose | 1,465,800 | 1,398,500 | 1,378,000 | 1,397,700 | 5,640,000 |
| Investment & Other Income | 75,200 | 81,200 | 81,300 | 82,300 | 320,000 |
| Total Revenues | 3,741,000 | 3,829,700 | 3,909,300 | 3,980,000 | 15,460,000 |
| EXPENSES | | | | | |
| Missions | | | | | |
| Domestic Missions | 985,500 | 1,053,500 | 1,074,000 | 1,095,000 | 4,208,000 |
| International Missions | 585,000 | 650,000 | 665,000 | 675,000 | 2,575,000 |
| <i>Sub-Total</i> | <i>1,570,500</i> | <i>1,703,500</i> | <i>1,739,000</i> | <i>1,770,000</i> | 6,783,000 |
| Ecclesiastical Services | | | | | |
| President & Regional Pastors | 663,000 | 574,000 | 587,000 | 600,000 | 2,424,000 |
| President Ministry Council & Circuit Counsellors | 37,000 | 37,750 | 38,750 | 39,500 | 153,000 |
| <i>Sub-Total</i> | <i>700,000</i> | <i>611,750</i> | <i>625,750</i> | <i>639,500</i> | 2,577,000 |
| Higher Education | | | | | |
| Seminary Support | 272,000 | 277,000 | 282,000 | 284,000 | 1,115,000 |
| Student Recruitment | | 81,000 | 90,500 | 92,000 | 263,500 |
| Student Aid/ AIC Scholarships | 27,500 | 35,500 | 28,500 | 30,000 | 121,500 |
| <i>Sub-Total</i> | <i>299,500</i> | <i>393,500</i> | <i>401,000</i> | <i>406,000</i> | 1,500,000 |
| Communication Services | | | | | |
| Sub-total | 209,575 | 214,000 | 218,600 | 222,825 | 865,000 |
| Congregational Services | 150,000 | 132,500 | 135,000 | 137,500 | 555,000 |
| Sub-Total | 150,000 | 132,500 | 135,000 | 137,500 | 555,000 |
| Total Program Expenses | 2,929,575 | 3,055,250 | 3,119,350 | 3,175,825 | 12,280,000 |
| Administration/ Governance/Advancement | | | | | |
| Staffing | 434,630 | 443,400 | 452,300 | 458,500 | 1,788,830 |
| General office | 167,095 | 170,500 | 173,585 | 177,400 | 688,580 |
| Travel | 62,390 | 43,510 | 43,600 | 44,500 | 194,000 |
| Property Operations | 114,580 | 82,380 | 83,680 | 84,950 | 365,590 |
| Board of Directors & Commissions | 32,100 | 34,200 | 36,300 | 38,400 | 141,000 |
| <i>Sub-Total</i> | <i>810,795</i> | <i>773,990</i> | <i>789,465</i> | <i>803,750</i> | 3,178,000 |
| Total Support Expenses | 810,795 | 773,990 | 789,465 | 803,750 | 3,178,000 |
| Total Expenses | 3,740,370 | 3,829,240 | 3,908,815 | 3,979,575 | 15,458,000 |
| Excess of Revenue over Expenses | 630 | 460 | 485 | 425 | 2,000 |

| Synodical Events- Work Program | 2023 | 2024 | 2025 | 2026 | Total |
|---------------------------------------|---------------|--------|---------|--------|-------------------------------------|
| | Budget | | | | Quadrennial Work Program |
| REVENUE | | | | | |
| Synod Convention | 825,000 | | | | 825,000 |
| National Youth Gathering | 185,000 | | 190,000 | | 375,000 |
| Church Worker Conferences | 60,000 | 62,000 | 63,000 | 65,000 | 250,000 |
| | 1,070,000 | 62,000 | 253,000 | 65,000 | 1,450,000 |
| EXPENSES | | | | | |
| Synod Convention | 825,000 | | | | 825,000 |
| National Youth Gathering | 185,000 | | 190,000 | | 375,000 |
| Church Worker Conferences | 60,000 | 62,000 | 63,000 | 65,000 | 250,000 |
| | 1,070,000 | 62,000 | 253,000 | 65,000 | 1,450,000 |
| Surplus (Shortfall) Synod Events | 0 | | 0 | | 0 |

Financial Statements of

**LUTHERAN CHURCH -
CANADA**

And Independent Auditors' Report thereon

Year ended January 31, 2022



KPMG LLP
1900 - 360 Main Street
Winnipeg MB
R3C 3Z3

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INDEPENDENT AUDITORS' REPORT

To the Members of Lutheran Church - Canada

Opinion

We have audited the financial statements of Lutheran Church - Canada (the "Entity"), which comprise the statement of financial position as at January 31, 2022, the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at January 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.



Auditors' 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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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.

- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Winnipeg, Canada

May 24, 2022

LUTHERAN CHURCH - CANADA

Statement of Financial Position

January 31, 2022, with comparative information for 2021


| | Operating Fund | | Designated Fund | | Total 2022 | Total 2021 |
|---------------------------------|----------------|--------------|-----------------|--------------|---------------|---------------|
| | 2022 | 2021 | 2022 | 2021 | | |
| Assets | | | | | | |
| Current assets: | | | | | | |
| Cash | \$ 1,122,256 | \$ 1,621,655 | \$ - | \$ - | \$ 1,122,256 | \$ 1,621,655 |
| Accounts receivable (note 2[g]) | 282,520 | 665,928 | - | - | 282,520 | 665,928 |
| Prepaid expenses | 79,215 | 65,517 | 286,450 | 151,842 | 365,665 | 217,359 |
| Inter-fund balances | (196,785) | (1,320,282) | 196,785 | 1,320,282 | - | - |
| Short-term investments (note 4) | - | - | 500,674 | - | 500,674 | - |
| | 1,287,206 | 1,032,818 | 983,909 | 1,472,124 | 2,271,115 | 2,504,942 |
| Capital assets (note 3) | 419,993 | 438,877 | - | - | 419,993 | 438,877 |
| Investments (note 4) | - | - | 1,603,572 | 1,181,587 | 1,603,572 | 1,181,587 |
| Deferred gift (note 6) | 50,000 | 50,000 | - | - | 50,000 | 50,000 |
| | \$ 1,757,199 | \$ 1,521,695 | \$ 2,587,481 | \$ 2,653,711 | \$ 4,344,680 | \$ 4,175,406 |

