

ANNUAL MEMBERS MEETING

June 29, 2023

(7:00 pm- 8:00 pm CDT)

Held via Go to webinar

AGENDA

Members' login to go to webinar (6:45 p.m.-6:55 p.m.)

- | | | |
|-----------|----|--|
| 7:00 p.m. | 1. | Call to order- Arnold Drung |
| | 2. | Opening Prayer- President Teuscher |
| | 3. | Welcome Members- Arnold Drung |
| 7:10 p.m. | 4. | Approval of Agenda |
| | 5. | 2021 AGM Minutes- (<i>"for information"</i>) |
| | 6. | Report from Board of Directors – Arnold Drung |
| 7:30 p.m. | 7. | Audited Financial Statements/Auditor Report - (Dwayne Cleave / Christine Bradley) |
| | | Motion: That members acknowledge receipt of the LCC Audited Financial Statements and Auditors report thereon for the fiscal period ended January 31, 2023 |
| 7:45 p.m. | 8. | Member Questions on Reports |
| 8:00 p.m. | 9. | Adjournment / Closing Prayer- President Teuscher |

MINUTES

1. Call to Order – Arnold Drung, Chairman, Lutheran Church-Canada Board of Directors

The Annual General Meeting was called to order at 11:04 am (CDT).

Attendance at the meeting was a total of 13 members, with the following breakdown:

- Board of Directors – 10
- Lutheran Church-Canada Staff – 5
- Members – 13

2. Opening Prayer – President Timothy Teuscher

3. Welcome Members – Arnold Drung

Chairman Drung welcomed members and invited Angela Honey to run through “How to raise your hand,” virtually if members wished to ask questions during the meeting.

4. Approval of Agenda

Motion: That the proposed agenda be adopted
M/S/C

5. 2020 Annual General Meeting Minutes

Previously approved by the Board of Directors.

Time allowance for any questions regarding these Minutes—no further questions.

6. Report from the Board of Directors, Lutheran Church-Canada – Arnold Drung, Chairman

Chairman Drung went through the report which is attached to these Minutes. After his presentation, Chairman Drung provided a time allowance for any questions regarding his report and there were no further questions.

7. Auditors Report and Audited Financial Statements – Dwayne Cleave, Administrator, and Christine Bradley, Accounting Manager for Lutheran Church-Canada

Christine Bradley spoke to the Auditor’s Report and Administrator Cleave went through the Audited Financial Statements; which are attached to these Minutes. After his presentation, Administrator Cleave provided a time allowance for any questions regarding the Auditors Report and Audited Financial Statements and there were no further questions.

8. Six Month 2021 Financial Report (unaudited) – *for information*

Administrator Cleave went through the report which is attached to these Minutes. After his presentation, Administrator Cleave provided a time allowance for any questions regarding the Six Month 2021 Financial Report (unaudited) and there were no further questions.

9. Member Questions on Reports – Arnold Drung, Chairman

Chairman Drung answered a question regarding:

**Lutheran Church-Canada
2021 Annual General Meeting
Zoom Virtual Meeting
September 18, 2021**

- why did the Board of Directors not mention the ABC District CEF Crisis in their report and under which of the Eight Functions of Synod would Christian care for congregations fall regarding this issue:
 - Lutheran Church-Canada continues to assist affected congregations and pastors with Ecclesiastical support, however, since this is a matter of the ABC District Corporation it would not be appropriate to report further through the corporation of Lutheran Church-Canada

10. Adjournment

Motion: To adjourn (11:40 am CDT)

M/S/C

11. Closing Prayer – President Timothy Teuscher



Arnold Drung, Chairman



Grace Henderson, Secretary



BOARD REPORT ON ACTIVITY SINCE LCC'S 2022 CONVENTION

Outgoing Board of Directors' final meeting, new board meets



CANADA - LCC's Board of Directors elected at the Synod Convention in 2017 had their final meeting on August 31, 2022. The members of the board served the first quadrennial term under the new structure of LCC, plus an additional year due to COVID-19 restrictions preventing the regular Convention in 2021. In their final meeting, board members were able to:

- Review progress on the LCC pension plan merge with the Colleges of Applied Arts and Technology (CAAT) pension plan;
- Review PPP Strategic Framework and Initiatives;
- Approve the 2023 Compensation Guidelines for Pastoral and Diaconal Personnel;
- Ratify the Circuit Counsellor and Regional Mission and Ministry Council (RMMC) elections.

These elections were unable to be completed during convention due to time constraints and were subsequently completed electronically. A list of circuit counsellors and RMMC members

can be found in the 2022 Convention Proceedings (page 131) and in an updated version on LCC's website.

- Receive thanks from President Teuscher for their service and sacrifice, especially as their term of office was extended.

