



Eastern Synod
of the Evangelical Lutheran Church in Canada

Non-Consolidated Financial Statements

Year Ended December 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Bishop and Directors of: Eastern Synod of the Evangelical Lutheran Church in Canada

Opinion

We have audited the accompanying non-consolidated financial statements of Eastern Synod of the Evangelical Lutheran Church in Canada, which comprise the non-consolidated statement of financial position as at December 31, 2023 and the non-consolidated statements of operations and fund balances and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these non-consolidated financial statements present fairly, in all material respects, the financial position of Eastern Synod of the Evangelical Lutheran Church in Canada as at December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

Basis of 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 report. We are independent of Eastern Synod of the Evangelical Lutheran Church in Canada in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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.

Predecessor auditor

The non-consolidated financial statements of the Synod for the year ended December 31, 2022 were audited by the predecessor auditor who expressed an unmodified opinion on those non-consolidated financial statements on June 21, 2023.

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

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 these non-consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the non-consolidated 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 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 Synod'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 Synod'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 non-consolidated 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 Synod to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.



Kitchener, Ontario
May 8, 2024

Chartered Professional Accountants
Licensed Public Accountants

Eastern Synod of the Evangelical Lutheran Church in Canada

Non-Consolidated Statement of Financial Position

As At December 31, 2023

	Operating Fund \$	Special Purpose Fund \$	2023 Total \$	2022 Total \$
	<i>[note 2]</i>			
Assets				
Current				
Cash	422,214	311,238	733,452	659,683
Miscellaneous receivables and prepaid expenses <i>[note 10]</i>	381,916	97	382,013	330,992
Due from Charitus <i>[note 6]</i>	329,240	555,995	885,235	559,580
Current portion of loans receivable <i>[note 3]</i>	16,000	—	16,000	13,647
Total current assets	1,149,370	867,330	2,016,700	1,563,902
Long-term portion of loans receivable <i>[note 3]</i>	675,256	—	675,256	669,514
Capital assets, net <i>[note 4]</i>	—	617,551	617,551	645,391
Other long-term assets <i>[note 7 and note 10]</i>	1	44,541	44,542	43,937
Total Assets	1,824,627	1,529,422	3,354,049	2,922,744
Liabilities and fund balances				
Current				
Accounts payable	153,686	—	153,686	180,000
Due to Charitus <i>[note 6]</i>	—	639,346	639,346	352,580
Total current liabilities	153,686	639,346	793,032	532,580
Post-retirement benefits obligation <i>[note 5]</i>	665,262	—	665,262	673,178
Due to St. Ansgar Lutheran Church <i>[note 7]</i>	62,819	—	62,819	—
Total liabilities	881,767	639,346	1,521,113	1,205,758
Fund balances				
Invested in capital assets	—	617,551	617,551	645,391
Externally restricted	—	49,386	49,386	111,383
Internally restricted	—	223,139	223,139	7,990
Operating fund	942,860	—	942,860	952,222
Total fund balances	942,860	890,076	1,832,936	1,716,986
Total Liabilities and Fund Balances	1,824,627	1,529,422	3,354,049	2,922,744

