

ANNUAL MEMBERS MEETING

June 13, 2024

(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
- Motion: That the proposed agenda as circulated be adopted.**
5. 2023 AGM Minutes - (*for information*)
6. Report from Board of Directors – Arnold Drung
- 7:30 p.m. 7. Audited Financial Statements/Auditor Report - (Dwayne Cleave / Christine Bradley)
- Motion: That the members acknowledge receipt of the LCC Audited Statements and Independent Auditor's Report thereon for the fiscal period ending January 31, 2024.**
- Motion: That the members dispense with the appointment of auditors for the ensuing fiscal year, as KPMG was appointed by delegates at the June 2022 convention (resolution 22-03-09) to hold office until the next convention.**
- 7:45 p.m. 8. 2024 Annual Report - (*for information*)
9. Member Questions on Reports
- 8:00 p.m. 10. Adjournment / Closing Prayer- President Teuscher
- Motion: That the meeting be now adjourned.**

**Lutheran Church-Canada
2023 Annual General Meeting
Virtual Meeting
June 29, 2023
7 p.m. CDT**

Attendance for the meeting was recorded as follows:

Eligible Delegates - 37 (including 3 board members)
Other Board members – 2
Board Advisory (Regional pastor) - 1
LCC Staff - 6
Total attendance - 46

MINUTES

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

The Annual General Meeting was called to order at 7 p.m. CDT by Chairman Drung.

2. Opening Prayer – President Teuscher

President Teuscher reminded everyone that on June 29th the church commemorates the lives of St. Peter and St. Paul who stood firm in the faith and were martyred on this day in 67 AD; he then had an opening prayer.

3. Welcome of Members – Arnold Drung

Chairman Drung welcomed members and then asked the Administrative Supervisor to explain how, in the "Go-To-Meeting" virtual environment, to ask questions during the meeting, move or second motions, and respond to polls.

4. Approval of Agenda

The chairman then asked for a motion to approved the agenda. A question was raised regarding quorum. The Chief Administrative Officer explained that the Bylaws require 1 % of the eligible delegates to be present for quorum. Since there are 550 eligible delegates, quorum is 6 delegates. The attendance is much greater than that.

Motion AGM 23-06-01: That the proposed agenda as circulated be adopted. **M/S/C**

5. 2021 Annual General Meeting Minutes

The Chairman explained that these minutes were previously approved by the Board of Directors and are here for the information of the members. The 2022 annual meeting was held in conjunction with the 2022 convention and those minutes were approved by the convention and by the Board of Directors.

6. Report from the Board of Directors, Lutheran Church-Canada

Chairman Drung briefly summarized the report of the Board of Directors, which report was included with the materials sent out prior to the meeting. He then asked for any questions on the report. There were none.

7. Auditors Report and Approved Audited Financial Statements for the Fiscal Period ending January 31, 2023 – Dwayne Cleave, Chief Administrative Officer, Christine Bradley, Accounting Manager

The Audited Statements were approved by the Board of Directors at their meeting of June 15, 2023. Christine Bradley spoke to the Auditor's Report and reported that it was a clean audit with no adjustments required. Mr. Cleave then went through the Audited Financial Statements. After his presentation, Mr. Cleave provided time for any questions. There were none.

Motion AGM 23-06-02: That the members acknowledge receipt of the LCC Audited Statements and Auditor's report thereon for the fiscal period ending January 31, 2023. **M/S/C**

Motion AGM 23-06-03: That the members dispense with the appointment of auditors for the ensuing fiscal year, because KPMG was appointed at the June 2022 convention (resolution 22-03-09) to hold office until the next convention. **M/S/C**

8. Member Questions on Reports

Members were invited to ask questions on the reports.

Q: Exhibit 7.6 shows a deficit at end of fiscal 22/23. Is this correct; did we have a deficit?

A: Yes we had a deficit mainly due to unexpected legal costs. Mitigating actions have been taken for this year.

Q: Is there an update on the Purpose & Priority Planning work?

A: The work is ongoing. We are working on the initiatives as approved at convention; most have been started. There will be a written update report in the September edition of the Canadian Lutheran.

Q: The convention approved a motion to put in place a youth leader. Where is this at?

A: The Board is working toward that. The mission positions have been prioritized but the youth leader is high on the radar screen.

Q: Is there an update on the National Missions position?

A: Position descriptions have been prepared for both the International mission position (existing) and the domestic mission position. The board is debating the issue of hierarchy - should one position report to the other or should they be two separate positions each reporting independently. This is the last piece to be resolved. We are hoping to be able to issue a call regarding the domestic mission position by this fall.

9. Adjournment

Motion AGM 23-06-04: That the meeting be now adjourned. **M/S/C**

President Teuscher had a closing prayer.

2024 LCC ANNUAL GENERAL MEETING

JUNE 13, 2024

Report of LCC Board of Directors

1. Introduction

The members of LCC entrust the Board of Directors (BOD) with the work of synod between conventions. The Board takes this important stewardship seriously as it considers both churchly and civil matters, honouring its fiduciary duty and duty of care to LCC. There is much business to conduct at each meeting, and the primary goal is always that the gifts of God—in particular His Word and Sacraments—are delivered to people in LCC, in Canada, and around the world. The Board, consisting of both clergy and laity, diligently monitors the work of LCC management and staff towards fulfilling LCC's 4-year strategic plan adopted in 2022. The Board strives to spend the vast majority of its time on strategy and governance oversight while also devoting needed attention to engaging with stakeholders and more routine matters. Board members have been faithfully working as a team since the last AGM on June 29, 2023 to support the work to which God has called His Church.

2. Board Meetings

The Board has met five times in the past year, twice in person, and three online meetings.

In its in-person meetings (October 2023, March 2024) the board received reports from the president, Rev. Dr. Timothy Teuscher, the regional pastors: Rev. David Haberstock (Central), Rev. Marvin Bublitz (East) and Rev. Robert Mohns (West), and chief administrative officer (CAO) Dwayne Cleave. The committees of the board, Personnel, Finance, and Governance, provided updates on the work they completed in partnership with LCC staff.

The Directors of Missions and Communications, Rev. Mark Smith and Alex Steinke respectively, provided reports on behalf of their respective committees and the Director of Advancement, David Friesen, reported on the unfolding work of the Purpose and Priorities Planning process.

The BOD also received its annual report from the auxiliaries of LCC and the two seminaries. The Dean of Military Chaplains also made a report on the work of the pastors who serve as chaplains in the Canadian military.

The online meetings were focus meetings where the board discussed a single topic each time. The audited financial statements and audit findings report for the fiscal year ending January 31, 2024 were reviewed and approved at the May 30, 2024 online meeting.

In addition to the regular reports and business of the church, the BOD also took action on the following:

ACTION ITEMS:i. Memoranda of Understanding:

LCC continues to develop these relationship documents with entities that are part of or support the synodical family. Memorandum of Understanding (MOU) Consultant, Rev. Nolan Astley, provided reports to the BOD on the status of the MOU process. The MOUs with Lutherans for Life-Canada, Lutheran Bible Translators–Canada (LBTC), Lutheran Association of Missionary Pilots (LAMP), and the BC Mission Boat Society were reviewed and approved by the Board.

ii. National Youth Gathering:

The National Youth Gather (NYG) committee submitted a proposal to the Board requesting the committee be included in the official structure of the synod. The synodical board that oversaw the NYG committee was dissolved decades ago and the members of NYG who provided connectivity by serving on other LCC Board committees have since retired from those positions. The Board approved the NYG co-chair travel to the Higher Things conference and Rev. David Haberstock on behalf of the President’s Ministry Council (PMC) along with Dcn. Amanda Hastings (BOD) will work with the current NYG committee members to establish a proposed new structure within the new synodical framework.

iii. Archives – *ad hoc*:

An ad hoc committee of the board was created at the BOD March 2023 meeting to assess the current state of archives across the synod, and determine a short-term and long-term strategy for the preservation of the history of the congregations of LCC and the synod. In addition, the committee will work to itemize resources desirable for and already available to congregations through existing LCC resources and other religious archives such as the Concordia Historical Institute.