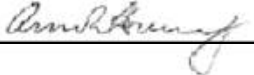
Liabilities, Deferred Contributions and Fund Balances

| | | | | | | |
|--------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Current liabilities: | | | | | | |
| Accounts payable and accrued liabilities | \$ 112,883 | \$ 39,060 | \$ - | \$ - | \$ 112,883 | \$ 39,060 |
| Payable to Lutheran Church-Canada Financial Ministries | 24,476 | 5,537 | - | - | 24,476 | 5,537 |
| | 137,359 | 44,597 | - | - | 137,359 | 44,597 |
| Deferred contributions (note 6): | | | | | | |
| Expenses of future periods | 260,073 | 422,382 | 2,395,752 | 2,470,032 | 2,655,825 | 2,892,414 |
| Capital assets | 60,195 | 64,495 | - | - | 60,195 | 64,495 |
| Deferred gift | 50,000 | 50,000 | - | - | 50,000 | 50,000 |
| | 370,268 | 536,877 | 2,395,752 | 2,470,032 | 2,766,020 | 3,006,909 |
| Fund balances: | | | | | | |
| Unrestricted | 925,377 | 601,442 | - | - | 925,377 | 601,442 |
| Invested in capital assets | 324,195 | 338,779 | - | - | 324,195 | 338,779 |
| Internally restricted (note 7) | - | - | 191,729 | 183,679 | 191,729 | 183,679 |
| | 1,249,572 | 940,221 | 191,729 | 183,679 | 1,441,301 | 1,123,900 |
| Contingencies (note 10) | | | | | | |
| | \$ 1,757,199 | \$ 1,521,695 | \$ 2,587,481 | \$ 2,653,711 | \$ 4,344,680 | \$ 4,175,406 |

See accompanying notes to financial statements.

On behalf of the Board:


 _____ Director


 _____ Director

LUTHERAN CHURCH - CANADA

Statement of Operations

Year ended January 31, 2022, with comparative information for 2021

| | Operating Fund | | Designated Fund | | Total | Total |
|------------------------------------------------------------------------------------|------------------|------------------|-----------------|----------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenue: | | | | | | |
| Contributions: | | | | | | |
| Operating | \$ 3,303,406 | \$ 3,247,445 | \$ - | \$ - | \$ 3,303,406 | \$ 3,247,445 |
| Designated (note 6) | - | - | 360,230 | 429,868 | 360,230 | 429,868 |
| Canadian Lutheran | 31,008 | 29,176 | - | - | 31,008 | 29,176 |
| Rental | 9,300 | 8,250 | - | - | 9,300 | 8,250 |
| Investment income (loss) | 1,960 | (591) | 91,436 | (26,846) | 93,396 | (27,437) |
| Government assistance (note 2[g]) | 51 | 306,905 | - | - | 51 | 306,905 |
| Unrestricted missions | 40,534 | 62,758 | - | - | 40,534 | 62,758 |
| Amortization of deferred contributions related to capital assets (note 6[b]) | 4,300 | 4,300 | - | - | 4,300 | 4,300 |
| | <u>3,390,559</u> | <u>3,658,243</u> | <u>451,666</u> | <u>403,022</u> | <u>3,842,225</u> | <u>4,061,265</u> |
| Expenses: | | | | | | |
| Missions | 1,024,421 | 1,055,621 | - | - | 1,024,421 | 1,055,621 |
| Ecclesiastical services | 500,431 | 487,760 | - | - | 500,431 | 487,760 |
| Higher education subsidy | 292,200 | 292,150 | - | - | 292,200 | 292,150 |
| Communications | 227,771 | 202,296 | - | - | 227,771 | 202,296 |
| Congregational services | 166,013 | 130,000 | - | - | 166,013 | 130,000 |
| Administration (note 8) | 427,180 | 416,242 | - | - | 427,180 | 416,242 |
| Property operations | 126,303 | 63,497 | - | - | 126,303 | 63,497 |
| Board, committees and memberships | 14,911 | 19,679 | - | - | 14,911 | 19,679 |
| Amortization of capital assets | 18,884 | 18,884 | - | - | 18,884 | 18,884 |
| Disbursements to congregations | 269,180 | 444,454 | - | - | 269,180 | 444,454 |
| Designated (schedule B) | - | - | 369,758 | 417,340 | 369,758 | 417,340 |
| | <u>3,067,294</u> | <u>3,130,583</u> | <u>369,758</u> | <u>417,340</u> | <u>3,437,052</u> | <u>3,547,923</u> |
| Excess (deficiency) of revenue over expenses | \$ 323,265 | \$ 527,660 | \$ 81,908 | \$ (14,318) | \$ 405,173 | \$ 513,342 |

See accompanying notes to financial statements.

LUTHERAN CHURCH - CANADA

Statement of Changes in Fund Balances

Year ended January 31, 2022, with comparative information for 2021

| | Operating Fund | | Designated Fund | | 2022 Total | 2021 Total |
|-------------------------------------------------------|-------------------|----------------------------------|--------------------------|---------------------|---------------------|---------------|
| | Unrestricted | Invested in capital assets | Internally restricted | | | |
| Fund balance, beginning of year | \$ 601,442 | \$ 338,779 | \$ 183,679 | \$ 1,123,900 | \$ 678,050 | |
| Excess (deficiency) of revenue over expenses | 337,849 | (14,584) | 81,908 | 405,173 | 513,342 | |
| Remeasurement of accrued benefit asset | (87,772) | – | – | (87,772) | (67,492) | |
| Transfer of funds from internally restricted (note 7) | 73,858 | – | (73,858) | – | – | |
| Fund balance, end of year | \$ 925,377 | \$ 324,195 | \$ 191,729 | \$ 1,441,301 | \$ 1,123,900 | |

See accompanying notes to financial statements.

LUTHERAN CHURCH - CANADA

Statement of Cash Flows

Year ended January 31, 2022, with comparative information for 2021

| | 2022 | 2021 |
|----------------------------------------------------------------------------|--------------|--------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Excess of revenue over expenses | \$ 405,173 | \$ 513,342 |
| Items not involving cash: | | |
| Amortization of deferred contributions related to capital assets | (4,300) | (4,300) |
| Amortization of capital assets | 18,884 | 18,884 |
| Unrealized loss (gain) on investments | (2,529) | 54,188 |
| Change in non-cash operating working capital: | | |
| Accounts receivable | 383,408 | (253,400) |
| Prepaid expenses | (148,306) | (58,177) |
| Accrued benefit asset | (87,772) | (67,492) |
| Accounts payable and accrued liabilities | 73,823 | (2,473) |
| Payable to Lutheran Church - Canada Financial Ministries | 18,939 | (4,195) |
| Net change in deferred contributions related to expenses of future periods | (236,589) | 575,552 |
| | 420,731 | 771,929 |
| Financing activities: | | |
| Principal repayments of long-term debt | - | (7,188) |
| Investing activities: | | |
| Change in investments, net | (920,130) | (28,545) |
| Increase (decrease) in cash | (499,399) | 736,196 |
| Cash, beginning of year | 1,621,655 | 885,459 |
| Cash, end of year | \$ 1,122,256 | \$ 1,621,655 |

See accompanying notes to financial statements.