See accompanying notes

Eastern Synod of the Evangelical Lutheran Church in Canada

Non-Consolidated Statement of Operations

Year Ended December 31, 2023

	Operating Fund \$	Special Purpose Fund \$	2023 Total \$	2022 Total \$
REVENUE				
Total offerings of member congregations <i>[schedule 1]</i>	1,196,669	253,015	1,449,684	1,571,442
Program support from other sources	146,655	—	146,655	149,383
Support for ministries and administrative <i>[note 6[a]]</i>	58,098	—	58,098	135,596
Donations, bequests and other receipts <i>[note 9]</i>	86,795	255,335	342,130	2,488,060
Grants from Charitus <i>[note 6[b]]</i>	1,018,440	581,795	1,600,235	1,479,979
Lutheran Campus Ministry Local Council income	1,386	—	1,386	393
Allocated interest and other investment income	23,628	1,425	25,053	16,622
	2,531,671	1,091,570	3,623,241	5,841,475
EXPENSES				
Evangelical Lutheran Church in Canada	406,701	—	406,701	406,700
Waterloo Lutheran Seminary	280,000	—	280,000	280,000
Synodical programmatic committees	172,129	334,251	506,380	368,316
Other ministries and administration	1,053,458	227,785	1,281,243	1,032,883
Disbursements for special purpose fund projects <i>[note 6[c]]</i>	621,497	40,271	661,768	2,700,777
Disbursements of special purpose congregational offerings	—	253,015	253,015	337,423
Post-retirement benefits expense <i>[note 5]</i>	32,300	—	32,300	25,300
Amortization of capital assets	—	58,985	58,985	66,553
	2,566,085	914,307	3,480,392	5,217,952
Excess (deficiency) of revenue over expenses for the year	(34,414)	177,263	142,849	623,523

See accompanying notes

Eastern Synod of the Evangelical Lutheran Church in Canada Non-Consolidated Statement of Fund Balances

Year Ended December 31, 2023

	Operating fund \$	Internally Restricted fund \$	Externally Restricted fund \$	2023 Total \$	2022 Total \$
Fund balances, beginning of year	952,222	653,381	111,383	1,716,986	964,463
Excess (deficiency) of revenue over expenses	(34,414)	187,309	(10,046)	142,849	623,523
Reallocation of restricted funds	51,951	-	(51,951)	-	-
Adjustments to post employment benefits <i>[note 5]</i>	(26,900)	-	-	(26,900)	129,000
Transfer of property <i>[note 7]</i>	1	-	-	1	-
Fund balances, end of year	942,860	840,690	49,386	1,832,936	1,716,986

See accompanying notes

Eastern Synod of the Evangelical Lutheran Church in Canada Non-Consolidated Statement of Cash Flows

Year Ended December 31, 2023

	2023 \$	2022 \$
Operating activities		
Excess (deficiency) of revenue over expenses for the year	142,849	623,523
Add (deduct) items not involving current payment of cash		
Amortization of capital assets	58,985	66,553
Post-retirement benefits expense <i>[note 5]</i>	32,300	25,300
Net change in non-cash working capital balances related to operations <i>[note 8]</i>	(53,405)	(65,120)
Post-retirement benefits plan funding <i>[note 5]</i>	(67,116)	(72,230)
Cash provided by (used in) operating activities	113,613	578,026
Investing activities		
Purchase of capital assets <i>[note 4[b]]</i>	(31,145)	(79,452)
Transfer of St Ansgar Lutheran Church property	1	-
Net Change in long term assets	(605)	(5,557)
Net change in loans receivable <i>[note 3 and note 10]</i>	(8,095)	(683,161)
Cash used in investing activities	(39,844)	(768,170)
Net increase (decrease) in cash during the year	73,769	(190,144)
Cash, beginning of year	659,683	849,827
Cash, end of year	733,452	659,683

See accompanying notes

Eastern Synod of the Evangelical Lutheran Church in Canada

Notes to non-consolidated financial statements

Year Ended December 31, 2023

1. Purpose of the Synod

The purpose of the Eastern Synod of the Evangelical Lutheran Church in Canada [the "Synod"] is to facilitate and advance the mission of the Evangelical Lutheran Church in Canada in Ontario, Quebec and the Maritime provinces. The Synod is a public foundation under the *Income Tax Act* (Canada) and is exempt from income taxes.

2. Summary of significant accounting policies

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Basis of preparation

The Synod issues general purpose, non-consolidated financial statements which do not include the financial activities of the Synod's controlled entities, as disclosed in note 7.

Fund accounting

The accounts of the Synod are maintained in accordance with the principles of fund accounting, a procedure by which resources for various purposes are classified in accordance with activities or objectives as specified by donors or limitations imposed by the Synod Council. For financial reporting purposes, the Synod has combined funds with similar characteristics into two major fund groups as follows:

[i] Operating

This fund accounts for amounts received, amounts expended and funds available to be spent on the general operations and administration of the Synod.