The committee consists of Anna Gibson-Hollow, Archivist at the University of Alberta; Mathew Block, editor of the Canadian Lutheran; Ian Adnams, former LCC Director of Communications; Rev. Mark Hennig (LCC BOD) and Lois Griffin LCC BOD member and Lutheran East District Corporation board member. LCC staff members Iris Barta and Angela Honey are providing synod office support.

The committee has met twice and submitted a report to the BOD at its October 2023 meeting. Comprehensive congregation manuals for records management and archives have been drafted. A suggestion of a “coles notes” version was received and the creation of the document is underway. Investigation into the opportunities to work with other archives, including other religious archives, continue as factors like ongoing cost and estimated future volume are determined.

3. Board of Directors Committee Updates

The committees of the board of Directors include at least one member of the BOD and work with synod staff to support the work of the synod. For more information on the work of the board committees see the Jan/Feb 2024 issue of The Canadian Lutheran.

Finance

- At the March 22, 2024 Board meeting, the committee proposed a 2024-25 LCC operating budget for approval by the LCC board of Directors in the amount of \$4,167,728. The \$4,167,728 budget figure is just over \$140,000 more or 3.5% higher than last year's budget. Primary drivers to account for the increase include an additional \$70,000 in planned spending going to Ukraine for relief aid, and \$50,000 for the mid-year hiring of a rostered Church worker as a resource person to support youth and young adult ministry throughout the synod. The funding for the additional planned spending in Ukraine Aid has already been received
- Reviewed the actual operating results of LCC for the fiscal period ending on January 31, 2024 and compared results to the budget. There were no unusual findings to report to the board.
- The external audit of the LCC financial statements for the period ending January 31, 2024 was completed by KPMG in April, and the audited statements and audit findings report were then presented to the Board for review and approval. It was a clean audit including the auditors opinion letter

Governance

- Updates to the BOD Governance Manual were completed including a policy for *in-camera* meetings, code of conduct updates and a protocol for minutes.

Communications & Technology

- 35 parishes are now using congregational web services supported by LCC's Communications department
- LCC's Francophone Lutheran Liturgical Institute (ILLF) site, the only confessional Lutheran institute of its kind, is now providing liturgical resources in French and is being utilized internationally
- Missouri North: The History of Lutheran Church–Canada is now available for purchase on Amazon.ca

Personnel

- Rev. Jacob Quast has accepted the call to serve as Director of Domestic Missions. LCC's Board of Directors extended the call on behalf of the Member Congregations of LCC in January 2024. He was installed in his new position on May 5, 2024. As Director of Domestic Missions, Rev. Quast is called to oversee and coordinate LCC's missions and mercy work within Canada—work he will pursue in conjunction with LCC's Regional Mission and Ministry Councils (RMMCs). The Director of Domestic Missions will explore new mission opportunities and strategies within Canada, and provide guidance and encouragement to LCC members in our collective mission of sharing the Gospel in Canada.
- Synod's employee handbook was updated to revise the Maternity/Parental Leave policy as well as introduce a Supplemental Unemployment Benefit Plan (SUB) for Maternity/Parental Leave
- In response to convention resolution 22.3.03a *TO SUPPORT YOUTH, YOUNG ADULT, AND FAMILY MINISTRY IN THE SYNOD*, and work on a job description for a worker to fill this position is in process.

4. 2022 Convention Resolutions update

Updates include only resolutions outstanding since the last report. See The Canadian Lutheran Volume 38 Number 2 (March/April 2023) for additional details on previously addressed resolutions.

Resolution:

- 22.2.02a *To Reaffirm the Biblical View on Marriage and Sexuality* and 22.2.03a. *To Rejoice in the Church's Stance on the Blessings of Gathering in Person* – no further action required from the Commission on Theology and Church Relations.
- 22.2.04b – *To Request the PMC to Provide Relevant Materials Pertaining to the Intersection Between Biomedical Ethics, Technology and Theology* – The Commission on Theology and Church Relations has prepared a list of pertinent resources in response to the resolution which was sent out in the Info Digest and is available on the LCC website > Who We Are>Theological Documents.
- 22.3.03a *To Support Youth, Young Adult, and Family Ministry in the Synod* – the Personnel Committee in collaboration with the HR manager is writing a job description for this position and the plan is to issue a divine call in the fall of 2024.
- 22.3.08a *To Direct the Synod Board of Directors to Revisit Resolution 17.2.01 (Vicarage Placement Fund)* – under review by the BOD Finance Committee – The Board of Directors discussed this resolution at some length during their November 2023 board meeting but reached an impasse on how to proceed with any implementation activity upon their review of a resolution that was passed by delegates at the 2014 Synod convention 14.3.13 that seems to prohibit Synod from using an assessment as a source of revenue for financing a vicarage placement fund).

RESOLVED that Synod develop and promote materials to fund the recommendations made by the vicarage task force, apart from assessment, and which encourage congregations to support the work of District and Synod through ongoing support of missions.

As a result, the Finance committee will continue to evaluate the allocation of expenditures within the Synod budget and report back to the Board on whether other sources of revenue are available to finance a vicarage placement fund.

5. Advancing the Mission & Ministry of LCC: Progress Update

All three of LCC's Regional Mission and Ministry Councils (RMMCs) met in September 2023. The primary focus of each meeting was the discussion of congregation and ministry applications for financial assistance for 2024.

Meeting on September 21 (West) and September 30 (Central and East), the RMMCs spent considerable time reflecting on the assistance applications received as compared to the projected money available as provided to them by Lutheran Church- Canada's Chief Administrative Officer (CAO), Dwayne Cleave.

Financial assistance applications may be submitted by congregations in need of support for regular ministry activities and those with special mission projects or ministries. Applications are evaluated using a three-tiered criteria of support for: existing Word and Sacrament ministry, outreach efforts leading people to Word and Sacrament and works of mercy.

Additionally, each RMMC has formed a domestic mission sub-committee to help support and promote

existing missions within each region along with identifying new mission opportunities.

RMMC members are elected at the synod convention which is held every four years. Since the elections held in June 2022, there have been changes to the membership and an updated list of RMMC members can be found on the LCC website <https://www.lutheranchurchcanada.ca/missions/rmmc/>

6. Pension Plan Merger Update

Worker Benefit Services, (WBS) is pleased to report that on September 21, 2023 the Alberta Pension Regulator formally approved the transfer of Defined Benefit (DB) pension assets and (liabilities) held in the LCC Pension Plan to the CAAT pension plan (“Plan Merger”).

The transfer of DB assets and (liabilities) was completed on November 8, 2023, and from that date CAAT has assumed responsibility for the payment of pensions that were earned under the LCC pension plan prior to the effective date of the merger, which was April 1, 2023. Since April 1, Active members have been earning their future pension benefits under the CAAT Db plus pension plan.

As previously communicated, only the DB component of the LCC pension plan was part of the merger with CAAT. So the process of winding up the LCC pension plan, then involved the dispersal of member assets held in the defined contribution (DC) component of the LCC pension plan.

