

# Eastern Synod of the Evangelical Lutheran Church in Canada

Financial statements  
December 31, 2021



# Independent auditor's report

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

## Opinion

We have audited the financial statements of the **Eastern Synod of the Evangelical Lutheran Church in Canada** [the "Synod"], which comprise the statement of financial position as at December 31, 2021, and the statement of operations, statement of fund balances and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Synod as at December 31, 2021, 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 report. We are independent of the Synod 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 for the financial statements

Management is responsible for the preparation and fair presentation of these 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 Synod'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 Synod or to cease operations, or has no realistic alternative but to do so.

## 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 these 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 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 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 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 management 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.

*Ernst + Young LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Waterloo, Canada  
June 2, 2022



**Eastern Synod of the Evangelical Lutheran Church in Canada**  
 Incorporated by Act of Parliament

**Statement of financial position**

As at December 31

	Operating fund	Special purpose fund	2021 Total	2020 Total
	\$	\$	\$	\$
	<i>[note 2]</i>			
<b>Assets</b>				
<b>Current</b>				
Cash	937,017	(87,190)	849,827	828,338
Miscellaneous receivables and prepaid expenses	285,212	38,305	323,517	518,718
Due from Evangelical Lutheran Foundation of Eastern Canada ["ELFEC"] <i>[note 6]</i>	99,668	283,256	382,924	264,990
<b>Total current assets</b>	<b>1,321,897</b>	<b>234,371</b>	<b>1,556,268</b>	<b>1,612,046</b>
Capital assets, net <i>[note 3]</i>	—	632,492	632,492	786,878
	<b>1,321,897</b>	<b>866,863</b>	<b>2,188,760</b>	<b>2,398,924</b>
<b>Liabilities and fund balances</b>				
<b>Current</b>				
Accounts payable	205,060	—	205,060	164,745
Due to ELFEC <i>[note 6]</i>	78,140	91,989	170,129	625,761
<b>Total current liabilities</b>	<b>283,200</b>	<b>91,989</b>	<b>375,189</b>	<b>790,506</b>
Post-retirement benefits obligation <i>[note 4]</i>	849,108	—	849,108	955,277
<b>Total liabilities</b>	<b>1,132,308</b>	<b>91,989</b>	<b>1,224,297</b>	<b>1,745,783</b>
<b>Fund balances</b>				
Invested in capital assets	—	632,492	632,492	786,878
Externally restricted	—	115,618	115,618	63,939
Internally restricted	—	26,764	26,764	(4,220)
Operating fund	189,589	—	189,589	(193,456)
<b>Total fund balances</b>	<b>189,589</b>	<b>774,874</b>	<b>964,463</b>	<b>653,141</b>
	<b>1,321,897</b>	<b>866,863</b>	<b>2,188,760</b>	<b>2,398,924</b>

See accompanying notes

## Eastern Synod of the Evangelical Lutheran Church in Canada

### Statement of operations

Year ended December 31

	Operating fund \$	Special purpose fund \$	2021 Total \$	2020 Total \$
<b>Revenue</b>				
Total offerings of member congregations <i>[schedule 1]</i>	1,303,252	259,201	1,562,453	1,586,662
Program support from other sources	117,090	—	117,090	199,615
Support for ministries and administrative <i>[notes 5 and 6[a]]</i>	240,864	—	240,864	380,190
Donations, bequests and other receipts <i>[note 9]</i>	397,897	190,424	588,321	196,160
Grants from ELFEC <i>[note 6[b]]</i>	299,668	283,256	582,924	459,990
Lutheran Campus Ministry Local Council	602	—	602	1,166
Allocated interest and other investment income	—	795	795	10,052
	<b>2,359,373</b>	<b>733,676</b>	<b>3,093,049</b>	<b>2,833,835</b>
<b>Expenses</b>				
Evangelical Lutheran Church in Canada	456,700	—	456,700	402,700
Martin Luther University College	295,000	—	295,000	316,000
Synodical programmatic committees	174,721	154,065	328,786	380,374
Other ministries and administration	936,367	13,374	949,741	1,277,749
Disbursements for special purpose fund projects <i>[note 6[c]]</i>	146,040	306,772	452,812	724,273
Disbursements of special purpose congregational offerings	—	259,201	259,201	217,618
Post-retirement benefits <i>[note 4]</i>	21,500	—	21,500	27,200
Amortization of capital assets <i>[note 3[b]]</i>	—	71,987	71,987	82,429
	<b>2,030,328</b>	<b>805,399</b>	<b>2,835,727</b>	<b>3,428,343</b>
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>329,045</b>	<b>(71,723)</b>	<b>257,322</b>	<b>(594,508)</b>