[ii] Special purpose

This fund accounts for donations, grants, bequests and other income received, and amounts expended and amounts available to be spent for certain restricted purposes as directed by the donor or appropriated by the Synod.

These special purpose funds are comprised of the following:

- a) Invested in capital assets which reflect the Synod's investment in capital assets;
- b) Internally restricted funds which are allocated by Synod Council for specific purposes, including capital improvements for property owned by the synod and other funds that have been assigned for special purposes by Synod Council from operating funds; and
- c) Externally restricted funds, which account for contributions and other revenue received which are to be expended for certain restricted purposes as dictated by the donor.

Revenue and expense recognition

The Synod follows the restricted fund method of accounting for contributions. Donations and grants are recognized as revenue when received; grants receivable are recognized if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue of the appropriate restricted fund. Contributions for endowment which are subsequently transferred to Charitus are recognized as revenue of the externally restricted fund upon receipt and then subsequently recorded as an expense upon transfer to Charitus.

Eastern Synod of the Evangelical Lutheran Church in Canada

Notes to non-consolidated financial statements

Year Ended December 31, 2023

Government assistance

The Synod makes periodic applications for financial assistance under available government assistance programs. Government funding is considered a contribution at the time they are earned, and receipt thereof is reasonably assured, and is accounted for using the restricted method in accordance with the Synod's policy for contributions.

Contributed materials and services

During the year, volunteers contribute a significant amount of their time. Because of the difficulty in determining the fair value, contributed services are not recorded in the financial statements. Contributed gift in kind contributions and tangible capital assets are recorded at a nominal value if fair value is not easily obtained.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization of capital assets is provided on a straight-line basis over the following periods:

Office furniture and equipment	3–5 years
Office building	25 years
Vehicles	3–4 years
Lutherlyn building	10–25 years
Camp Mush-a-Mush building	10–25 years
Faith Elliott Lake building improvements	10-25 years

Impairment of long-lived assets

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Financial instruments

The Synod initially records a financial instrument at its fair value, except for a related party transaction, which is recorded at either the exchange value or the carrying amount. Subsequently, the Synod measures all financial assets, and all financial liabilities at amortized cost. Loans receivable are subsequently carried at amortized cost using the effective interest rate method and the interest rate implied in the fair value determination.

When there are indicators of possible impairment, the Synod determines if there has been a significant adverse change to the expected timing or amount of future cash flows expected from the financial asset. The amount of any impairment loss is determined by comparing the carrying amount of the financial asset with the highest of three amounts:

- [i]* the present value of the cash flows expected to be generated by holding the asset, discounted using a current market rate of interest appropriate to that asset, and for a related party financial debt instrument, the undiscounted cash flows expected to be generated by holding the asset, excluding interest and dividend payments;
- [ii]* the amount that could be realized by selling the asset as at the balance sheet date; and
- [iii]* the amount the Synod expects to realize by exercising its rights to any collateral held to secure repayment of the asset, net of all costs necessary to exercise those rights.

Eastern Synod of the Evangelical Lutheran Church in Canada

Notes to non-consolidated financial statements

Year Ended December 31, 2023

Financial instruments (continued)

Reversals are permitted, but the adjusted carrying amount of the financial assets shall be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized.

It is management's opinion that the Synod is not exposed to significant interest rate risk or currency risk arising from its financial instruments.

The Synod is subject to credit risk with respect to its miscellaneous receivables, loans receivable and amounts due from Charitus. The maximum credit risk is the fair value of these receivables.

Post-retirement benefits

The Synod provides extended health care benefits to certain rostered ministers and their spouses after retirement. The post-retirement benefit obligation is actuarially determined using the projected benefit method prorated on services. This method involves the use of the market interest rate at the measurement date on high-quality debt instruments at the discount rate and management's best estimates regarding assumptions about retirement age, termination rates, mortality rates and expected health care costs.

Use of estimates

The preparation of the Synod's financial statements requires management to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements. Significant items subject to estimates and assumptions include useful lives of capital assets and the assumptions used in determining the post-retirement benefits obligation. Actual results could differ from those estimates.