Members not returning to the Board included: Dcn. Suzanne Eberhard (First, Windsor, ON); Rev. Warren Hamp (Faith, Kitchener, ON); Rev. Alex Klages (Trinity, Winkler, MB); Cam Pelzer (Mount Olive, Regina, SK); and Rev. Kurt Reinhardt (Trinity, Gowanstown, ON).

In recognition of those whose service on the Board of Directors ended at the 2022 convention, each member's congregation was contacted and asked to present them with a gift of appreciation, an engraved pen and pencil set, from the congregations and members of synod.

The inaugural meeting of LCC's new Board of Directors (BOD), elected at the June 2022 Convention, was held in Winnipeg on October 15, 2022.

The meeting was busy, beginning

with a board orientation conducted by Rev. Alex Klages, representing the Commission on Constitutional Matters and Structure (CCMS). The CCMS is charged with board orientation in the Synodical Handbook.

Board members received reports from LCC Auxiliaries, Seminaries (CLS, Edmonton and CLTS, St. Catharines), Worker Benefit Services (WBS), and Lutheran Foundation Canada, and also adopted the PPP Strategic Initiatives for the quadrennium.

The largest action item of the meeting was appointments to standing committees. A full listing of the appointments is available on the LCC website.

In addition, Arnold Drung and Grace Henderson were reappointed as board chair and secretary respectively. Doug Petersen was appointed as vice-chair, replacing Cameron Pelzer.

Rev. Nolan Astley was reappointed as Memorandum of Understanding (MOU) LCC Consultant, Mathew Block was reappointed as The Canadian Lutheran's Editor, and Dwayne Cleave was reappointed as LCC Chief Administrative Officer.

Subsequent to this meeting, the LCC Board of Directors met twice online to make additional appointments, receive reports on the LCC pension plan merger and prepare for the adoption of the 2023-2024 budget.

A list of board members can be found in the 2022 Convention Proceedings (page 54) or on LCC's website under **Who We Are > Board of Directors**, along with a full listing of all post-convention appointments.

BOARD REPORT ON ACTIVITY SINCE LCC'S 2022 CONVENTION

SUMMARIES TO SHARE WITH YOUR CONGREGATION OR PARISH!

(For Convention
Delegates & beyond!)



Convention Delegates: Did You Know?

- **Delegates serve for 4 years.** Your role as a Convention Delegate lasts until the next Synod Convention.

- **Delegates are “Resource Persons” in their congregation.** LCC’s Communications Department can help you identify and communicate available resources that might be beneficial to your home congregation or parish.

- **Delegates assist in disseminating and implementing resolutions passed at Convention.** LCC provides a variety of material to help you report back to your congregation, as its delegate at the 2022 Synod Convention. It is all available on LCC’s website under Events > 2022 LCC Synod Convention. The Proceedings, for example, include the Convention minutes, resolutions, election results, sermons, as well as other reports presented at Convention.

- **Delegates can partner with LCC’s Communications Department.** Many of these points involve looking back at the Convention where the resolutions were passed, but the implementation of the resolutions will take place between now and 2026. Looking forward, LCC’s Communications Department will communicate action plans and report on progress concerning resolutions, through our various platforms and in partnership with you, as Convention Delegates. LCC’s Director of Communications sent out an email to connect with all Lay Delegates from the latest Convention. If your congregation or parish did not send a delegate to the latest Convention, please email communications@lutheranchurch.ca to ensure at least one representative from your church is added to this list to receive important updates.

CAAT Pension Plan Merger

After receiving overwhelming approval by delegates at the 2022 Synod Convention, the merger of LCC’s pension plan with the College of Applied Arts and Technology (CAAT) Pension Plan has moved ahead. By the end of the 2022 summer, 208 employers covering 99% of active church

workers returned signed agency (employer) agreements, not only strongly endorsing the merger but confirming their continued participation in the pension plan, and authorizing LCC/WBS to act as the employer’s agent in finalizing the merger details. By March 19, 2023, 96% of DB Plan members had voted in favour of the merger. Effective from April 1, 2023, member and employer contributions will be directed to the CAAT Pension Plan and active members of the LCC Pension Plan will begin earning a pension under CAAT’s DBplus plan design.

Circuit Counsellor Collaborations

LCC’s circuit counsellors are pastors, each elected at the convention by the member congregations in a circuit to assist the regional pastor in providing services to members of that circuit. This may include installing new pastors, assisting congregations with call meetings, visiting congregations and pastors to promote unity, and encouraging fellowship among congregations and pastors on a circuit-level.

Since convention, the circuit counsellors have gathered regionally to discuss challenges and opportunities in their circuit, to review administrative procedures and connect across the vast geography of our synod.

A list of circuit counsellors can be found on LCC’s website under *Who We Are > Circuits*.

Resolutions Updates

SUMMARY:

- Declined resolutions 22.1.01, 22.2.01, 22.2.05c, 22.3.01, 22.3.02, and 22.3.04 require no further action.