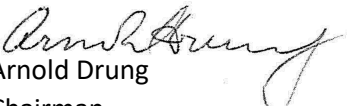
Each member had a choice from several options in terms of how they wanted to handle their DC account balance, including:

- Using their DC account balance to purchase additional pension under CAAT’s DB plus plan for eligible periods of employment. (*Active members only*)
- Using their DC account balance to purchase an annuity from an insurance company.
- Transferring the DC account balance into other registered retirement vehicles such as a locked in retirement account (LIRA) or life income fund (LIF) with another financial institution.
- Transferring their DC account balance to Sun Life’s group choices plan where they can continue to invest their funds

The dispersal of member DC account balances from the LCC pension plan is proceeding as planned, and is expected to be done by June 30, 2024. The windup and deregistration of the LCC pension plan will be completed before the end of the year.

7. Closing

Two days ago on June 11th the church commemorated St. Barnabas – a Jewish Levite, originally named Joseph, who sold some of his possessions and laid the proceeds at the feet of the apostles to aid in relief of the poor in Jerusalem and to support the Church’s mission. As a result, the apostles gave him the name ‘Barnabas’, which means ‘son of encouragement’. We thank you for your encouragement in following his example in lives given to charity and the proclamation of the Gospel of our Lord Jesus Christ in congregations and missions throughout our Synod.


Arnold Drung
Chairman


Grace Henderson
Secretary

Financial Statements of

**LUTHERAN CHURCH -
CANADA**

And Independent Auditor's Report thereon

Year ended January 31, 2024



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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, 2024, 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, 2024, 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 4, 2024

LUTHERAN CHURCH - CANADA

Statement of Financial Position

January 31, 2024, with comparative information for 2023

	Operating Fund		Designated Fund		Total	Total
	2024	2023	2024	2023	2024	2023
Assets						
Current assets:						
Cash	\$ 345,837	\$ 1,231,316	\$ -	\$ -	\$ 345,837	\$ 1,231,316
Accounts receivable	359,160	321,069	-	-	359,160	321,069
Receivable from Lutheran Church						
- Canada financial ministries	86,889	31,895	-	-	86,889	31,895
Prepaid expenses	91,783	90,021	23,154	10,319	114,937	100,340
Inter-fund balances	(40,837)	(278,112)	40,837	278,112	-	-
Short-term investments (note 4)	953,977	-	533,429	510,625	1,487,406	510,625
	1,796,809	1,396,189	597,420	799,056	2,394,229	2,195,245
Capital assets (note 3)	382,226	401,109	-	-	382,226	401,109
Investments (note 4)	-	-	1,712,453	1,660,672	1,712,453	1,660,672
Deferred gift (note 6)	50,000	50,000	-	-	50,000	50,000
	\$ 2,229,035	\$ 1,847,298	\$ 2,309,873	\$ 2,459,728	\$ 4,538,908	\$ 4,307,026

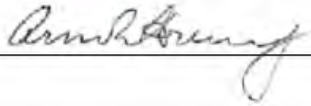
Liabilities, Deferred Contributions and Fund Balances

Current liabilities:						
Accounts payable and accrued liabilities	\$ 78,757	\$ 59,855	\$ -	\$ -	\$ 78,757	\$ 59,855
Deferred contributions (note 6):						
Expenses of future periods	914,434	678,213	1,963,648	2,142,464	2,878,082	2,820,677
Capital assets	51,595	55,895	-	-	51,595	55,895
Deferred gift	50,000	50,000	-	-	50,000	50,000
	1,016,029	784,108	1,963,648	2,142,464	2,979,677	2,926,572
Fund balances:						
Unrestricted	839,222	693,724	-	-	839,222	693,724
Invested in capital assets	295,027	309,611	-	-	295,027	309,611
Internally restricted (note 7)	-	-	346,225	317,264	346,225	317,264
	1,134,249	1,003,335	346,225	317,264	1,480,474	1,320,599
Contingencies (note 10)						
	\$ 2,229,035	\$ 1,847,298	\$ 2,309,873	\$ 2,459,728	\$ 4,538,908	\$ 4,307,026

See accompanying notes to financial statements.

On behalf of the Board:


 _____ Director


 _____ Director

LUTHERAN CHURCH - CANADA

Statement of Operations

Year ended January 31, 2024, with comparative information for 2023

	Operating Fund		Designated Fund		Total	Total
	2024	2023	2024	2023	2024	2023
Revenue:						
Contributions:						
Operating	\$ 3,427,182	\$ 3,296,507	\$ -	\$ -	\$ 3,427,182	\$ 3,296,507
Designated (note 6)	-	-	902,546	1,649,501	902,546	1,649,501
Canadian Lutheran	28,842	32,892	-	-	28,842	32,892
Rental (note 8)	9,300	9,300	-	-	9,300	9,300
Investment income (loss)	4,330	(6,621)	51,031	7,468	55,361	847
Unrestricted missions	90,667	47,460	-	-	90,667	47,460
Amortization of deferred contributions related to capital assets (note 6[b])	4,300	4,300	-	-	4,300	4,300
	3,564,621	3,383,838	953,577	1,656,969	4,518,198	5,040,807
Expenses:						
Missions (schedule B)	1,149,717	1,132,762	707,191	697,089	1,856,908	1,829,851
Ecclesiastical services	630,838	640,094	-	-	630,838	640,094
Higher education subsidy	292,050	292,150	-	-	292,050	292,150
Communications	262,087	236,880	-	-	262,087	236,880
Congregational services	261,608	290,776	-	-	261,608	290,776
Administration (schedule C)	575,486	564,546	-	-	575,486	564,546
Property operations	63,522	65,668	-	-	63,522	65,668
Board, committees and memberships	38,873	45,631	-	-	38,873	45,631
Amortization of capital assets	18,883	18,884	-	-	18,883	18,884
Disbursements to congregations	172,862	180,360	-	-	172,862	180,360
Designated (schedule B)	-	-	185,206	889,312	185,206	889,312
	3,465,926	3,467,751	892,397	1,586,401	4,358,323	5,054,152
Excess (deficiency) of revenue over expenses	\$ 98,695	\$ (83,913)	\$ 61,180	\$ 70,568	\$ 159,875	\$ (13,345)

See accompanying notes to financial statements.

LUTHERAN CHURCH - CANADA

Statement of Changes in Fund Balances

Year ended January 31, 2024, with comparative information for 2023

	Operating Fund		Designated Fund		2024 Total	2023 Total
	Unrestricted	Invested in capital assets	Internally restricted			
Fund balance, beginning of year	\$ 693,724	\$ 309,611	\$ 317,264	\$ 1,320,599	\$ 1,441,301	
Excess (deficiency) of revenue over expenses	113,279	(14,584)	61,180	159,875	(13,345)	
Remeasurement of accrued benefit Asset (note 9)	–	–	–	–	(107,357)	
Transfer of funds from internally restricted (note 7)	32,219	–	(32,219)	–	–	
Fund balance, end of year	\$ 839,222	\$ 295,027	\$ 346,225	\$ 1,480,474	\$ 1,320,599	

See accompanying notes to financial statements.

LUTHERAN CHURCH - CANADA

Statement of Cash Flows

Year ended January 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 159,875	\$ (13,345)
Items not involving cash:		
Amortization of deferred contributions related to capital assets	(4,300)	(4,300)
Amortization of capital assets	18,883	18,884
Unrealized loss (gain) on investments	32,886	132,843
Change in non-cash operating working capital:		
Accounts receivable	(38,091)	(38,549)
Receivable from/payable to Lutheran Church - Canada Financial Ministries	(54,994)	(56,371)
Prepaid expenses	(14,597)	265,325
Accrued benefit asset	-	(107,357)
Accounts payable and accrued liabilities	18,902	(53,028)
Net change in deferred contributions related to expenses of future periods	57,405	164,852
	175,969	308,954
Investing activities:		
Change in investments, net	(1,061,448)	(199,894)
Increase (decrease) in cash	(885,479)	109,060
Cash, beginning of year	1,231,316	1,122,256
Cash, end of year	\$ 345,837	\$ 1,231,316

See accompanying notes to financial statements.