3. Loans receivable

During 2022, a loan of \$692,000 was advanced to an employee with a term of 30 years with interest of 3.5% calculated semi-annually and payable monthly. Interest income from this loan was \$23,628 [2022 - \$15,941]. In 2023, the terms of repayment were updated to provide the option of interest-only payments for a 12-month period with an option to renew twice (subject to annual review by the Officers) for a total period of 36 months.

In 2023, a non-interest bearing, unsecured loan of \$24,000 was advanced to a congregation with a term of 1 year.

The loans receivable details are as follows:

	2023	2022
	\$	\$
Balance, beginning of year	683,161	—
Loans advanced	24,000	692,000
Principal payments received	(15,905)	(8,839)
Balance, end of year	691,256	683,161
Current portion of loan receivable	16,000	13,647
Long term portion of loan receivable	675,256	669,514
Total loan receivable	691,256	683,161

Eastern Synod of the Evangelical Lutheran Church in Canada Notes to non-consolidated financial statements

Year Ended December 31, 2023

4. Capital assets

[a] Capital assets consist of the following:

	Cost \$	Accumulated amortization \$	2023 Net book Value \$	2022 Net book Value \$
Office furniture and equipment	83,726	79,094	4,632	9,386
Office building	755,668	629,079	126,589	159,787
Vehicles	29,021	29,021	—	—
Assets held for leasing				
Lutherlyn land	48,549	—	48,549	48,549
Lutherlyn buildings	472,561	191,329	281,232	273,883
Camp Mush-a-Mush land	76,680	—	76,680	76,680
Camp Mush-a-Mush buildings	195,439	120,997	74,442	77,106
Faith Elliott Lake building improvements	5,537	110	5,427	—
	1,667,181	1,049,630	617,551	645,391

[b] The change in the net book value of capital assets is due to the following:

	2023 \$	2022 \$
Balance, beginning of year	645,391	632,492
Purchase of capital assets	31,145	79,452
Amortization of capital assets	(58,985)	(66,553)
Balance, end of year	617,551	645,391

The Synod currently owns the following properties, which were acquired for a nominal amount:

- Bear Lake, Ontario [St. Olaf's]
- Toronto, Ontario [Toronto Chinese]
- Elliot Lake, Ontario [Faith]
- Toronto, Ontario [St. Ansgar]
- Riverside Heights cemetery, Ontario [previously owned by St. John's].

During 2021, St. Peter's, Gads Hill closed, and the property was transferred to the Eastern Synod for a nominal amount. During 2021 - 2023, the Synod leased its Gads Hill, Ontario property to Refreshing Wind Ministries until the sale of this property was completed. Included in the Donations, bequests and other receipts line on the Statement of Operations is \$88,450 proceeds received on the sale.

Eastern Synod of the Evangelical Lutheran Church in Canada

Notes to non-consolidated financial statements

Year Ended December 31, 2023

5. Post-retirement benefits

The Synod provides extended health care benefits to certain retired pastors, diaconal ministers, clergy and their spouses after retirement if the retirees attain the age of 65 prior to January 1, 2013 and meet certain eligibility requirements.

The Synod retained the services of Lifeworks, a third-party firm, to perform a valuation of post-employment benefits as at January 1. The Synod measures its accrued benefit obligation for accounting purposes as at December 31 of each year. The Synod does not have any assets specifically designated to cover the accrued benefit obligation.