- The Commission on Constitution Matters and Structure (CCMS) revised the LCC Handbook to reflect the changes from resolutions 22.1.02; 22.1.03; 22.1.01; 22.1.05; 22.1.06; 22.1.07; 22.1.08; 22.1.09; 22.1.10; 22.1.11; 22.1.12; 22.1.13a; and 22.1.15. The 2022 Handbook is available on the LCC website. Printed copies are available from the Synod office – admin@lutheranchurch.ca or call 204-895-3433

- The Commission on Theology and Church Relations (CTCR) will continue to discuss if resolutions 22.2.02a and 22.2.03a require any additional action. CTCR document “A Lutheran Response to Contemporary Issues” (resolution 22.2.07) was added to the list of resource documents available on the LCC website.

- The President’s Ministry Council (PMC) continues to gather resources, in coordination with the CTCR to address resolution 22.2.04b. Resolution 22.2.06 is now in use.

- Resolution 22.1.14: Chief Administrative Officer (CAO)

BOARD REPORT ON ACTIVITY SINCE LCC'S 2022 CONVENTION

Dwayne Cleave is working to incorporate the required annual general meeting into the LCC calendar, coordinating its timing with the preparation of the financial statements.

- The Personnel Committee is currently working on resolution 22.3.03a to draft a position description for a Youth, Young Adult, and Family Ministry worker.
- The LCC Board continues to address resolutions 22.3.08a.
- No further action was required on resolutions 22.2.08, 22.3.05, 22.3.06, 22.3.07a, 22.3.09, 22.3.10, 22.3.11, 22.3.12.

Regional Mission and Ministry Councils (RMMCs)

The RMMCs exist as the primary support structure for the regional pastor in his responsibility to deliver the services of LCC to the congregations, pastors, and deacons in the region (Synodical Bylaw 3.009.a.4).

Each regional RMMC is made up of one lay person and one pastor (often the circuit counsellor) from each circuit in the region.

Elected after the 2022 Convention due to time constraints, the three regional RMMCs (Central, West and East) have each met for fellowship, orientation, establishment of their sub-committees, and review of annual regional financial assistance requests.

These requests are reviewed in light of a three-tier criteria of support for: Word and Sacrament ministry, leading people to Word and Sacrament, and works of mercy. The RMMCs make financial decisions based on a best case/worst case budget projection, provided by LCC Chief Administrative Officer (CAO) Dwayne Cleave.

It was a great challenge for the RMMCs to make recommendations as the requests exceed the resources. However, these applications also reflect the numerous opportunities for mission work in each region.

In addition, lay RMMC members are working to connect with the congregations in their circuit and bring the ideas, concerns and thoughts of the circuit back to the RMMC. A list of RMMC representatives by circuit can be found on the LCC website under *Who We Are > Regional Mission and Ministry Council (RMMC)*. Congregation leaders may be contacted by lay RMMC members for information about their congregation.

WEST REGION RMMC:

The West RMMC met online September 22, 2022. The Servant Leader Network (SLN), an online document sharing and communication platform created by Rev. Michael Schutz exclusively for use by LCC, was introduced to provide a place for RMMC members to review and comment on meeting topics. (If your congregation is interested in the platform, learn more on LCC's website

under *Resources > Servant Leader Network*.

Meeting again February 24-25, 2023 in-person in Vancouver, the RMMC members enjoyed the hospitality of Killarney Community Lutheran Church and onsite coordination by Samantha Neeb, deacon in training at Trinity Lutheran Church (Richmond, B.C.).

The West RMMC sub-committees were established in the areas of: Social Ministry, Missions, and Outreach; Financial and Stewardship; Prayer Ministry, Equipping Leadership and Reconciliation; Youth, Young Adult, and Family Ministry; Communications and Convocation.

They also received verbal reports from a number of Listed Service Organizations and other ministry entities.

CENTRAL REGION RMMC:

The Central Region RMMC met in-person from September 16-17, 2022. Good Shepherd Lutheran Church (Regina, Saskatchewan) graciously hosted the meeting.

The working group sub-committees in the Central Region include: Budget; Missions; Resource Gathering and Distribution; and a committee to examine community building opportunities with youth and young adults.

EAST REGION RMMC:

The East RMMC met in-person and were kindly hosted at Redeemer Lutheran Church (Waterloo, Ontario) on September 24, 2022.

The East RMMC formed new sub-groups or working groups for the quadrennium. These include: Missions; Finance; Congregational Services; Communication; and Congregational Cooperation.

Finance Committee

The Finance Committee's primary responsibility is overseeing the work and activities of the Chief Administrative Officer (CAO) relating to finance, which includes the review of an annual spending budget for presentation and adoption by the Board. In collaboration with the CAO, the committee also monitors LCC's quarterly financial results, and has the authority to amend budget allocations, between meetings of the Board of Directors. The committee reports such actions at the next meeting of the Board for ratification or amendment. Meeting for the first time on January 12, 2023, the committee received an orientation on their primary functions and then moved right into a review of a (unaudited) 2022 financial report. The committee also briefly reviewed a proposed 2023 operating budget that was still under development.