LUTHERAN CHURCH - CANADA

Notes to Financial Statements

Year ended January 31, 2024

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 and change in accounting policy:

Employees of the Church hired prior to January 1, 2012 were 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 covered the employees of the various employers who had agreed to participate in the plan and who shared a voluntary ecclesiastical bond as part of the "Synodical Family".

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2024

2. Significant accounting policies (continued):

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

The Plan was a multiple-employer defined benefit plan and as a result, the Church accounted for the Plan following the standards of a defined benefit plan. Effective March 31, 2023, the Plan transferred the pension obligation and related assets to the Colleges of Applied Arts and Technology Pension Plan (CAAT). CAAT is a multi-employer defined benefit plan. Effective April 1, 2023, all members started earning their future benefits under the CAAT defined benefit plan. The CAAT defined benefit plan is a contributory plan and members are required to make annual contributions of 4 percent of their compensation, while employers contribute 6 percent of their compensation.

As the Plan was a multiple-employer plan, the Church accrued 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 used 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 were recorded at fair value and accrued benefit obligation coincided with the Church's fiscal year.

The Church measured 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.

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2024

2. Significant accounting policies (continued):

To January 31, 2023, the Church recognized, 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, were 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.

As CAAT is a multi-employer defined benefit plan, the Church changed its accounting policy during fiscal 2024 and will account for contributions to CAAT consistent with a defined contribution plan where contributions to CAAT are expensed in the period incurred.

(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, 2024

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, 2024

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) 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:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 100,000	\$ –	\$ 100,000	\$ 100,000
Building	675,980	401,934	274,046	290,945
Equipment	60,684	52,504	8,180	10,164
	\$ 836,664	\$ 454,438	\$ 382,226	\$ 401,109

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2024

4. Investments:

	2024	2023
	Carrying value	Carrying value
Pooled funds:		
Fixed income	\$ 349,468	\$ 404,691
Canadian equities	339,440	413,628
International equities	470,884	576,365
Mortgage investment fund	274,427	265,988
Infrastructure fund	278,234	-
	\$ 1,712,453	\$ 1,660,672

Short-term investments consist of term deposits which earn interest at rates between 4.56 percent and 4.65 percent (2023 - 4.15 percent) and mature between February 2, 2024 and March 5, 2024.

5. Credit facility:

The Church has a revolving demand credit facility with a maximum limit of \$350,000 (2023 - \$350,000). The credit facility bears interest at prime rate plus 0.75 percent. The facility is unsecured. At January 31, 2024 and 2023, 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, 2024

6. Deferred contributions (continued):

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

	2024	2023
Balance, beginning of year	\$ 2,820,677	\$ 2,655,825
Contributions received or receivable	1,698,888	2,724,152
Investment income on unspent portion	2,360	1,195
Amount recognized as designated revenue	(862,887)	(1,654,515)
Amount recognized as operating revenue	(780,956)	(905,980)
Balance, end of year	\$ 2,878,082	\$ 2,820,677

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

	2024	2023
Designated fund:		
Higher education	\$ 158,447	\$ 172,594
Moving fund	39,376	39,251
International missions	1,275,621	1,647,035
Youth Gatherings	10,000	11,102
Conferences	126,682	92,277
Synod Convention	353,522	180,205
	1,963,648	2,142,464
Operating fund:		
Domestic missions	914,434	678,213
	\$ 2,878,082	\$ 2,820,677

(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, 2024

6. Deferred contributions (continued):

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

	2024	2023
Balance, beginning of year	\$ 55,895	\$ 60,195
Amount amortized to revenue	4,300	4,300
Balance, end of year	\$ 51,595	\$ 55,895

(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:

	2024	2023
National Youth Gathering	\$ 11,083	\$ 1,083
West Youth Gathering	8,321	-
AIC Scholarship Interest	61,983	63,003
PAT Program	72,059	72,059
Conference	41,814	30,154
Other	808	808
Convention Reserve	150,157	150,157
	\$ 346,225	\$ 317,264

During fiscal 2024, the Board of Directors approved a transfer of \$32,219 from the Designated Fund internally restricted fund balance to the Operating Fund unrestricted fund balance.

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.

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2024

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.

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, 2024 are contributions of \$80,000 (2023 - \$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, 2023 is as follows:

	2023	2021
<i>Financial position:</i>		
Total assets	\$ 11,899,762	11,276,247
Total liabilities and deferred contributions	\$ 2,815,774	\$ 2,912,732
Total net assets	9,083,988	8,363,515
	<u>\$ 11,899,762</u>	<u>\$ 11,276,247</u>
<i>Results of operations:</i>		
Total revenue	\$ 2,699,949	\$ 3,525,731
Total expenses	1,979,475	2,052,189
Excess of revenue over expenses	\$ 720,474	\$ 1,473,542
<i>Cash flows:</i>		
From operating activities	\$ 694,887	\$ 845,768
Used in investing activities	(938,956)	(710,153)
Used in financing activities	(30,000)	-
Increase (decrease) in cash	\$ (274,069)	\$ 135,615

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2024

8. Related parties (continued):

(b) Related party transactions:

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

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 for the Plan was as follows:

	2024	2023
Fair value of plan assets	\$ –	\$ 1,261,754
Accrued benefit obligation	–	(1,088,780)
Valuation allowance	–	(172,974)
Accrued benefit asset	\$ –	\$ –

As disclosed in note 2(b), the Plan was a multiple-employer defined benefit plan and the Church accounted for the Plan following the standards of a defined benefit plan. Effective March 31, 2023, the Plan transferred the pension obligation and related assets to the Colleges of Applied Arts and Technology Pension Plan (CAAT). CAAT is a multi-employer defined benefit plan.

The Church's contributions to the defined contribution plan and CAAT during the year ended January 31, 2024 amounted to \$193,869 (2023 - \$61,470).

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2024

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, 2024 (2023 - nil). There have been no other risk exposure changes from 2023.

(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 2023.

(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 2023.

LUTHERAN CHURCH - CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2024

11. Financial risks (continued):

(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 2023.

LUTHERAN CHURCH - CANADAOperating Fund
Revenue and Expenses

Year ended January 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Contributions:		
Regions - unrestricted	\$ 2,114,765	\$ 2,147,249
Specified purpose	1,139,555	968,898
Online donations for congregations	172,862	180,360
	<u>3,427,182</u>	<u>3,296,507</u>
Canadian Lutheran	28,842	32,892
Rental	9,300	9,300
Investment income (loss)	4,330	(6,621)
Unrestricted missions	90,667	47,460
Amortization of deferred contributions related to capital assets	4,300	4,300
	<u>137,439</u>	<u>87,331</u>
	<u>3,564,621</u>	<u>3,383,838</u>
Expenses:		
Missions:		
Domestic Missions	852,139	875,623
International Missions	284,676	252,503
Regional Mission and Ministry Councils	12,902	4,636
	<u>1,149,717</u>	<u>1,132,762</u>
Ecclesiastical services:		
President's office	132,976	115,868
Regional pastor's office	478,324	514,829
President's ministry council	6,279	1,547
Circuit Counsellors	13,259	7,850
	<u>630,838</u>	<u>640,094</u>
Higher education:		
Concordia Lutheran Seminary	136,000	136,000
Concordia Lutheran Theological Seminary	136,000	136,000
Student aid	20,050	20,150
	<u>292,050</u>	<u>292,150</u>
Communications	262,087	236,880
Congregational services:		
Mission advancement	259,196	288,734
Professional services	2,412	2,042
	<u>261,608</u>	<u>290,776</u>
Administration	575,486	564,546
Property operations:		
Utilities	15,762	16,445
Repairs and maintenance	21,818	20,348
Property taxes	14,457	16,614
Janitorial	11,485	12,261
	<u>63,522</u>	<u>65,668</u>
Committees and boards:		
Directors	17,831	28,136
Commissions	7,981	4,616
International Lutheran Council fee	4,261	4,079
Evangelical Fellowship of Canada	8,800	8,800
	<u>38,873</u>	<u>45,631</u>
Amortization of capital assets	18,883	18,884
	<u>3,293,064</u>	<u>3,287,391</u>
Disbursements to congregations	172,862	180,360
Excess (deficiency) of revenue over expenses - Operating Fund	\$ 98,695	\$ (83,913)