LUTHERAN CHURCH - CANADA

Notes to Financial Statements

Year ended January 31, 2022

1. General:

Lutheran Church - Canada (the "Church") was incorporated by a special act with the consent of the Senate and House of Commons of Canada, assented on June 4, 1959. The Church is also registered as a charitable organization under the *Income Tax Act*. The purpose of the Church is to assist congregations and pastors to conserve and promote the unity of faith, carry out their mission and ministry, and exercise certain functions which can be more efficiently and effectively performed together nationally and internationally.

The Church is exempt from income tax under Section 149(1) of the *Income Tax Act*.

2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

(a) Fund accounting:

The Church records its financial transactions on the fund accounting basis as follows:

(i) Operating Fund:

The Operating Fund includes transactions related to the general operations of the Church and includes all capital assets of the Church.

(ii) Designated Fund:

The Designated Fund includes transactions relating to monies received by the Church which have purposes specified by the donor or have been designated for specific purposes by the Board of Directors. Expenditures from monies designated for specific purposes by the Board of Directors require approval of the Board.

(b) Employee future benefits:

Employees of the Church hired prior to January 1, 2012 are members of the Lutheran Church - Canada Defined Benefit Pension Plan (the "Plan"), which was established on January 1, 1989 as a non-contributory defined benefit pension plan. The Plan covers the employees of the various employers who have agreed to participate in the plan and who share a voluntary ecclesiastical bond as part of the "Synodical Family".

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2022

2. Significant accounting policies (continued):

Effective January 1, 2013, the Plan became a contributory plan for all future service and all members who are still eligible to accrue credited service in the Plan are required to make annual contributions of 4 percent of their compensation. Employees of the Church who are not eligible to accrue credited service in the Plan were enrolled into a contributory defined contribution pension plan from January 1, 2013 onwards. These applicable Plan members will not earn any further service benefits under the Plan after January 1, 2013. The applicable Plan members' pre-January 1, 2013 pension benefit will continue growing within the Plan through future salary increases. The applicable Plan members are required to make annual contributions of 4 percent of their compensation to the defined contribution pension plan.

To January 31, 2020, as the Plan was a multi-employer defined benefit plan, the Church accounted for the Plan consistent with a defined contribution plan where contributions to the Plan were expensed in the period incurred.

During the year ended January 31, 2021, the Plan became a multiple-employer defined benefit plan and the Church accounts for the Plan following the standards of a defined benefit plan.

The most recent funding actuarial valuation of the Plan as at December 31, 2019, reported the Plan had a surplus of actuarial value of net assets over actuarial present value of accrued pension obligations and a solvency deficiency. At the forbearance of the Province of Alberta Superintendent of Pensions, the Plan is currently not required to fully fund the solvency deficiency within the amortization period stipulated in the Act, but rather on a best efforts basis.

As the Plan is a multiple-employer plan, the Church accrues its obligations under the Plan as the employees render the services necessary to earn the future benefits from this Plan.

The actuarial determination of the accrued benefit obligations for the Plan uses the projected benefit method prorated on service (which incorporates management's assumptions used for funding purposes, other cost escalation, retirement ages of employees and other actuarial factors). The measurement date of the Plan assets, which are recorded at fair value and accrued benefit obligation coincides with the Church's fiscal year.

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2022

2. Significant accounting policies (continued):

The Church measures their allocation of defined benefit obligation using an extrapolation of the most recently completed funding valuations. The effective date of the actuarial funding valuation used in determining the Church's allocation of the Plan's obligations was December 31, 2019.

At year-end the Church recognizes, in the statement of financial position, the allocation of the Plan's benefit obligations net of the fair value of Plan assets, if any, adjusted for any valuation allowance. The Church's cost of the Plan for the year, except for remeasurements and other items, is recognized in the statement of operations. Remeasurements and other items, which comprise the aggregate of: the difference between the actual return on plan assets and the return calculated using the discount rate used in determining that defined benefit obligation at the beginning of the year; actuarial gains and losses; the effect of any valuation allowance in the case of a net defined benefit asset; past service costs; and gains and losses arising from settlements and curtailments, are recognized directly in the Operating Fund's unrestricted fund balance and presented as a separately identified item in the statement of changes in fund balances.

(c) Revenue recognition:

The Church follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue, at a rate corresponding with the amortization rate for the related capital assets.

Restricted investment income is recognized as revenue of the Designated Fund in the year in which the related expenses are incurred. Internally restricted and unrestricted investment income is recognized as revenue when earned. Investment income includes interest income and realized and unrealized investment gains and losses.

Non-cash contributions are recorded at fair value on the date of contribution.

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2022

2. Significant accounting policies (continued):

(d) Contributed services:

Volunteers are an integral part of the activities of the Church. Contributed services are not recognized in the financial statements because of the difficulty in determining their fair value.

(e) Financial Instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Church has elected to carry all investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Church determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Church expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(f) Capital assets:

Land is recorded at cost. Building and equipment are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis at rates estimated to amortize the assets over their useful lives. The amortization rate applicable to the building is 40 years, and 5 and 10 years for equipment.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable.

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2022

2. Significant accounting policies (continued):

When circumstances indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The write-down of the asset is charged to income during the year. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

(g) Government assistance:

Government assistance related to current expenses is included in the determination of net income for the period as revenue when the related expenditures are incurred. A liability to repay government assistance, if any, is recorded in the period in which the condition arises that causes the assistance to become repayable.

During the year ended January 31, 2022, the Church has included in revenue \$51 (2021 - \$306,905) for government assistance related to salaries expenditures under the Canada Emergency Wage Subsidy program. At January 31, 2022, nil (2021 - \$90,397) is included in accounts receivable related to the Canada Emergency Wage Subsidy program.

(h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount of capital assets. Actual results could differ from those estimates.

3. Capital assets:

| | | | 2022 | 2021 |
|-----------|-------------------|-----------------------------|-------------------|-------------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Land | \$ 100,000 | \$ – | \$ 100,000 | \$ 100,000 |
| Building | 675,980 | 368,135 | 307,845 | 324,745 |
| Equipment | 60,684 | 48,536 | 12,148 | 14,132 |
| | \$ 836,664 | \$ 416,671 | \$ 419,993 | \$ 438,877 |

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2022

4. Investments:

| | 2022 | 2021 |
|--------------------------|---------------------|---------------------|
| | Carrying value | Carrying value |
| Pooled funds: | | |
| Fixed income | \$ 425,790 | \$ 532,540 |
| Canadian equities | 391,801 | 262,692 |
| International equities | 544,766 | 247,803 |
| Mortgage investment fund | 241,215 | 138,552 |
| | <u>\$ 1,603,572</u> | <u>\$ 1,181,587</u> |

Short-term investments consist of a term deposit which earns interest at 0.5 percent and matures on May 9, 2022.