The committee met again on March 9, 2023, to finalize the 2023 budget and to recommend its approval by the Board. The approved 2023 budget can be found on the next two pages.

BOARD REPORT ON ACTIVITY SINCE LCC'S 2022 CONVENTION

LUTHERAN CHURCH–CANADA BUDGET 2023

Serve, strengthen, and equip congregations for bold, faithful, Christ-centred witness.

OUR MISSION

Lutheran Church–Canada serves, strengthens, and equips congregations such that their members may confess, proclaim, and give witness to the saving work of Jesus Christ, to the glory of God. We do this together in grateful response to God's grace and empowered by the Holy Spirit through Word and Sacrament, so that believers may grow in their faith and unbelievers be brought into the body of Christ.

TOGETHER, ONE (LORD, BODY, FAITH, CHURCH)

Walking together as a Synod, we are committed to a common confession and mission. The congregations of Lutheran Church–Canada join with one another to share an ecclesiastical bond, to support our brothers and sisters in Christ, and to work with one another to accomplish that which is set before us. In this way, we seek to serve our Lord Jesus Christ, the members of His body, and the world which stands in need of the Word and the impact of His redeeming love. Therefore, let us be diligent in performing the work of the church, both as members of a local congregation and as individual members of the body of Christ.

THE WORK OF THE CHURCH

The work of Lutheran Church–Canada is far-reaching and includes:

Strengthening our Congregations

The strength of Synod begins with the strength of our local congregations. Together we support and nurture Word and Sacrament ministry across our country, and especially in regions of greatest need.

Supporting our Mission Work in Canada

Identify, develop, and support mission efforts throughout the country; assist congregations to explore new opportunities for outreach; and provide works of mercy and relief to those less fortunate.

Supporting our Mission Work Internationally

Support mission work in Central America, South-East Asia, and Ukraine, including Gospel outreach; theological training; and works of mercy.

Supporting Theological Education

Provide funding to assist the work of our seminaries in training our pastors and church workers.

Caring for Leaders and Members

Provide ecclesiastical leadership and pastoral care through the work of the Synod President, Regional Pastors, and Circuit Counsellors.

Building Community

Collaborate with Synod's members and partners to enhance mission effectiveness through communication, promote stewardship in managing life's resources for God's purposes, and provide spiritual growth through the publication of *The Canadian Lutheran* and other media.



There is one body and one Spirit—just as you were called to the one hope that belongs to your call—one Lord, one faith, one baptism, one God and Father of all, who is over all and through all and in all. | Ephesians 4:6

BOARD REPORT ON ACTIVITY SINCE LCC'S 2022 CONVENTION

STEWARDSHIP IN ACTION

Each year, we give thanks to God for the faithful financial response from our congregations. As gifts are laid upon the altars across our Synod through your tithes and offerings, we are blessed when a portion of these gifts are shared with LCC. It starts with a mission and ministry goal and is fulfilled through a commitment to provide regular remittances to support the work we do together.

We strive to establish a working budget that best provides for the many mission and ministry requests received annually, as well as the ongoing work we perform year in and year out.

OUR BUDGET

As we move past the challenging times of the past three years, we look to expand the mission and ministry of our church body. Most of the difficult and unusual circumstances brought to our congregations, our members, and our synodical family, have subsided, even though we still face challenges. We look forward to 2023 with excitement and hope. Our Lord Jesus Christ remains the same yesterday, today, and forever. What confidence that gives to His beloved children, no matter the difficulties we are facing.

Our operating budget for 2023 shows an increase over the previous year. This is due in part to the expected calling of an Associate Director of Missions, the support given to Ukraine, and general increases in costs due to inflation. There are currently 275 LCC member congregations who have the potential to support the work we do together as Synod. As of this printing, 167 congregations have provided LCC with a mission and ministry goal totalling \$1,656,372. Working together as the Body of Christ, we are called upon to support our church family as we are able, utilizing resources our gracious Lord has blessed us with, so that our blessings may be used to bless others. Our prayer is that all congregations consider “contributing to the needs of the saints and seek to show generosity” (Romans 12:13).