LUTHERAN CHURCH - CANADA

Designated Fund
Revenue and Expenses

Year ended January 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Contributions:		
International missions:		
Central America	\$ 461,127	\$ 430,814
Southeast Asia	34,090	25,367
Ukraine	211,974	240,908
	<u>707,191</u>	<u>697,089</u>
Other	41,025	27,031
National Convention	-	785,659
National Youth Gathering	-	87,528
West Youth Gathering	36,535	-
Conferences	117,795	52,194
Investment income	51,031	7,468
	<u>953,577</u>	<u>1,656,969</u>
Expenses:		
International missions:		
Central America	461,127	430,814
Southeast Asia	34,090	25,367
Ukraine	211,974	240,908
	<u>707,191</u>	<u>697,089</u>
Other	40,359	73,898
National Convention	-	635,502
West Youth Gathering	28,213	-
National Youth Gathering	-	118,740
Conferences	106,134	53,672
Scholarships	10,500	7,500
	<u>892,397</u>	<u>1,586,401</u>
Excess of revenue over expenses - Designated Fund	\$ 61,180	\$ 70,568

LUTHERAN CHURCH - CANADA

Administration Expenses

Year ended January 31, 2024, with comparative information for 2023

	2024	2023
Expenses:		
Staffing:		
Salaries	\$ 276,880	\$ 243,899
Benefits	119,497	72,488
Professional development	4,390	3,639
Subcontractor	7,920	7,920
	<u>408,687</u>	<u>327,946</u>
Office, insurance and professional services:		
Audit and legal services	44,731	110,275
Bank fees and other charges	12,789	14,816
Computer repair and maintenance	14,435	15,517
Equipment purchases and charges	5,184	6,110
Insurance	71,999	67,321
Memberships and publications	5,461	4,953
Office and stationary supplies	4,540	4,901
Postage, telephone and internet	7,389	9,781
Travel	271	2,926
	<u>166,799</u>	<u>236,600</u>
Administration expenses	\$ 575,486	\$ 564,546



2024 Annual Report

LUTHERAN CHURCH—CANADA

Mission & Vision



Our Mission

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

Our Vision

A unified, confessional body of believers fulfilling the Great Commission.

Our Values

Truth

We value Scripture as the inerrant, written Word of God and the only rule and norm of faith and practice.

Grace

We value Grace as the free and undeserved gift of God through Christ Jesus which empowers believers to show forgiveness and mercy to others.

Unity

We value unity in doctrine, proclamation, and practice, as expressed in Scripture and the Lutheran Confessions.

Vocation

We value each person's unique God-given gifts, talents, and abilities, enabling them to witness Christ's redeeming love in all aspects and stations of life.

Sanctity of Life

We value life as a gift of God to be cherished, nurtured, and protected from conception to natural death.

Trust

We value telling one another the truth in love, doing what we say we will do, and stewarding all ministry resources to the glory of God.

Relationships

We value and respect one another as children of God, demonstrating love in all things because He first loved us.

Strategic Goals

DISCIPLE MAKING CULTURE

Serve, support, and equip congregations and partner ministries for mission and discipleship

MISSION OUTREACH

Pursue bold domestic and international outreach and ministry

EQUIP LEADERS

Recruit, educate, and support ecclesiastical, diaconal, and lay leaders for the Church

ORGANIZATIONAL EFFECTIVENESS

Use and strengthen Synodical structure, services, and processes to foster unity, transparency, and relationships

FISCAL RESOURCES AND RESPONSIBILITY

Gather, manage, and allocate financial resources to increase and optimize mission impact

STRATEGIC COMMUNICATIONS

Cultivate open, consistent communications to inform, engage, and encourage awareness and response throughout the Synodical family

Walking Together as a Synod

Committed to a common confession and mission, congregations of Lutheran Church–Canada join with one another as a Synod to share an ecclesiastical bond and to support and work with one another. 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.

Stand firm in the faith (1 Corinthians 16:13) is the current quadrennial mission emphasis of Lutheran Church–Canada adopted in 2022.

From The President

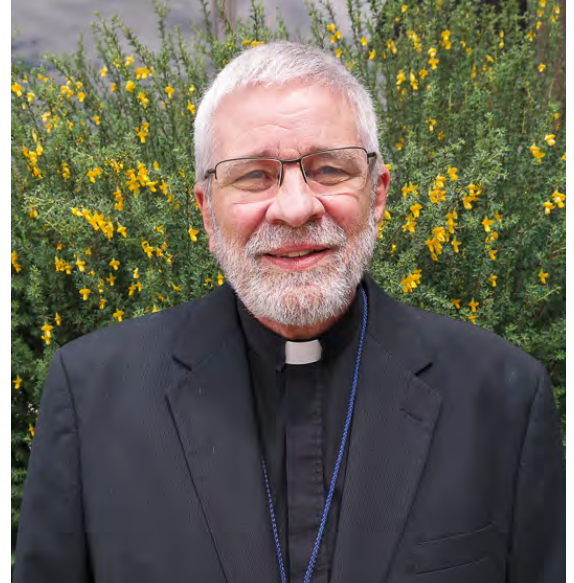
Rev. Timothy Teuscher

LCC President

Greetings in the name of our crucified, risen, and ascended Lord Jesus Christ.

"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of light, it was the season of darkness, it was the spring of hope, it was the winter of despair." So wrote Charles Dickens in his 1859 novel, 'A Tale of Two Cities.'

Those words sum up well our own times, don't they? Violence and conflicts continue to rage in Ukraine and the Middle East. Contrary to God's Law and even to natural law, social and moral issues such as gay marriage, abortion, and euthanasia have become common place and acceptable. Adherents of the Christian faith are becoming fewer and fewer. Aging and declining congregations is the norm across most if not all denominations, along with a shortage of pastors. The effects of Covid are still being felt in businesses, schools, and also in many a congregation. Inflation is causing financial difficulties for many people. The list goes on and on. In short, as Dickens said: "the worst of times, the age of foolishness, the epoch of incredulity, the season of darkness, the winter of despair."



And yet, here stands the sure and certain Word of God, as St. Paul writes concerning the Ascension of Our Lord: "The God of our Lord Jesus Christ, the Father of glory . . . raised Him from the dead and seated Him at His right hand in the heavenly places, far above all rule and authority and above every name that is named . . . And He put all things under His feet and gave Him as head over all things to the church, which is His body, the fullness of Him who fills all in all" (Eph 1:17, 20-23).

In this annual report of Lutheran Church—Canada, you will read, in spite of what I mentioned above, that Jesus is still Lord of all . . . is still present among us by means of His Word . . . is still building His church even through our meager means and efforts.

Across this vast land and in various places throughout the world, the Gospel continues to be proclaimed by our pastors. More and more young adults have become members of our congregations. Our international missions are growing both spiritually and numerically, and new mission opportunities here in Canada have emerged. Our two seminaries continue to form pastors and deacons even in a changing religious landscape. Members of our congregations continue to give generously for the financial support, not only of their home congregation, but for other congregations in our Synod who are in need. The office staff here in Winnipeg, our regional pastors and members of our Regional Mission and Ministry Councils (RMMCs) continue to work together for one purpose; as our Synod's constitution puts it: "to facilitate our witness to the Gospel of Jesus Christ in our country and throughout the world." In short, as Dickens would say, "the best of times, the age of wisdom, the epoch of belief, the season of light, the spring of hope."