5. Credit facility:

The Church has a revolving demand credit facility with a maximum limit of \$350,000 (2021 - \$350,000). The credit facility bears interest at prime rate plus 0.75 percent. The facility is unsecured. At January 31, 2022 and 2021, the Church has not utilized this facility.

6. Deferred contributions:

(a) Expenses of future periods:

Deferred contributions related to expenses of future periods are externally restricted contributions that have been received and relate to expenses to be incurred in subsequent years.

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2022

6. Deferred contributions (continued):

Changes in deferred contributions related to expenses of future periods are as follows:

| | 2022 | 2021 |
|-----------------------------------------|---------------------|---------------------|
| Balance, beginning of year | \$ 2,892,414 | \$ 2,316,862 |
| Contributions received or receivable | 756,318 | 1,440,838 |
| Investment income on unspent portion | 1,222 | 1,204 |
| Amount recognized as designated revenue | (363,134) | (432,952) |
| Amount recognized as operating revenue | (630,995) | (433,538) |
| Balance, end of year | \$ 2,655,825 | \$ 2,892,414 |

The balance of deferred contributions related to expenses of future periods consists of the following:

| | 2022 | 2021 |
|-------------------------|---------------------|---------------------|
| Designated fund: | | |
| Higher education | \$ 175,215 | \$ 173,743 |
| Moving fund | 45,549 | 38,768 |
| Home missions | - | 10,830 |
| Stewardship initiative | - | 14,731 |
| International missions | 1,271,642 | 1,324,050 |
| Youth Gatherings | 16,043 | 13,298 |
| Conferences | 86,723 | 94,062 |
| Synod Convention | 800,580 | 800,550 |
| | 2,395,752 | 2,470,032 |
| Operating fund: | | |
| Domestic missions | 260,073 | 422,382 |
| | \$ 2,655,825 | \$ 2,892,414 |

(b) Capital assets:

Deferred contributions related to capital assets represent the unamortized amount of externally restricted contributions that have been received for the purchase of capital assets. The amortization of deferred contributions related to capital assets is recorded as revenue in the statement of operations.

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2022

6. Deferred contributions (continued):

Changes in deferred contributions related to capital assets are as follows:

| | 2022 | 2021 |
|-----------------------------|------------------|------------------|
| Balance, beginning of year | \$ 64,495 | \$ 68,795 |
| Amount amortized to revenue | 4,300 | 4,300 |
| Balance, end of year | \$ 60,195 | \$ 64,495 |

(c) Deferred gift:

Deferred gift represents the death benefit amount of life insurance policy to which the Church is both the owner and the named beneficiary. The death benefit amount is recorded as an asset and a deferred contribution on the statement of financial position until it is realized at the time of death.

7. Fund balance - Designated Fund:

The internally restricted fund balance of the Designated Fund is comprised of the following:

| | 2022 | 2021 |
|--------------------------|-------------------|-------------------|
| National Youth Gathering | \$ 32,295 | \$ 32,295 |
| AIC Scholarship Interest | 59,935 | 61,328 |
| PAT Program | 67,059 | 67,059 |
| Conference | 31,632 | 22,189 |
| Other | 808 | 808 |
| | \$ 191,729 | \$ 183,679 |

During fiscal 2022, the Board of Directors approved a transfer of \$73,858 from the Designated Fund internally restricted fund balance to the Operating Fund unrestricted fund balance related to an allocation of investment income to the Operating Fund.

8. Related parties:

(a) Lutheran Church - Canada Financial Ministries:

Lutheran Church - Canada Financial Ministries (LCCFM) is a corporation without share capital, whose member is the Church.

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2022

8. Related parties (continued):

LCCFM sources, manages, and distributes donor funding to assist the Church and various other entities who have accepted the principles, doctrines, and religious standards of the Church. LCCFM is exempt from income tax under Section 149(1) of the *Income Tax Act*.

Included in expenditures of the Church for the year ended January 31, 2022 are contributions of \$ 157,924 (2021 - \$130,000) paid to LCCFM for gift coordinator support.

LCCFM has not been consolidated in the Church's financial statements. The summary financial information of LCCFM as at and for the year ended December 31, 2021 is as follows:

| | 2021 | 2020 |
|----------------------------------------------|----------------------|---------------------|
| <i>Financial position:</i> | | |
| Total assets | \$ 10,514,484 | \$ 9,545,116 |
| Total liabilities and deferred contributions | \$ 3,607,749 | \$ 3,158,776 |
| Total net assets | 6,906,735 | 6,386,340 |
| | \$ 10,514,484 | \$ 9,545,116 |
| <i>Results of operations:</i> | | |
| Total revenue | \$ 2,382,319 | \$ 1,606,158 |
| Total expenses | 1,837,198 | 2,199,744 |
| Excess (deficiency) of revenue over expenses | \$ 545,121 | \$ (593,586) |
| <i>Cash flows:</i> | | |
| From (used in) operating activities | \$ 895,290 | \$ (633,881) |
| From financing activities | - | 40,000 |
| From (used in) investing activities | (712,603) | 554,905 |
| Increase (decrease) in cash | \$ 182,687 | \$ (38,976) |

(b) Related party transactions:

During the year, the Church charged rent of \$7,500 (2021 - \$7,500) and an administration fee of \$12,000 (2021 - \$12,000) to LCC Worker Benefit Services Inc. The Church also charged an administration fee of \$18,000 (2021 - \$18,000) to Lutheran Church - Canada Pension Plan. The Church is the sponsor of Lutheran Church - Canada Defined Benefit Pension Plan.

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2022

8. Related parties (continued):

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

9. Employee future benefits:

The Church's accrued benefit asset is as follows:

| | 2022 | 2021 |
|------------------------------|--------------|--------------|
| Fair value of plan assets | \$ 2,970,058 | \$ 2,778,311 |
| Accrued benefit obligation | (2,779,842) | (2,525,847) |
| Valuation allowance | (190,216) | (252,464) |
| Accrued benefit asset | \$ – | \$ – |

The Church's contributions to the defined contribution plan during the year amounted to \$50,871 (2021 - \$46,496).

10. Contingencies:

The Church has been named as one of the defendants in class action claims related to losses incurred by investors in entities related to Lutheran Church – Canada, the Alberta – British Columbia District Corp. The Church is defending the claims and is of the opinion that the Church has a valid defense which, if accepted by the court, would result in a finding of no liability of the Church. Accordingly, as the outcome of these claims is not known, no provision for losses has been reflected in the accounts of the Church for this matter.

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2022

11. Financial risks:

(a) Credit risk:

Credit risk refers to the risk that a counter party may default on its contractual obligations resulting in a financial loss. The Church is exposed to credit risk with respect to the accounts receivable. The Church assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. There is no allowance for doubtful accounts related to accounts receivable at January 31, 2022 (2021 - nil). There have been no other risk exposure changes from 2021.