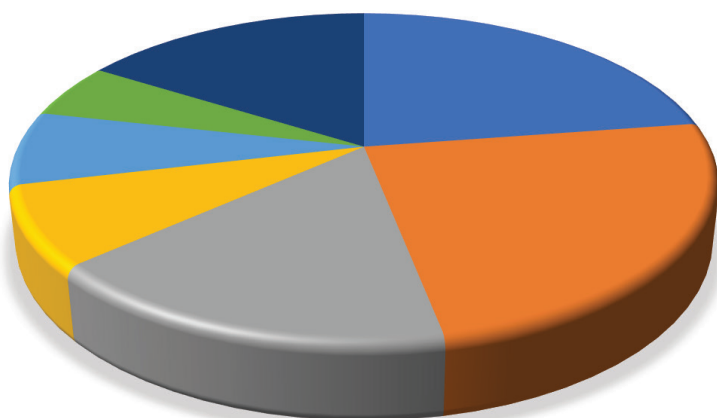
Although finances change, the mission of LCC remains clear and unwavering. The chart below illustrates the percentage of revenue allocated to each area of work. We continue, with your help, to carry out our common objectives of conserving and promoting the unity of the true faith; strengthening congregations in giving bold witness; extending Gospel witness into all the world; training of pastors and deacons; and aiding congregations by providing resources for promoting, expressing, and conserving our confessional unity. Thank you for your prayers and offerings in support of this work we have committed to do together as one.

LCC Board of Directors

Revenues	Budget 2023
Congregation Remit.	2,200,000
Specific Purpose	1,681,016
Mission Endowment Fund	75,000
Investment Income	72,300
Total Revenues	\$4,028,316

Expenditures	Budget 2023
Domestic Missions	911,476
International Missions	978,840
Ecclesiastical Services	663,955
Higher Education	292,000
Communications	216,825
Congregational Services	316,899
Administration	648,321
Total Expenditures	\$4,028,316

The noblest and greatest work and the most important service we can perform for God on earth is bringing other people, and especially those who are entrusted to us, to the knowledge of God by the Holy Gospel. | Martin Luther



- DOMESTIC MISSIONS - 23%
- INTERNATIONAL MISSIONS - 24%
- ECCLESIASTICAL SERVICES - 16%
- CONGREGATION SERVICES - 8%
- HIGHER EDUCATION - 7%
- COMMUNICATION SERVICES - 5%
- ADMINISTRATION - 16%

BOARD REPORT ON ACTIVITY SINCE LCC'S 2022 CONVENTION

SUMMARIES TO SHARE WITH YOUR CONGREGATION OR PARISH!

*(For Convention
Delegates & beyond!)*



Advancement Updates

The primary responsibilities of the Director of Advancement to Lutheran Church–Canada fall under two distinct areas:

- *Cultivation and enhancement of congregation relations across synod.*
- *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, enhance unity between our regions and congregations, and position our synod for mission expansion and congregational vitality.

Learn more about this new role in David Friesen's recent article where he answers the questions: "What does advancement mean? How has David been doing his job? How does it impact my congregation?" The full article is entitled "Director of Advancement: What does this mean?" and can be accessed on CanadianLutheran.ca.

Purpose & Priorities Planning Process

The Purpose and Priorities Planning (PPP) process is a foundational effort to realign LCC's priorities, bring clarity to its strategic framework (mission, vision, values), and establish goals that guide our synod in both the short and long term.

The PPP process began in mid-2021 and you can read more about the process and its various stages up until this point on LCC's website under *News > Purpose & Priorities Planning*.

Since the 2022 Synod Convention, together with the Board of Directors, LCC leadership, and LCC staff, the focus has been on developing strategic initiatives which will be implemented over the next four years as part of LCC's workplan. The latest report on the PPP process was included in the January/February 2023 issue of The Canadian Lutheran and can be found on CanadianLutheran.ca (see "Advancing the Mission & Ministry of LCC: Progress update.")

Personnel Committee

As a committee of the Board of Directors, the Personnel Committee develops policies to be administered by the Chief Administrative Officer (CAO) governing the employment and remuneration of all executive staff and employees of LCC. This includes reviewing job descriptions and succession planning. They also review and update annual compensation guidelines for Pastoral and Diaconal personnel.

It was a busy six months for the Personnel Committee as they met three times to create, review, and revise documents and policies related to synod office staff and Pastoral and Diaconal personnel.

Governance Committee

The Governance Committee reviews and works to improve the overall performance of the LCC Board of Directors through the development of Board policies, maintenance of the Board Governance Manual and promotion of good corporate governance practices. The newly appointed Governance Committee met online on May 23, 2023, and elected a chair and secretary. Orientation of the Committee included reviewing the relevant portions of the LCC Handbook as well as receiving copies of LCC's Board Governance Manual for review. Looking ahead, the Committee identified several areas for development including training and development for LCC Board members so they can better understand their role.