May God continue to bless all of you,

Rev. Timothy Teuscher, President

Where We Serve

Our Congregations

Across our nation, LCC members from our 270 congregations faithfully live, worship, serve, and give to the work of the Lord.



Domestic Missions



International Missions



From International Missions

Rev. Mark Smith

LCC Director of Missions

"Declare His glory among the nations, His marvelous works among all peoples."

Psalm 96:3

In the past year, as we strove by the Spirit's guidance to declare the glory of God among the nations through the faithful proclamation of the Life-giving Gospel of our Lord Jesus, we faced several challenges and experienced many great blessings. Our objective in all that we do in our mission work together is to bring Christ Jesus into people's lives. We bring the love of Jesus through our various works of mercy, such as the Pan de Vida/Bread of Life Feeding Program in Nicaragua where we provide nutritious meals to hundreds of disadvantaged children in eight communities. Most vitally, we aim to bring the Life-giving Gospel of Jesus wherever the Lord leads us, whether it's through the pastors and deaconesses sharing the Gospel with the children that come to the Feeding Program; the continuing theological education that is provided to the church workers in all of our mission-fields; training new church workers and missionaries; or the evangelism work that we do alongside our sister and partner churches.



Pan de Vida/Bread of Life Feeding Program - Rancheria Chinandega, Nicaragua

Our works of mercy often open new doors to proclaim the Gospel as exemplified through our work in Ukraine during the past year. Thanks to the generous donations from LCC members to the Ukraine Aid Fund, our Missionary, Rev. Olexsiy Navrotsky, has been able to provide basic care packages and clean water to people in need out of his congregation in Nikolaev. In the early days of the war, nearly 80% of his church members, including his wife and two sons, left Nikolaev for safer areas in the country or abroad. With only a few members remaining, Rev. Navrotsky devoted much of his time reaching out to people in various nearby communities, particularly engaging with those displaced by the war. He invited them to come to his church if they needed food, water, or clothing. Through these interactions, he quickly recognized that people were looking for more than humanitarian aid, they were searching for hope.



Rev. Navrotsky sharing the Gospel - Nikolaev, Ukraine

Sharing in their sufferings, Rev. Navrotsky was able to bring them the hope of the Gospel. As people came to his church to receive aid packages, many would stick around for pastoral care. This gave Rev. Navrotsky the opportunity to comfort them with the peace that the world cannot give, the peace that is only found in Christ Jesus. Despite the vast majority of his members still living elsewhere, the Church of Nikolaev is filled every Sunday with new members, illuminated by the Light of Christ amid the darkness of war.



Rev. Mark Smith teaching a course for Church workers - Cambodia

In Southeast Asia, we have been providing continuing theological education for Church workers of our sister churches, Thailand Concordia Lutheran Church and Cambodia Lutheran Church. These young church bodies recognize that the most fruitful way Lutheran Church-Canada can assist them is through the education and training of their pastors, deacons, and lay leaders, to better equip them for ministry to build up the body of Christ. Responding to their request, we have offered several courses throughout the past year and hope to expand this offering moving forward.

Your prayers and support are an integral part of our work together as members of Synod throughout our mission fields in Thailand, Cambodia, Ukraine, Nicaragua, Costa Rica, Honduras, Israel, and Haiti.

From Domestic Missions



Oromo members at Faith - Surrey, BC

Domestically, the Lord has richly blessed our mission work across Canada leading us to establish new mission congregations in the last few years. I encourage you to visit the interactive mission map on our website to learn more about these missions and the work we are doing together. We continue to add content, further developing this resource for our members.



MAL, Rev. Asefa Aredo performing a baptism at Shalom Oromo - Winnipeg, MB

One notable domestic mission I would like to highlight is our Ethiopian outreach and ministry. We are now actively engaged with several Ethiopian communities across the country, ministering to them in a variety of ways. We are currently working with communities and mission congregations in Winnipeg, Regina, Edmonton, Calgary, Fort McMurray, and Vancouver. In the past year, we have expanded into the Greater Toronto Area (GTA), Halifax, and Victoria.

One such mission congregation, initiated just a few years ago in the Lower Mainland, started with only five adults and has since experienced a great deal of blessing. We connected them with a local pastor, Rev. Gerhard Wilch, who invited them to use the facilities at Faith LC in Surrey. Within a few months, Rev. Megarsa, a former pastor of Mekane Yesus in Ethiopia, joined the mission and was accepted by LCC for Colloquy; he is now a rostered pastor. This mission has since grown to over seventy active adults thanks to the dedication of its members reaching out into their community.

This ministry, along with a growing number of other language ministries, enables us to reach out to diverse cultural backgrounds. Today we have missionaries and evangelists connecting with numerous language communities and newly arrived immigrants across our country. These include the Haitian community in Quebec City, Hindi and Urdu communities in the GTA, Mandarin and Cantonese



MAL, Rev. Dr. David Somers at L'Église Évangélique Luthérienne de l'Ascension - Montreal, QC

communities in the Lower Mainland, the Amharic community in Calgary, and Farsi speakers in the Niagara region, to name a few. As on Pentecost, the Lord is allowing us to reach out with His Life-giving Gospel in various languages and the Spirit is drawing new people into His Church. We give thanks to God for these opportunities and we pray that He will continue to bless our evangelism work among His people here in Canada.

We also rejoice in the support God provides through the generosity of our LCC members. Thanks to the gracious outpouring of contributions from donors, including the support we receive from our auxiliaries, CLMS, LWMLC, LLL, and all our other partners in the Gospel, we are able to support several ministries here in Canada and around the world. I am grateful that LCC has been blessed with gifted servants of the Church. I especially give thanks to the Lord of the Church for Calling Rev. Jacob Quast to serve as our Director of Domestic Missions. May our gracious and merciful Lord richly bless their service to His Church and may He guide and bless our mission work so that we may continue to "declare His glory among the nations and His marvelous works among the peoples."



Javed & Nighat Khan at WECLC - Windsor, ON

From The Regions

Rev. Robert Mohns
West Region

Rev. David Haberstock
Central Region

Rev. Marvin Bublitz
East Region

"Behold, how good and pleasant it is when brothers dwell in unity."

Psalms 133:1

The primary work of the Regional Pastors is to support or pastor LCC members in our three Regions. However, we also delight in looking beyond our own Regions to the advancement of mission and ministry across our Synod. A good example of this is when placement of new candidates for ministry occurs. We have been blessed to look at the needs of the broader Church and seek what is best for the welfare of all in the Body of Christ. That spirit of brotherhood in the salvation Christ grants us has been a great gift and strength in the many long hours helping congregations, pastors, and deacons through the challenges of life together in the Church.

There are definitely challenges before our Synod in these days, such as demographic decline across the country and a shortage of pastors for congregations wanting to call. The temptations and attacks of Satan are always prevalent wherever the Word of God is proclaimed in truth and purity. But there are also many bright spots. We delight in congregations and circuits seeking to work together to ensure that each can receive our Lord's blessings in His Word and His Sacraments. We rejoice in the increasing Young Adult focused ministry occurring across our Regions and the intentional conversations to establish national Young Adult conferences. We are gladdened by the increase in numbers of a younger generation walking through the doors our congregations across the country. Many pastors have shared stories of soon-to-be new members, already having read the Book of Concord and having a strong understanding of Lutheran Biblical teaching. Truly the Lord is working on this generation as they look for truth and a solid foundation of faith to build their lives on.