(b) Liquidity risk:

Liquidity risk is the risk that the Church will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Church manages its liquidity risk by monitoring its operating requirements. The Church prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2021.

(c) Interest rate risk:

The Church is exposed to interest rate risk on its fixed rate financial instruments such as fixed rate investments and long-term debt. Further details about the fixed rate investments are included in note 4. Fixed-rate instruments subjects the Church to a fair value risk. The Church is exposed to this type of risk as a result of investments in bonds. The Church has appropriate guidelines on the weighting and duration of bonds and other fixed rate investments which are monitored by the Board of Directors. There has been no change to the risk exposures from 2021.

(d) Other price risk:

Other price risk is the risk that fair value of a financial instrument will fluctuate because of changes in market prices. The Church is exposed to other price risks with respect to the investments which are sensitive to market fluctuations. The Church has appropriate guidelines on where funds are invested which are monitored by the Board of Directors. There has been no change to the risk exposure from 2021.

LUTHERAN CHURCH - CANADAOperating Fund
Revenue and Expenses

Year ended January 31, 2022, with comparative information for 2021

| | 2022 | 2021 |
|------------------------------------------------------------------|-------------------|-------------------|
| Revenue: | | |
| Contributions: | | |
| Regions - unrestricted | \$ 2,172,798 | \$ 2,151,139 |
| Specified purpose | 861,428 | 651,852 |
| Canadian Lutheran | 31,008 | 29,176 |
| Rental | 9,300 | 8,250 |
| Investment income (loss) | 1,960 | (591) |
| Unrestricted missions | 40,534 | 62,758 |
| Amortization of deferred contributions related to capital assets | 4,300 | 4,300 |
| | <u>3,121,328</u> | <u>2,906,884</u> |
| Other revenue – COVID-19 related: | | |
| Canada Emergency Wage Subsidy | 51 | 306,905 |
| Online donations received for congregations | 269,180 | 444,454 |
| | <u>269,231</u> | <u>751,359</u> |
| Expenses: | | |
| Missions: | | |
| Domestic Missions | 806,628 | 810,593 |
| International Missions | 215,233 | 235,201 |
| Regional Mission and Ministry Councils | 2,560 | 9,827 |
| | <u>1,024,421</u> | <u>1,055,621</u> |
| Ecclesiastical services: | | |
| President's office | 112,287 | 104,598 |
| Regional pastor's office | 385,677 | 376,137 |
| President's ministry council | 157 | 414 |
| Circuit Counsellors | 2,310 | 6,611 |
| | <u>500,431</u> | <u>487,760</u> |
| Higher education: | | |
| Concordia Lutheran Seminary | 136,000 | 136,000 |
| Concordia Lutheran Theological Seminary | 136,000 | 136,000 |
| Student aid | 20,200 | 20,150 |
| | <u>292,200</u> | <u>292,150</u> |
| Communications | 227,771 | 202,296 |
| Congregational services: | | |
| Resource generation | 157,924 | 130,000 |
| Professional services | 8,089 | - |
| | <u>166,013</u> | <u>130,000</u> |
| Property operations: | | |
| Utilities | 15,550 | 13,574 |
| Repairs and maintenance | 83,248 | 21,425 |
| Interest | - | 70 |
| Property taxes | 16,552 | 17,609 |
| Janitorial | 10,953 | 10,819 |
| | <u>126,303</u> | <u>63,497</u> |
| Administration | 427,180 | 416,242 |
| Committees and boards: | | |
| Directors | 1,194 | 2,217 |
| Commissions | 942 | 404 |
| International Lutheran Council fee | 3,975 | 8,258 |
| Evangelical Fellowship of Canada | 8,800 | 8,800 |
| | <u>14,911</u> | <u>19,679</u> |
| Amortization of capital assets | 18,884 | 18,884 |
| | <u>2,798,114</u> | <u>2,686,129</u> |
| Disbursements to congregations | 269,180 | 444,454 |
| Excess of revenue over expenses - Operating Fund | \$ 323,265 | \$ 527,660 |

LUTHERAN CHURCH - CANADADesignated Fund
Revenue and Expenses

Year ended January 31, 2022, with comparative information for 2021

| | 2022 | 2021 |
|-----------------------------------------------------------------------|------------------|--------------------|
| Revenue: | | |
| Contributions: | | |
| International missions: | | |
| Central America | \$ 209,595 | \$ 318,875 |
| Haiti | 25,834 | - |
| Southeast Asia | 23,736 | 17,061 |
| Ukraine | 26,096 | 50,052 |
| Other | 60,448 | 43,880 |
| Conferences | 14,521 | - |
| Investment income (loss) | 91,436 | (26,846) |
| | 451,666 | 403,022 |
| Expenses: | | |
| International missions: | | |
| Central America | 209,595 | 318,875 |
| Haiti | 25,834 | - |
| Southeast Asia | 23,736 | 17,061 |
| Ukraine | 26,096 | 50,052 |
| Other | 64,421 | 31,352 |
| Conferences | 5,076 | - |
| Scholarships | 15,000 | - |
| | 369,758 | 417,340 |
| Excess (deficiency) of revenue over expenses - Designated Fund | \$ 81,908 | \$ (14,318) |

LUTHERAN CHURCH - CANADA

Administration Expenses

Year ended January 31, 2022, with comparative information for 2021

| | 2022 | 2021 |
|----------------------------------------------|-------------------|-------------------|
| Expenses: | | |
| Staffing: | | |
| Salaries | \$ 187,335 | \$ 152,277 |
| Benefits | 69,601 | 79,087 |
| Professional development | 1,420 | 713 |
| Subcontractor | 7,920 | 16,049 |
| | <u>266,276</u> | <u>248,126</u> |
| Office, insurance and professional services: | | |
| Audit and legal services | 37,299 | 56,980 |
| Bank fees and other charges | 13,076 | 21,466 |
| Computer repair and maintenance | 16,240 | 14,460 |
| Equipment purchases and charges | 10,099 | 5,392 |
| Insurance | 59,894 | 53,007 |
| Memberships and publications | 8,395 | 6,415 |
| Office and stationary supplies | 1,601 | 344 |
| Postage, telephone and internet | 9,711 | 9,655 |
| Professional services | 4,510 | - |
| Travel | 79 | 397 |
| | <u>160,904</u> | <u>168,116</u> |
| Administration expenses | \$ 427,180 | \$ 416,242 |