Financial Statements of

**LUTHERAN CHURCH -
CANADA**

And Independent Auditor's Report thereon

Year ended January 31, 2023



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INDEPENDENT AUDITOR'S 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, 2023, 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, 2023, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not 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 auditor's 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 auditor's 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

June 16, 2023

LUTHERAN CHURCH - CANADA

Statement of Financial Position

January 31, 2023, with comparative information for 2022

	Operating Fund		Designated Fund		Total	Total
	2023	2022	2023	2022	2023	2022
Assets						
Current assets:						
Cash	\$ 1,231,316	\$ 1,122,256	\$ —	\$ —	\$ 1,231,316	\$ 1,122,256
Accounts receivable (note 2[g])	321,069	282,520	—	—	321,069	282,520
Receivable from Lutheran Church						
- Canada financial ministries	31,895	—	—	—	31,895	—
Prepaid expenses	90,021	79,215	10,319	286,450	100,340	365,665
Inter-fund balances	(278,112)	(196,785)	278,112	196,785	—	—
Short-term investments (note 4)	—	—	510,625	500,674	510,625	500,674
	1,396,189	1,287,206	799,056	983,909	2,195,245	2,271,115
Capital assets (note 3)	401,109	419,993	—	—	401,109	419,993
Investments (note 4)	—	—	1,660,672	1,603,572	1,660,672	1,603,572
Deferred gift (note 6)	50,000	50,000	—	—	50,000	50,000
	\$ 1,847,298	\$ 1,757,199	\$ 2,459,728	\$ 2,587,481	\$ 4,307,026	\$ 4,344,680

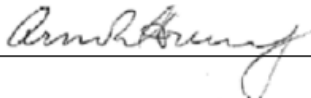
Liabilities, Deferred Contributions and Fund Balances

Current liabilities:						
Accounts payable and accrued liabilities	\$ 59,855	\$ 112,883	\$ —	\$ —	\$ 59,855	\$ 112,883
Payable to Lutheran Church - Canada Financial Ministries	—	24,476	—	—	—	24,476
	59,855	137,359	—	—	59,855	137,359
Deferred contributions (note 6):						
Expenses of future periods	678,213	260,073	2,142,464	2,395,752	2,820,677	2,655,825
Capital assets	55,895	60,195	—	—	55,895	60,195
Deferred gift	50,000	50,000	—	—	50,000	50,000
	784,108	370,268	2,142,464	2,395,752	2,926,572	2,766,020
Fund balances:						
Unrestricted	693,724	925,377	—	—	693,724	925,377
Invested in capital assets	309,611	324,195	—	—	309,611	324,195
Internally restricted (note 7)	—	—	317,264	191,729	317,264	191,729
	1,003,335	1,249,572	317,264	191,729	1,320,599	1,441,301
Contingencies (note 10)						
	\$ 1,847,298	\$ 1,757,199	\$ 2,459,728	\$ 2,587,481	\$ 4,307,026	\$ 4,344,680

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

LUTHERAN CHURCH - CANADA

Statement of Operations

Year ended January 31, 2023, with comparative information for 2022

	Operating Fund		Designated Fund		Total	Total
	2023	2022	2023	2022	2023	2022
Revenue:						
Contributions:						
Operating	\$ 3,296,507	\$ 3,303,406	\$ —	\$ —	\$ 3,296,507	\$ 3,303,406
Designated (note 6)	—	—	1,649,501	360,230	1,649,501	360,230
Canadian Lutheran	32,892	31,008	—	—	32,892	31,008
Rental	9,300	9,300	—	—	9,300	9,300
Investment income (loss)	(6,621)	1,960	7,468	91,436	847	93,396
Government assistance (note 2[g])	—	51	—	—	—	51
Unrestricted missions	47,460	40,534	—	—	47,460	40,534
Amortization of deferred contributions related to capital assets (note 6[b])	4,300	4,300	—	—	4,300	4,300
	3,383,838	3,390,559	1,656,969	451,666	5,040,807	3,842,225
Expenses:						
Missions (schedule B)	1,132,762	1,024,421	697,089	285,261	1,829,851	1,309,682
Ecclesiastical services	640,094	500,431	—	—	640,094	500,431
Higher education subsidy	292,150	292,200	—	—	292,150	292,200
Communications	236,880	227,771	—	—	236,880	227,771
Congregational services	290,776	166,013	—	—	290,776	166,013
Administration (note 8)	564,546	427,180	—	—	564,546	427,180
Property operations	65,668	126,303	—	—	65,668	126,303
Board, committees and memberships	45,631	14,911	—	—	45,631	14,911
Amortization of capital assets	18,884	18,884	—	—	18,884	18,884
Disbursements to congregations	180,360	269,180	—	—	180,360	269,180
Designated (schedule B)	—	—	889,312	84,497	889,312	84,497
	3,467,751	3,067,294	1,586,401	369,758	5,054,152	3,437,052
Excess (deficiency) of revenue over expenses	\$ (83,913)	\$ 323,265	\$ 70,568	\$ 81,908	\$ (13,345)	\$ 405,173

See accompanying notes to financial statements.

LUTHERAN CHURCH - CANADA

Statement of Changes in Fund Balances

Year ended January 31, 2023, with comparative information for 2022

	<u>Operating Fund</u>		<u>Designated Fund</u>		2023 Total	2022 Total
	Unrestricted	Invested in capital assets	Internally restricted			
Fund balance, beginning of year	\$ 925,377	\$ 324,195	\$ 191,729	\$ 1,441,301	\$ 1,123,900	
Excess (deficiency) of revenue over expenses	(69,329)	(14,584)	70,568	(13,345)	405,173	
Remeasurement of accrued benefit asset	(107,357)	—	—	(107,357)	(87,772)	
Transfer of funds from internally restricted (note 7)	(54,967)	—	54,967	—	—	
Fund balance, end of year	\$ 693,724	\$ 309,611	\$ 317,264	\$ 1,320,599	\$ 1,441,301	

See accompanying notes to financial statements.