Young Adults Retreat at Mount Olive - Regina, SK



150th Anniversary Service at Zion - Dashwood, ON

Working through the President's Ministry Council (PMC) which includes ourselves, the President, and Vice President of Synod, we continue to implement the various strategic initiatives developed through LCC's Purpose and Priority Planning Process. These include initiatives to strengthen and revitalize congregations and enhance the structure and function of our Regional Mission and Ministry Councils (RMMCs) in support of our overall ministry. A significant focus of our work with the PMC has been on addressing the present pastoral shortage. Working with the Seminaries, (and we are very close!) we are identifying improved methods for equipping our ecclesiastical leaders to work within the current ministry paradigm. This includes overall pastoral formation and the development of new protocols within the Pastors with Alternate Training (PAT) program, to address the various needs and circumstances of our congregations.

The ongoing development of our sense of unity as Synod, highlighting the work of our domestic mission and ministry across all regions, remains important. These and other bright spots are encouraging, however there is always more work than can be done. Please pray, as our Lord commands, for workers in the harvest, for the fields are ripe and waiting!



Installation Service of Rev. Gregory Heidorn at St Peter's - Estevan, SK

From Mission Advancement

David Friesen

LCC Director of Advancement

The primary responsibilities of the Director of Advancement 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.

To fulfill these goals, Advancement considers the overall needs and direction of the organization, works with organizational leadership to develop strategic plans to address these needs, communicates those plans to its members, fosters improved relationships, and encourages strong stewardship principles to bring about positive change. Applying this to LCC, the role of advancement encourages members in their spiritual growth, challenges them to become greater stewards of all God's richest blessings, and develops needed resources to accomplish the Lord's work. These functions work hand-in-hand to strengthen the sustainability of our synod, enhance unity between our regions and congregations, and position LCC for mission expansion and congregational vitality.

When we consider the work of the church, it is easy to see there are always more opportunities than there are resources. However, through faithful stewardship of the blessings our Lord provides to us, we are able to accomplish much. Just over 50% of our total financial requirements to accomplish our work together comes from our congregations through remittances. Additional gifts from congregations and individuals contribute approximately another 30%. Our auxiliaries, LCCFM, and a few other sources contribute the balance to meet our budget.

Much of my time has been in front of congregations sharing the mission and ministry work of our Synod. The primary purpose is to build awareness of all that is happening so that there is a greater willingness to support this work. During the Purpose & Priorities Planning Process and at the last Synodical Convention, there was a resounding call to grow our mission and ministry, especially domestically. We pray that congregations will respond to these new opportunities to share the Gospel by increasing what they give to support their brothers and sisters in Christ. Looking ahead to FY2025 and beyond, we have budgeted an increase in congregation remittances in order to address additional financial requirements for greater mission. At the same time, the LCC Mission and Ministry Endowment Fund has been in place for a couple of years and currently has just over \$4 million in it, which has started to produce an annual disbursement for the support of domestic mission. We encourage all our members to consider contributing to this endowment fund, especially through end-of-life gifts in their Wills.

FISCAL YEAR 2024 (February 1, 2023 - January 31, 2024)

Revenues and Designated Revenue Released	Budget	Actual
Congregations - Unrestricted	2,200,000	2,114,765
Specific Purposes - Restricted	1,237,863	1,454,417
Missions - Designated	486,153	707,191
Investment Income	104,300	68,961
Total Revenues	\$4,028,316	\$4,345,334

From the Chief Administrative Officer (CAO)

Dwayne Cleave

LCC Chief Administrative Officer

As authorized by the LCC Board of Directors, the CAO has responsibility for executive oversight and management of non-ecclesiastical activities related to the LCC Corporation. The CAO functions as a bridge to help connect the accounting department with the Board of Directors, LCC Executive leadership, and other Synod entities with whom he interacts. The ability to take financial information and convey it to people so that they can make wise decisions to run their departments is an important aspect of the position. We endeavour to be good stewards of the money that has been given to the Synod.

A Look Back at Fiscal 2023- 2024 Financial Results

LCC finished the 2023-24 fiscal year with an operating surplus of \$159,875. The primary reasons for this outcome were unrestricted major gifts received near the end of the fiscal year, including a substantial bequest gift designated to support international missions. This very generous gift will be utilized as needed in the upcoming years to help stabilize funding for our core international mission program and to provide funding for new mission opportunities.

Our actual expenditures for the fiscal year were generally in line with what was budgeted. We give thanks to God for the faithful offerings from our members. This enabled us to achieve our financial commitments towards international and domestic mission initiatives and higher education support (Training of Pastors). These undertakings form the vital collective objectives of our congregations coming together as a Synod.

Looking Ahead to the 2024-25 Fiscal Year

The Board of Directors has approved an operating budget of \$4,167,728, which is just over \$139,000 or 3.5% higher than last year's budget. We are planning that congregation remittances will provide \$2,350,000 of the needed revenue to support the budget. This expectation is about \$200,000 higher than what congregations have been remitting to LCC in recent years. We are optimistic that our congregations may have more capacity to give, since the extra cost of paying off a funding deficit in the DB pension plan will be completed. This will create aggregated annual savings to congregations in the \$1.7 million dollar range. If congregations were to prayerfully consider passing along 10% to 15% of these savings as additional mission remittances to LCC, the budgeted revenue would be achieved.

Other matters relevant to our work together

Work on the strategic initiatives that came about as a result of the Purpose and Priorities Planning Process was an important focus during FY2024. Goal Four: Organizational Effectiveness, Goal Five: Fiscal Resources and Responsibility, and Goal Six: Strategic Communications each had various initiatives that were begun and some completed during the year. In fact this annual report, the first of its kind, is a direct result of one of the initiatives. Another significant initiative was calling a Director of Domestic Missions. This process began in FY2024 and is now completed with the calling of Rev. Jacob Quast who started in his position on May 1.

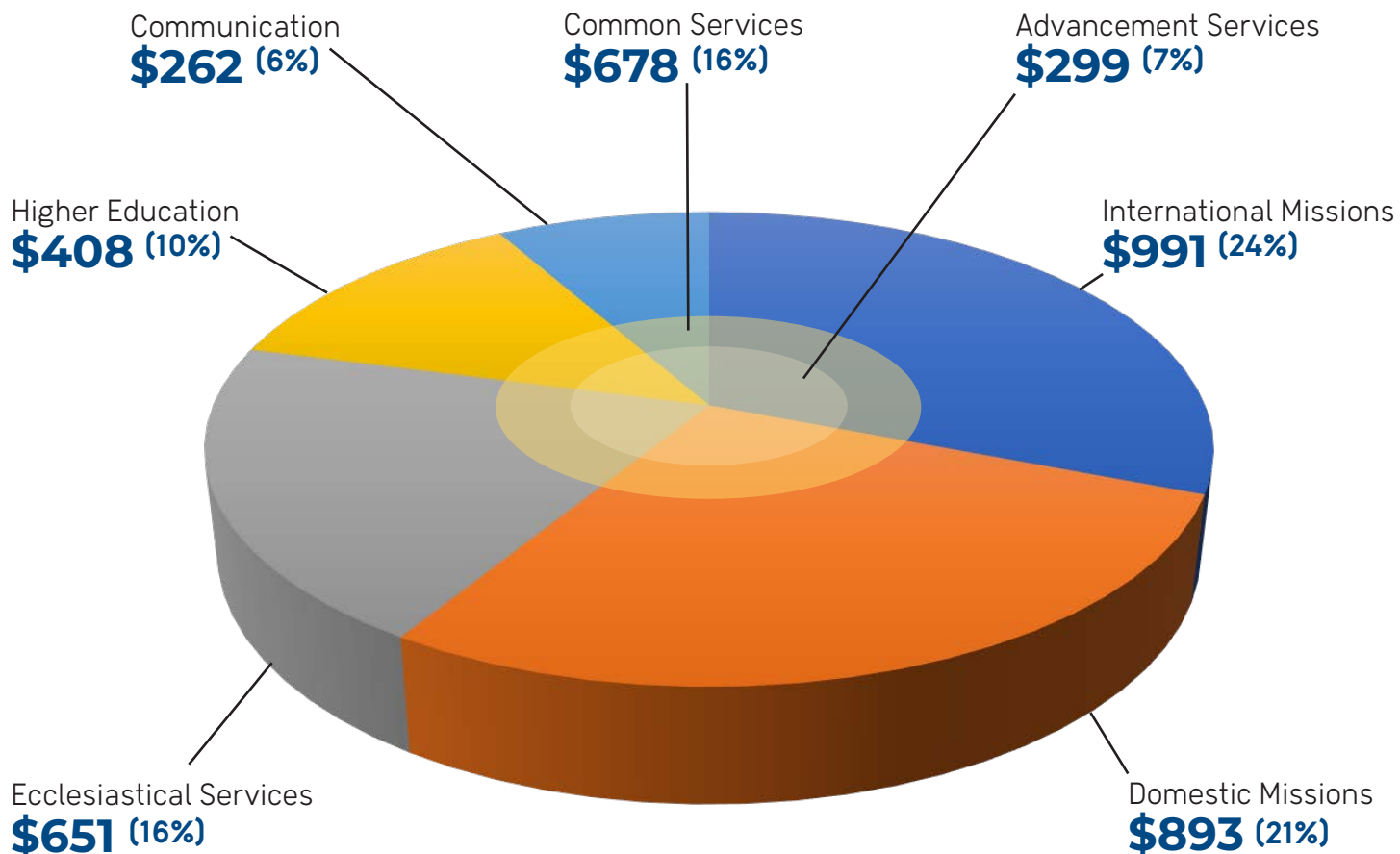
Please continue to keep the work of your Synod and the employees of our synodical office in your prayers.