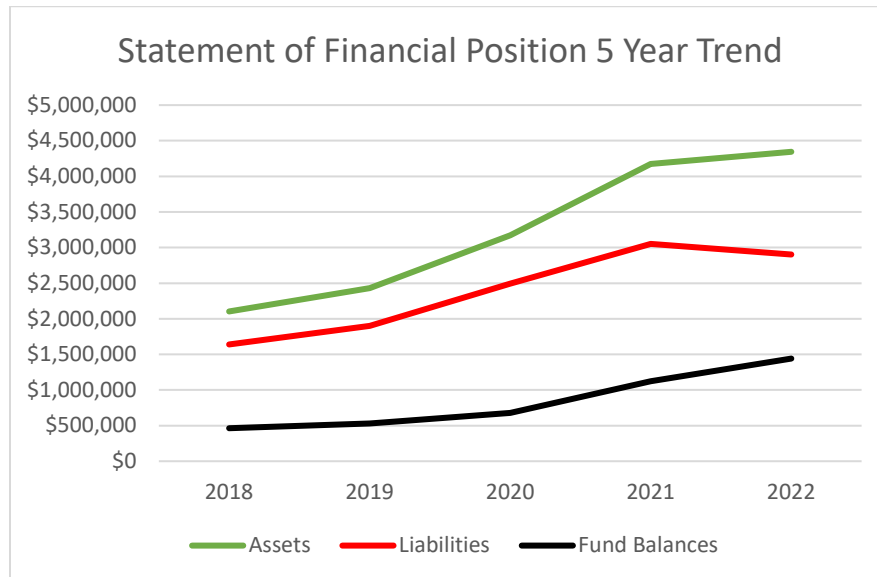
**ADMINISTRATOR LUTHERAN CHURCH–CANADA
SUPPLEMENTAL REPORT**

This supplemental report continues from my previous report that was included in the convention workbook (Ref. E23 –E28). The purpose of the supplement is to provide expanded commentary on some of the financial documents that have since become available and distributed to delegates in Today’s Business Publications (H & I)

1. Audited Financial Statements- For fiscal year ended January 31, 2022 (Today’s Business Publication I Reference pages 19-40)

A. Statement of Financial Position – January 31, 2022 (page2 of Financial Statement)

- Year over Year - *Assets* increased by \$169,274 (\$1,003,246 -2021)- *Liabilities* including deferred contributions (decreased) by \$148,127 (increase \$557,396 – 2021) *Fund Balances* – increased by \$317,401 (\$445,850 -2021)
- Positive Five Year Trend – As both assets and fund balances have increased at higher rate than liabilities.



2022 Notable Balances

- (*Assets*) *Accounts Receivable* -\$282,520 made up primarily of congregation convention assessments yet to be received. However, since our year end this receivable has decreased to \$85,515, as congregations have continued to submit payment.
- *Pre-paid Expenses* – \$ 365,665 of which \$271,500 are initial deposits to 2022 convention hotels for room accommodations, meeting rooms and meals

- (Liabilities) Expenses of future periods- **\$2,655,825**

Detailed by category in Note 6 on Page 12 of the financial statements. The intended purpose of these funds include;

- Domestic missions- \$260,073 Majority of the funding is restricted for use in the West and Central Region and for French ministry work in Quebec.
- International Missions - \$1,271,640 – Designated for mission programs in Central America, Southeast Asia and Ukraine. Such programs include Indigenous pastors and deaconess salaries and housing, continuing theological education, Christian education & children feeding programs, various minor projects, Mission Centre operations in Nicaragua.
- Deferred Contributions- \$800,580 for Synod Convention, \$86,723 for church worker conferences.
- Higher Education \$175,215 – Is the aggregate balance of participating pastors continuing education funds

The revenue for these liabilities will be recognized when expenses are incurred.

B. Statement of Operations (page 3 of Financial Statements)

Total Revenue \$3,842,225 (2021- \$4,061,265)

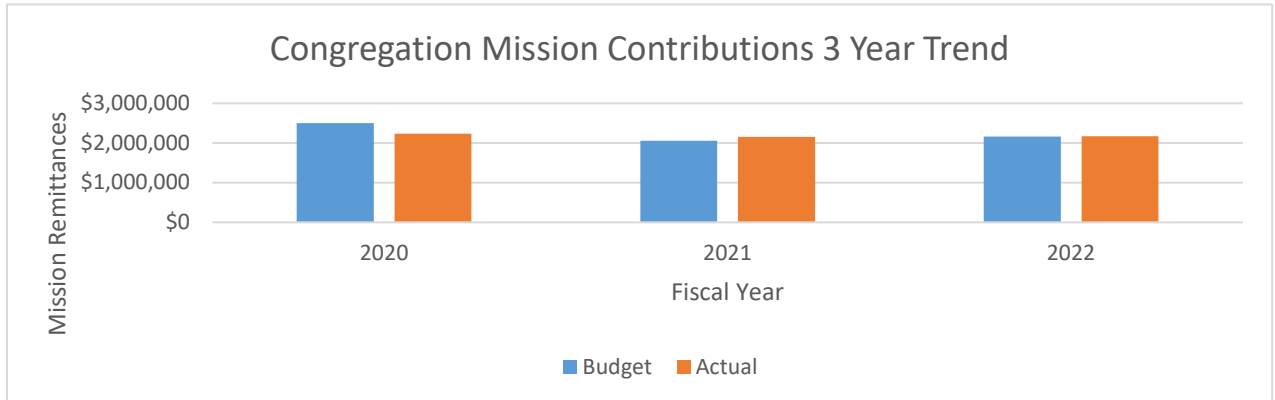
Total Expenses \$3,437,052 (2021- \$3,547,923)

Operating Surplus of \$405,173 (2021- \$513,342)

LCC was blessed to receive a \$100,000 bequest gift from an individual and a \$140,000 specified gift from a congregation, which helped to create our operating surplus. In addition, our actual investment income exceeded budget. On the expense side, travel and other meeting costs were approximately \$100,000 less than budget, due to the travel restrictions caused by the pandemic. Details on Revenues and Expenses by category for the Operating Fund are outlined on Schedule A (page 17 FS) and for the Designated Fund on Schedule B (page 18). A detailed list of Administration expenses is illustrated on Schedule C (Page 19). The Lord has been providing LCC with the funding needed to carry out the ministry work we do together as a Synod in a number of tangible ways.

Regions Unrestricted Revenue – Schedule A Page 17

There are currently 284 LCC member congregations (Synod) who have the potential to support the mission and ministry work we accomplish together. In FY 2022, 210 congregations' (74% of the total) contributed \$2,172,798 towards this work. In FY 2021, 216 congregations (76% of total) contributed \$2,151,139 towards this work. Although the congregation participation rate dropped by 6, the Lord blessed us with an increase in total congregation contributions by \$21,659.