LUTHERAN CHURCH - CANADA

Statement of Cash Flows

Year ended January 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ (13,345)	\$ 405,173
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	132,843	(2,529)
Change in non-cash operating working capital:		
Accounts receivable	(38,549)	383,408
Receivable from/payable to Lutheran Church - Canada Financial Ministries	(56,371)	18,939
Prepaid expenses	265,325	(148,306)
Accrued benefit asset	(107,357)	(87,772)
Accounts payable and accrued liabilities	(53,028)	73,823
Net change in deferred contributions related to expenses of future periods	164,852	(236,589)
	308,954	420,731
Investing activities:		
Change in investments, net	(199,894)	(920,130)
Increase (decrease) in cash	109,060	(499,399)
Cash, beginning of year	1,122,256	1,621,655
Cash, end of year	\$ 1,231,316	\$ 1,122,256

See accompanying notes to financial statements.

LUTHERAN CHURCH - CANADA

Notes to Financial Statements

Year ended January 31, 2023

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, 2023

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.

The Plan is 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, 2023

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, 2023

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, 2023

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.

(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:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 100,000	\$ —	\$ 100,000	\$ 100,000
Building	675,980	385,035	290,945	307,845
Equipment	60,684	50,520	10,164	12,148
	\$ 836,664	\$ 435,555	\$ 401,109	\$ 419,993

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2023

4. Investments:

	2023	2022
	Carrying value	Carrying value
Pooled funds:		
Fixed income	\$ 404,691	\$ 425,790
Canadian equities	413,628	391,801
International equities	576,365	544,766
Mortgage investment fund	265,988	241,215
	<u>\$ 1,660,672</u>	<u>\$ 1,603,572</u>

Short-term investments consist of a term deposit which earns interest at 4.15 percent (2022 - 0.50 percent) and matures on May 9, 2023.

5. Credit facility:

The Church has a revolving demand credit facility with a maximum limit of \$350,000 (2022 - \$350,000). The credit facility bears interest at prime rate plus 0.75 percent. The facility is unsecured. At January 31, 2023 and 2022, 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, 2023

6. Deferred contributions (continued):

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

	2023	2022
Balance, beginning of year	\$ 2,655,825	\$ 2,892,414
Contributions received or receivable	2,724,152	756,318
Investment income on unspent portion	1,195	1,222
Amount recognized as designated revenue	(1,654,515)	(363,134)
Amount recognized as operating revenue	(905,980)	(630,995)
Balance, end of year	\$ 2,820,677	\$ 2,655,825

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

	2023	2022
Designated fund:		
Higher education	\$ 172,594	\$ 175,215
Moving fund	39,251	45,549
International missions	1,647,035	1,271,642
Youth Gatherings	11,102	16,043
Conferences	92,277	86,723
Synod Convention	180,205	800,580
	2,142,464	2,395,752
Operating fund:		
Domestic missions	678,213	260,073
	\$ 2,820,677	\$ 2,655,825

(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, 2023

6. Deferred contributions (continued):

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

	2023	2022
Balance, beginning of year	\$ 60,195	\$ 64,495
Amount amortized to revenue	4,300	4,300
Balance, end of year	\$ 55,895	\$ 60,195

(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:

	2023	2022
National Youth Gathering	\$ 1,083	\$ 32,295
AIC Scholarship Interest	63,003	59,935
PAT Program	72,059	67,059
Conference	30,154	31,632
Other	808	808
Convention Reserve	150,157	—
	\$ 317,264	\$ 191,729

During fiscal 2023, the Board of Directors approved a transfer of \$54,967 from the Operating Fund unrestricted fund balance to the Designated Fund internally restricted fund balance.

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, 2023

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, 2023 are contributions of \$130,000 (2022 - \$157,924) 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, 2022 is as follows:

	2022	2021
<i>Financial position:</i>		
Total assets	\$ 11,276,247	\$ 10,514,484
Total liabilities and deferred contributions	\$ 2,912,732	\$ 3,607,749
Total net assets	8,363,515	6,906,735
	\$ 11,276,247	\$ 10,514,484
<i>Results of operations:</i>		
Total revenue	\$ 3,525,731	\$ 2,382,319
Total expenses	2,052,189	1,837,198
Excess of revenue over expenses	\$ 1,473,542	\$ 545,121
<i>Cash flows:</i>		
From operating activities	\$ 845,768	\$ 895,290
Used in investing activities	(710,153)	(712,603)
Increase in cash	\$ 135,615	\$ 182,687

(b) Related party transactions:

During the year, the Church charged rent of \$7,500 (2022 - \$7,500) and an administration fee of \$12,000 (2022 - \$12,000) to LCC Worker Benefit Services Inc. The Church also charged an administration fee of \$18,000 (2022 - \$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, 2023

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:

	2023	2022
Fair value of plan assets	\$ 1,261,754	\$ 2,970,058
Accrued benefit obligation	(1,088,780)	(2,779,842)
Valuation allowance	(172,974)	(190,216)
Accrued benefit asset	\$ —	\$ —

The Church's contributions to the defined contribution plan during the year amounted to \$61,470 (2022 - \$50,871).