Information about the Synod's post-retirement benefits plan as at December 31 is as follows:

	2023	2022
	\$	\$
Accrued benefit obligation, beginning of year	673,178	849,108
Interest cost	32,300	25,300
Actuarial revaluation	26,900	(129,000)
Benefits paid	(67,116)	(72,230)
Accrued benefit obligation, end of year	665,262	673,178

The significant actuarial assumptions adopted in measuring the Synod's post-retirement benefits obligation and benefits cost are as follows:

	2023	2022
Discount rate	4.60%	5.20%
Health care cost trend rate	5.60%	5.25%
Ultimate health care cost trend rate	3.57%	5.03%
Ultimate trend rate reached in year	2043	2026

6. Related party transactions

The Synod is related, due to an economic interest, to Charitus (formerly known as the Evangelical Lutheran Foundation of Eastern Canada), a foundation whose directors are elected by the Synod Council and Charitus directors. In 2023, no Synod Council members served as Charitus directors. Charitus is a public foundation that supports and furthers the life, work and mission of the Synod, its congregations and affiliated institutions, and other faith-based organizations with similar purposes, by encouraging generous giving, prudently investing assets entrusted to it and granting money to Lutheran charities that respond creatively and effectively to God's call to ministry.

The Synod transfers funds that aren't immediately required to meet its cash flow requirements to Charitus to be invested. The Synod also receives grants from Charitus for qualifying ministry expenditures. The net flow for the year directly impacts the Synod's surplus or deficiency of revenue over expenses in the statement of operations.

Eastern Synod of the Evangelical Lutheran Church in Canada

Notes to non-consolidated financial statements

Year Ended December 31, 2023

The following is a summary of transactions, recorded at exchange value, during the year:

- [a] The Synod provides use of its facilities and administrative services to Charitus, for which it received a fee of \$13,300 [2022 – \$13,300] annually under the terms of the office facilities agreement. This amount is included in support for ministries and administrative revenue on the statement of operations.
- [b] The Synod receives grants from Charitus as approved by the Board of Directors. Total grants to the Synod for the year were \$1,600,235 [2022 – \$1,479,979]. These grants appear as revenue in the statement of operations.
- [c] During the year, the Synod transferred to Charitus \$621,497 from the operating fund [2022 – \$2,453,000] and \$17,849 from the special purpose fund [2022 – \$149,580]. These funds, received from congregations, other organizations and individual donors which are temporarily or permanently invested with Charitus, are included in disbursements for special purpose fund projects and appear as expenses in the statement of operations. The due to and due from Charitus are settled on a net basis subsequent to year-end, are unsecured and interest free.

7. Controlled entities

The Synod controls Lutheran Homes Kitchener-Waterloo ["LHKW"] and Martin Luther University College ["Luther"].

The purpose of LHKW is to provide and operate non-profit residential accommodation and facilities incidental thereto, exclusively for persons of low/modest income, senior citizens of low/modest income, and disabled persons of low/modest income. LHKW is a registered charity, incorporated under the laws of Ontario and exempt from incomes taxes under section 149 of the *Income Tax Act* (Canada). The Synod Bishop appoints one individual to LHKW's Board of Directors, and the Directors and Synod Council appoint the remaining directors.

Luther is an institution of the Eastern Synod of the Evangelical Lutheran Church in Canada, federated with Wilfrid Laurier University. The purpose of Luther is to provide for the scholarly study of the Christian faith, especially in its Lutheran understanding, and for the education of persons in and for Christian ministry, especially in the Lutheran Church and the Canadian context. Luther is a registered charity under the *Income Tax Act* (Canada) and exempt from income taxes. The Synod Council appoints members to Luther's Board of Governors according to the terms determined by Luther. Luther's property, both real and personal, is held by the Board of Governors in trust for and under the guidance of the Synod.

These controlled entities have not been consolidated in these financial statements. The restrictions on the resources of the controlled entities are represented by the identification of separate funds in those entities [capital funds, internally and externally restricted funds, and trust and endowment funds]. Summarized information from the most recent audited financial statements of these non-consolidated entities is as follows:

Eastern Synod of the Evangelical Lutheran Church in Canada

Notes to non-consolidated financial statements

Year Ended December 31, 2023

	2023	
	LHKW	Luther
	\$	\$
Financial position		
Total assets	35,531,491	25,556,354
Total liabilities	25,100,192	5,007,386
Total net assets	10,431,299	20,548,968
Results of operations		
Total revenue	18,446,385	4,768,453
Total expenses	18,220,157	4,786,178
Investment income	128,592	755,533
Excess of revenue and investment income over expenses	354,820	737,808
Cash provided by operating activities	1,920,775	959,783
Cash provided by (used in) investing activities	27,469	(213,707)
Cash provided by (used in) financing activities	(582,608)	333,249
Net increase in cash during the year	1,365,636	1,079,325
	2022	
	LHKW	Luther
	\$	\$
Financial position		
Total assets	34,738,098	24,853,448
Total liabilities	24,661,619	4,804,604
Total net assets	10,076,479	20,048,844
Results of operations		
Total revenue	17,432,362	5,952,561
Total expenses	17,388,794	4,133,561
Investment income (loss)	(171,179)	288,368
Excess (deficiency) of revenue and investment income over expenses	(127,611)	2,107,368
Cash flows		
Cash provided by operating activities	1,503,779	799,166
Cash provided by (used in) investing activities	(602,995)	282,678
Cash provided by (used in) financing activities	(571,395)	(423,240)
Net increase in cash during the year	329,389	658,604

The financial statements for Luther are prepared as at April 30, 2023. In the eight-month period ended December 31, 2023, there have been no events or transactions out of the ordinary that would significantly impact the Synod's financial position or results of operations.

Eastern Synod of the Evangelical Lutheran Church in Canada

Notes to non-consolidated financial statements

Year Ended December 31, 2023

7. Controlled Entities (continued)

St. Ansgar Lutheran Church

In 2023 the Synod was gifted legal and beneficial ownership of the property of the St. Ansgar Lutheran Church ("Church") located in Toronto for a nominal value of \$1 when this congregation closed. The Synod will maintain the Church property for a minimum of one year and a maximum of five years until it can be sold at an optimal price, at which time the proceeds will be distributed to several beneficiaries that were determined by the St. Ansgar congregation. This includes a 20% share that has been designated for the Synod. The Church, a registered charity under the *Income Tax Act* (Canada), is in the process of voluntary revocation of charitable status. The Synod now controls the Church and the remaining Church assets, liabilities, revenues and expenses are not consolidated into these financial statements. The due to / from St. Ansgar Lutheran Church balance is unsecured, interest-free and will be settled upon the sale of the property. All related party transactions between the Synod and the Church are recorded at the exchange value.

Under the terms of the management agreement, in 2023 the Synod earned management fees in the amount of \$6,750.

8. Statement of cash flows

The net change in non-cash working capital balances related to operations consists of the following:

	2023	2022
	\$	\$
Increase in miscellaneous receivables and prepaid expenses	(51,021)	(51,412)
Net change in amounts due from/to CHARITUS	(38,889)	5,795
Decrease in accounts payable	(26,314)	(25,060)
Increase in Due to St Ansgar Lutheran Church	62,819	—
	53,405	(70,677)

9. Non-recurring receipts

In 2023, the Synod received significant non-recurring donations from estates and transfers of assets from closed congregations totaling \$301,000 [2022 - \$2,450,000] for the operating fund. These receipts are recorded in donations, bequests and other receipts and total offerings of member congregations on the statement of operations.

10. Corresponding figures

Certain figures in the corresponding figures have been restated to conform with the current year's presentation.

Eastern Synod of the Evangelical Lutheran Church in Canada

Schedule 1 - Schedule of Offerings

Year Ended December 31, 2023

	2023	2022
	\$	\$
Offerings for Synod programs		
Regular benevolence	1,196,669	1,234,019
Offerings for special purposes		
Canadian Lutheran World Relief	218,276	305,495
Lutheran Campus Ministry	140	500
Martin Luther University College	9,343	8,565
Outdoor Ministry	11,298	9,626
ELCIC Global missions	6,677	6,052
Other ELCIC appeals	1,750	3,417
Other Miscellaneous Designated Gifts	5,531	3,768
Total offerings for special purposes	253,015	337,423
Total offerings of member congregations	1,449,684	1,571,442

This schedule excludes offerings in the amount of \$35,802 [2022 – \$30,885] that were remitted for designated synodical ministries that are already included in donations, bequests and other receipts in the statement of operations.