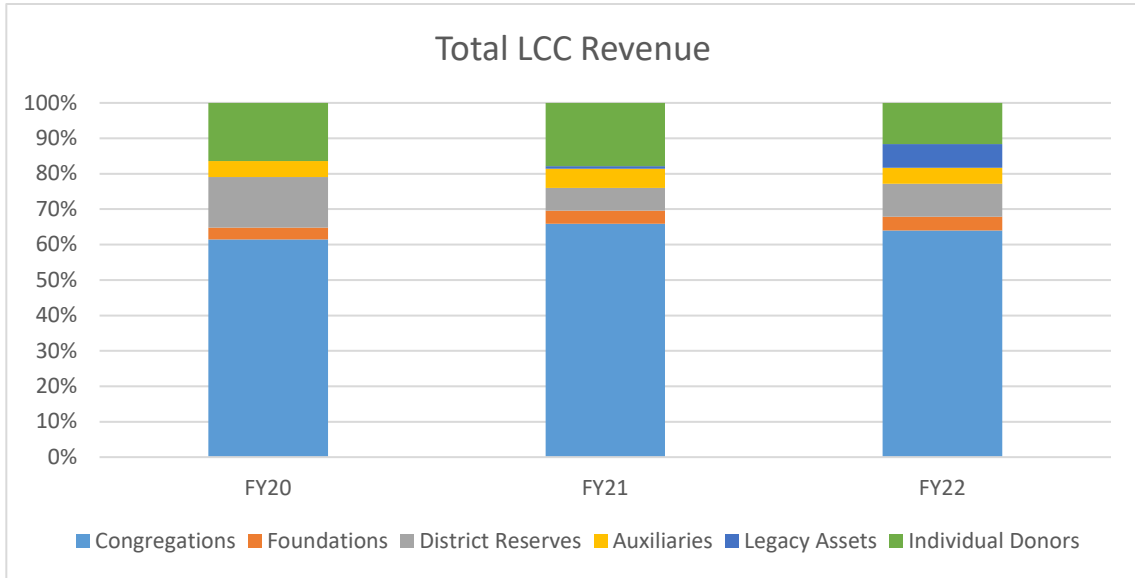
Specified Purpose Revenue (Schedule A Page 17 & International Mission Schedule B Page 18)

As illustrated in the previous chart, member congregations have been contributing approximately \$2,200,000 annually to LCC to support synodical mission and ministry work. However, LCC's annual spending budget over the recent quadrennial period was approximately \$3,500,000, which simply maintains the outreach work we are doing today. We have already identified a need to increase our work in the upcoming quadrennial period based on the Purpose and Priorities Planning Process undertaken during the past 10 months.

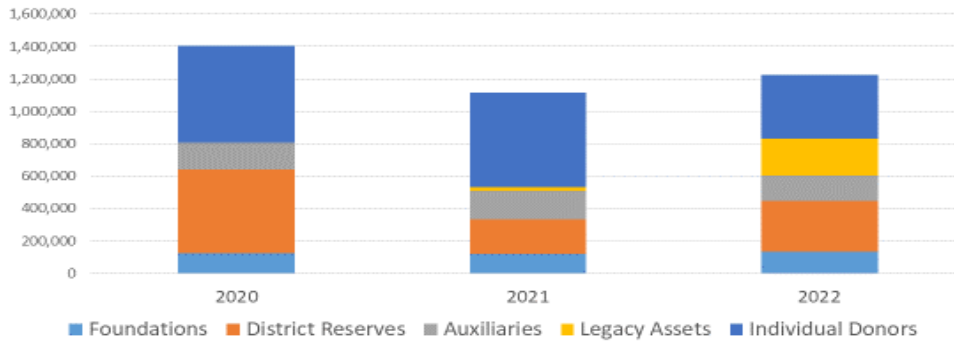
In order to support our current budget expenditures, LCC relies on other sources of revenue in addition to congregation contributions. The aggregate total of the other revenue is recorded as Specified Purpose in the audited financial statements (page 17) and as International Missions (page 18). A further description of these other sources of revenue is outlined in the next paragraph.

Lutheran Church–Canada Financial Ministries (LCCFM) provides annual distributions from established endowments to LCC to support both international and domestic mission and ministry work. The East and Central District corporations have provided significant monies to LCC from their reserve funds to support our domestic mission activities. Our three Auxiliaries (CLMS, LWML Canada, and LLL-C) are providing regular funding to support our international and domestic mission programs. The Schwan Foundation provides almost 15% of the funding we need to support our international mission program in Central America. In addition, a few congregations that have recently dissolved, have graciously forwarded a portion of their legacy assets to LCC to help support domestic mission work. Finally, we have been especially blessed with individual congregation members who have given major or estate gifts to LCC to help support the overall ministry work of the Synod.

The charts below provide a snap shot of total LCC revenue from the Lord’s sources



Bridging the Revenue Short-fall



C. Notes to Financial Statements

- Note 4 Investments – Carrying value \$1,603,572 (\$1,181,587 -2021) 42% fixed income (57% -2021) 58% equity (43%-2021).
- Note 6 Deferred Contributions – Balances categorized for designated future expenses
- Note 7 Internally Restricted – Seed money for restricted purposes
- Note 10 – Contingencies –Disclosure note with respect to pending litigation added.

D. Extracts from Audit Findings Report

- On-site Audit – Field work was completed in March 2022
- Going concern assessment was based on audit evidence obtained up to the date of the auditor’s report (May 24, 2022)
- Clean audit for the fiscal year ending January 31, 2022 (Please note LCC received clean audit results every fiscal year within the Quadrennial period). On behalf of Synod, I extend our sincere appreciation to LCC’s accounting manager Christine Bradley, CPA and her accounting staff for these exceptional results.
- No uncorrected differences or corrected adjustments identified by the auditors
- No internal control deficiencies identified over financial reporting.
- No changes in accounting policies from the prior year
- Audit Quality Indicators – auditors did not report any concerns (technology in the audit, timeliness of working papers prepared by LCC).
- Contingency Note - In accordance with S3290, Contingencies, of the Canadian accounting standards for private enterprises, the existence of a contingent loss at the date of the financial statements is to be disclosed in the notes to the financial statements when the occurrence of the confirming event is not determinable. During fiscal 2022, certain changes in relation to the ABC claims resulted in management of LCC, based on correspondence with legal counsel, concluding that the outcome of the claims is not determinable and as a result, required disclosure within the financial statement

2. **Lutheran Church-Canada 4 Year Work program (2023-2026)** Today’s Business Publication I (Reference page 18)

Overview

The upcoming work program utilizes our current spending levels and adds a projected annual increase of 2% to partially offset the expected impact of inflation. As part of our Purpose and Priorities Planning Process (accountability/transparency/stewardship) the LCC Board and Executive, in collaboration with the PMC and RMMC’s will be monitoring a variety of indicators and developing benchmark measures over time to anticipate/forecast/respond to circumstances that would require adjustments to the work program in future budgets.

There are three notable inclusions in our prepared work program to which I would like to draw your attention.