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.

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, 2023 (2022 - nil). There have been no other risk exposure changes from 2022.

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2023

11. Financial risks (continued):

(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 2022.

(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 2022.

(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 2022.

12. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenue over expenses.

LUTHERAN CHURCH - CANADAOperating Fund
Revenue and Expenses

Year ended January 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Contributions:		
Regions - unrestricted	\$ 2,147,249	\$ 2,172,798
Specified purpose	968,898	861,428
Online donations for congregations	180,360	269,180
	3,296,507	3,303,406
Canadian Lutheran	32,892	31,008
Rental	9,300	9,300
Investment income (loss)	(6,621)	1,960
Unrestricted missions	47,460	40,534
Amortization of deferred contributions related to capital assets	4,300	4,300
Canada Emergency Wage Subsidy	—	51
	87,331	87,153
	3,383,838	3,390,559
Expenses:		
Missions:		
Domestic Missions	875,623	806,628
International Missions	252,503	215,233
Regional Mission and Ministry Councils	4,636	2,560
	1,132,762	1,024,421
Ecclesiastical services:		
President's office	115,868	112,287
Regional pastor's office	514,829	385,677
President's ministry council	1,547	157
Circuit Counsellors	7,850	2,310
	640,094	500,431
Higher education:		
Concordia Lutheran Seminary	136,000	136,000
Concordia Lutheran Theological Seminary	136,000	136,000
Student aid	20,150	20,200
	292,150	292,200
Communications	236,880	227,771
Congregational services:		
Resource generation	288,734	157,924
Professional services	2,042	8,089
	290,776	166,013
Administration	564,546	427,180
Property operations:		
Utilities	16,445	15,550
Repairs and maintenance	20,348	83,248
Property taxes	16,614	16,552
Janitorial	12,261	10,953
	65,668	126,303
Committees and boards:		
Directors	28,136	1,194
Commissions	4,616	942
International Lutheran Council fee	4,079	3,975
Evangelical Fellowship of Canada	8,800	8,800
	45,631	14,911
Amortization of capital assets	18,884	18,884
	3,287,391	2,798,114
Disbursements to congregations	180,360	269,180
Excess (deficiency) of revenue over expenses - Operating Fund	\$ (83,913)	\$ 323,265

LUTHERAN CHURCH - CANADADesignated Fund
Revenue and Expenses

Year ended January 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Contributions:		
International missions:		
Central America	\$ 430,814	\$ 209,595
Haiti	—	25,834
Southeast Asia	25,367	23,736
Ukraine	240,908	26,096
	697,089	285,261
Other	27,031	60,448
National Convention	785,659	—
National Youth Gathering	87,528	—
Conferences	52,194	14,521
Investment income	7,468	91,436
	959,880	166,405
	1,656,969	451,666
Expenses:		
International missions:		
Central America	430,814	209,595
Haiti	—	25,834
Southeast Asia	25,367	23,736
Ukraine	240,908	26,096
	697,089	285,261
Other	73,898	64,421
National Convention	635,502	—
National Youth Gathering	118,740	—
Conferences	53,672	5,076
Scholarships	7,500	15,000
	889,312	84,497
	1,586,401	369,758
Excess of revenue over expenses - Designated Fund	\$ 70,568	\$ 81,908

LUTHERAN CHURCH - CANADA

Administration Expenses

Year ended January 31, 2023, with comparative information for 2022

	2023	2022
Expenses:		
Staffing:		
Salaries	\$ 243,899	\$ 187,335
Benefits	72,488	69,601
Professional development	3,639	1,420
Subcontractor	7,920	7,920
	<u>327,946</u>	<u>266,276</u>
Office, insurance and professional services:		
Audit and legal services	110,275	37,299
Bank fees and other charges	14,816	13,076
Computer repair and maintenance	15,517	16,240
Equipment purchases and charges	6,110	10,099
Insurance	67,321	59,894
Memberships and publications	4,953	8,395
Office and stationary supplies	4,901	1,601
Postage, telephone and internet	9,781	9,711
Professional services	—	4,510
Travel	2,926	79
	<u>236,600</u>	<u>160,904</u>
Administration expenses	<u>\$ 564,546</u>	<u>\$ 427,180</u>