How Dollars Were Put To Work

Total \$4,185

(\$s in thousands)

FISCAL YEAR 2024 (February 1, 2023 - January 31, 2024)



Program Area	Direct Services	Indirect Services		Combined Costs	
		Common	Advancement		
International Missions	\$991,866	\$209,684	\$92,624	\$1,294,174	31%
Domestic Missions <small>includes youth gatherings</small>	\$893,254	\$188,837	\$83,415	\$1,165,506	28%
Ecclesiastical Services	\$651,880	\$137,810	\$60,875	\$850,565	20%
Higher Education <small>(incl pastoral confs)</small>	\$408,684	\$86,397	\$38,164	\$533,245	13%
Communication	\$262,087	\$55,406	\$24,475	\$341,968	8%
Sub-total	\$3,207,771	\$678,134	\$299,553		
Total	77%	16%	7%	\$4,185,458	100%

Budget & Spheres Of Mission

FISCAL YEAR 2024 (February 1, 2023 - January 31, 2024)

Expenditures	Budget	Actual
President's Office		
Ecclesiastical Services	663,956	651,880
Sub-total President's Office	663,956	651,880
Director Of Missions		
International Missions		
Central America	569,151	657,945
South East Asia	95,945	80,690
Ukraine	63,744	53,757
Ukraine Relief Aid	250,000	199,474
Domestic Missions		
Congregation Support	316,695	307,440
Language Ministries	250,177	253,294
Mission Outreach	344,604	332,520
Sub-total Director Of Missions	1,890,316	1,885,120
Higher Education		
Seminary Subsidies	272,000	272,000
Student Aid	20,000	20,050
Pastoral Conferences	0	106,134
Alive In Christ Scholarships	0	10,500
Sub-total Higher Education	292,000	408,684
Communications		
Communications	216,825	262,087
Sub-total Communications	216,825	262,087
Chief Administrative Officer (CAO)		
Common Services	648,321	678,134
Mission Advancement	316,898	299,553
Sub-total CAO Office	965,219	977,687
Total Expenditures	\$4,028,316	\$4,185,458

Assets & Activities

Statement of Financial Position (Condensed)

As of January 31	2024	2023
Assets		
Cash & Receivables	2,509,166	2,094,905
Investments	1,712,453	1,660,672
Property, Other	317,289	551,450
Total Assets	4,538,908	4,307,027
Liabilities		
Payables	78,757	59,855
Deferred Revenue	2,979,677	2,926,572
Total Liabilities	3,058,434	2,986,427
Fund Balances (Assets Minus Liabilities)		
Unrestricted	839,222	693,724
Capital Assets	295,027	309,611
Internally Restricted	346,225	317,264
Total Fund Balances	\$1,480,474	\$1,320,599

Statement of Operations (Condensed)

Year Ended January 31, 2024 With Comparative Information for 2023

Revenues and Deferred Revenue Released	2024	2023
Congregations - Unrestricted	2,114,765	2,147,250
Specific Purposes - Restricted	1,263,366	1,053,550
Missions - Designated	707,191	697,088
Assessments - Convention, Conferences, Youth Gatherings	195,351	952,412
Investment and Rental Income	64,661	10,147
Sub-total LCC Revenues	4,345,334	4,860,447
Online Donations Received for Congregations	172,862	180,360
Total Revenues	\$4,518,196	\$5,040,807
Expenditures	2024	2023
Direct Services - Program		
International Missions	991,866	949,591
Domestic Missions - (Includes RMMCs & Youth Gatherings)	893,254	998,999
Ecclesiastical Services - (Includes Synod Convention)	651,880	1,293,092
Higher Education - (Includes Pastoral Conferences)	408,684	353,322
Communication	262,087	236,880
Total Direct Services - Program	3,207,771	3,831,884
Indirect Services - Program Support		
Common Services	678,135	679,275
Mission Advancement	299,553	362,633
Total Indirect Services	977,688	1,041,908
Sub-total LCC Expenditures	4,185,459	4,873,792
Online Donations Distributed to Congregations	172,862	180,360
Total Expenditures	\$4,358,321	\$5,054,152
Changes in Fund Balances	2024	2023
Fund Balances - Start of Fiscal Year	1,320,599	1,441,301
Excess (deficiency) of Revenue Over Expenses	159,875	-13,345
Re-measurement of Accrued Benefit Asset*		-107,357
Fund Balances - End of Fiscal Year	1,480,474	1,320,599
Change - Increase (Decrease)	\$159,875	-\$120,702

* Past Service Pension Liabilities

Our Synod At A Glance

Membership

Congregations	270
Baptized Members	44,936
Communicant Members	34,294
Reported Attendance (average/Sunday)	11,548

Church Workers

Synod President	1
Regional Pastors	3
Director of Missions	2
Active Pastors	218
Emeritus Pastors	143
Candidate Status	12
Deacons/Deaconesses	26
Emeritus Deacons/Deaconesses	15
Candidate Status	15
Armed Forces Chaplains	7

LCC Missionaries-at-Large

Domestic (Ordained)	8
Domestic (Lay)	3
International (Ordained)	3

Education

LCC Schools and Preschools	24
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Synodical Office

Lutheran Church–Canada	10
Lutheran Foundation Canada	3
LCC Worker Benefits	1

Partners in Mission

LCC Auxiliaries	4
LCC Listed Service Organizations	13

LCC Board Of Directors & Executive Officers

The composition of the Board of Directors is defined in Synod Bylaw Article XI

Executive Committee

Rev. Dr. Timothy Teuscher

President

Rev. Michael Schutz

Vice-President

Arnold Drung

Chairman

Doug Petersen

Vice-Chair

Grace Henderson

Secretary

Clergy, Diaconal, & Lay Members

Rev. Theodore Giese

Dcn. Amanda Hastings

Lois Griffin

Rev. Mark Hennig

Kirsten Guggenmos

Rev. Thomas Kruesel



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