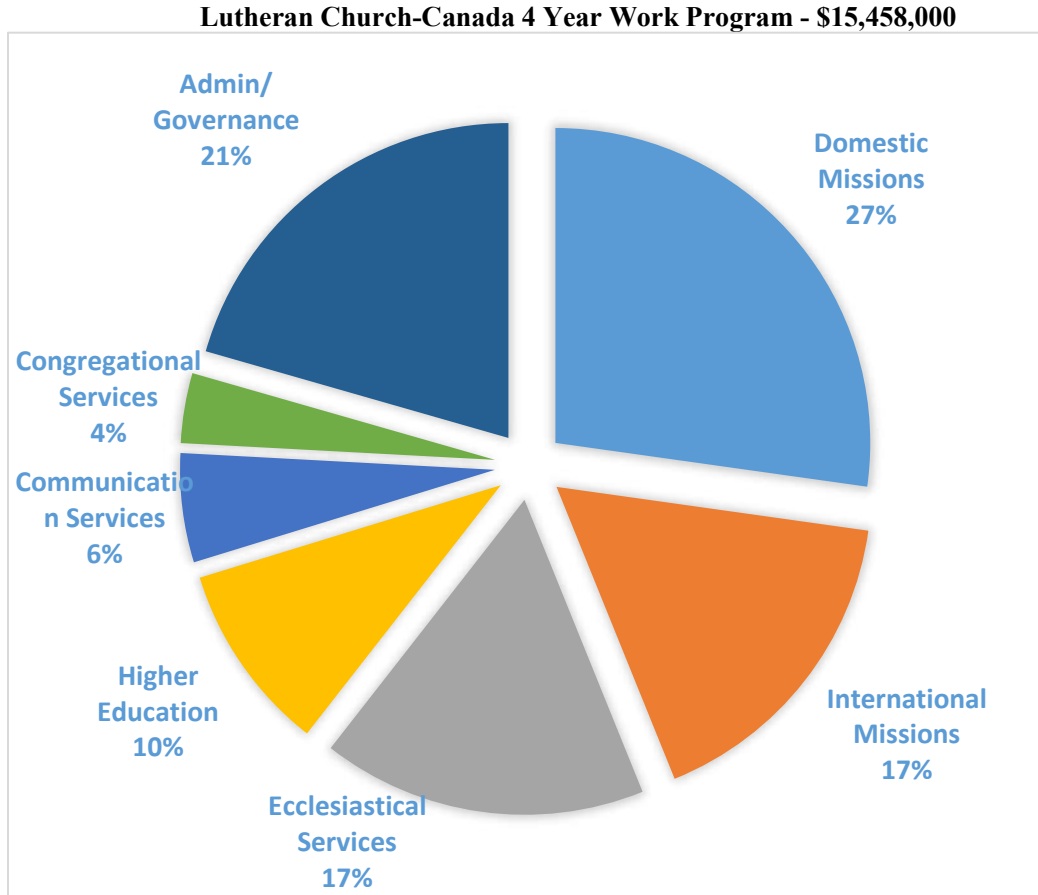
First, the upcoming work program includes the newly created Director of Advancement position, which began in January of 2022. The primary responsibilities of this role to Lutheran Church-Canada fall under two distinct areas:

- 1) Cultivation and enhancement of congregation relations across synod.
- 2) Identification and development of ongoing sources of funding to help achieve the mission and ministry of our church today and into the future.

These functions work hand-in-hand to strengthen the sustainability of our synod and position LCC for mission expansion and congregational vitality.

Second, we have included a budget provision to call an additional mission executive for the fiscal year commencing February 1, 2023. The new mission executive will assist Rev. Mark Smith with the development, delivery, and oversight of our International and Domestic mission programs.

Third, commencing July 1, 2023, the work program also includes a budget provision for the recruitment of candidates to pursue seminary training for the pastoral office. Over the next year LCC will engage with the Seminary Presidents and Board of Regents to develop recruitment strategies that can be implemented within the parameters of available funding.

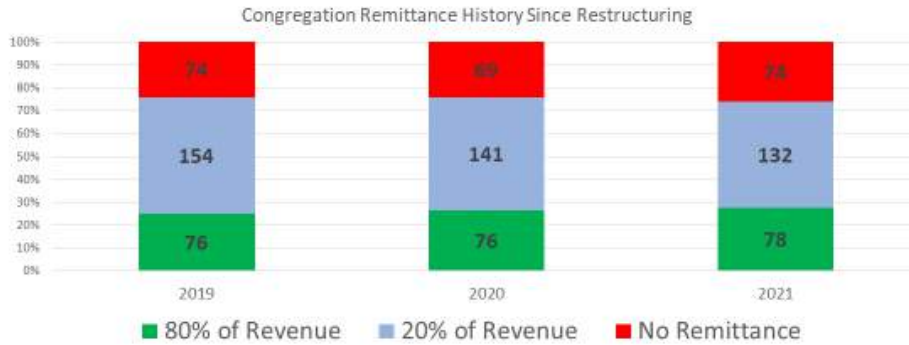


Synod- Together as One

The mission and ministry work program of Lutheran Church-Canada can only be accomplished with the generous financial support of our members. Through your tithes and offerings, a portion of all gifts laid upon the altar of local congregations is remitted to LCC.

Through thoughtful consideration, we have intentionally increased the expectation for overall congregation remittances by \$100,000 per year for the three years beginning FY 2024. We recognize that every congregation might be in a different place financially but being intentional about the work we do as a church body is important. The Purpose and Priorities Planning Process received significant feedback regarding the need to increase our mission and ministry work. At present, approximately 28% of our congregations (78 out of 284) provide 80% of the congregation contributions. The other 20% of contributions comes from 46% of our congregations (132 out of 284). That leaves approximately 26% of our congregations (74 out of 284) that are not currently supporting the synodical work program. It is important to understand the reasons behind these choices but also important to encourage faithful stewardship.

Congregation Remittances



We worship a God of constant provision. We are in His hands and we need to believe and behave as a church body that trusts Him to deliver what we NEED when we require it. We also TRUST that He will provide the resources to our members and congregations to fulfill their stewardship goals.

With the help of our Director of Advancement and a renewed focus on our mission priorities we believe there is great potential to increase annual mission giving. We ask that you fervently pray for God's guidance in this important effort.

3. **Appointment of Auditors** - Today's Business Publication I (Reference page 11)

The Board of Directors and management are recommending that the incumbent accounting firm KPMG be re-appointed as auditors for the 2023- 2026 quadrennial period. As their familiarity with our various corporate entities and organizational structure will be of particular benefit as LCC considers the merger of the pension plan. Our accounting team and auditors are also currently assisting the Central District CEF Board with the dissolution tasks of the Central CEF Corporation. Finally, KPMG continues to demonstrate appropriate judgment and professional skepticism with the auditing of our annual financial statements, and their audit fee remains competitive.

In His Service,

Dwayne Cleave, Administrator
Lutheran Church–Canada