See accompanying notes

**Eastern Synod of the Evangelical Lutheran Church in Canada**

**Statement of fund balances**

Year ended December 31

	<b>Operating fund</b>	<b>Internally restricted fund</b>	<b>Externally restricted fund</b>	<b>2021 Total</b>	<b>2020 Total</b>
	\$	\$	\$	\$	\$
<b>Fund balances, beginning of year</b>	<b>(193,456)</b>	<b>782,658</b>	<b>63,939</b>	<b>653,141</b>	1,172,149
Excess (deficiency) of revenue over expenses for the year	<b>329,045</b>	<b>(123,402)</b>	<b>51,679</b>	<b>257,322</b>	(594,508)
Adjustment to post-employment benefits <i>[note 4]</i>	<b>54,000</b>	—	—	<b>54,000</b>	75,500
<b>Fund balances, end of year</b>	<b>189,589</b>	<b>659,256</b>	<b>115,618</b>	<b>964,463</b>	653,141

*See accompanying notes*

## Eastern Synod of the Evangelical Lutheran Church in Canada

### Statement of cash flows

Year ended December 31

	2021	2020
	\$	\$
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses for the year	257,322	(594,508)
Add (deduct) items not affecting cash		
Amortization of capital assets	71,987	82,429
Donation of capital assets <i>[note 3[b]]</i>	177,733	—
Post-retirement benefits expense <i>[note 4]</i>	21,500	27,200
Net change in non-cash working capital balances related to operations <i>[note 8]</i>	(338,050)	361,509
Post-retirement benefits plan funding <i>[note 4]</i>	(73,669)	(71,569)
<b>Cash provided by (used in) operating activities</b>	<b>116,823</b>	<b>(194,939)</b>
<b>Investing activities</b>		
Purchase of capital assets <i>[note 3[b]]</i>	(95,334)	(109,648)
Decrease in loans receivable	—	237,500
<b>Cash provided by (used in) investing activities</b>	<b>(95,334)</b>	<b>127,852</b>
<b>Net increase (decrease) in cash during the year</b>	<b>21,489</b>	<b>(67,087)</b>
Cash, beginning of year	828,338	895,425
<b>Cash, end of year</b>	<b>849,827</b>	<b>828,338</b>

See accompanying notes

# Eastern Synod of the Evangelical Lutheran Church in Canada

## Notes to financial statements

December 31, 2021

### 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 Part III of the *CPA Canada Handbook – Accounting, "Accounting Standards for Not-for-Profit Corporations,"* which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies described hereafter.

#### 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:

##### *Operating*

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

##### *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 dictated by the donor or appropriated by the Synod. In some cases, only the income from these funds may be expended and the principal amount must be permanently endowed.

#### Revenue and expense recognition

The Synod follows the restricted fund method of accounting for contributions. Donations and grants are recognized as revenue when received or receivable, 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 are recognized as revenue of the externally restricted fund.

#### 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.



## Eastern Synod of the Evangelical Lutheran Church in Canada

### Notes to financial statements

December 31, 2021

#### 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 assets	10–25 years
Camp Mush-a-Mush assets	10–25 years

#### Financial instruments

The Synod initially records a financial instrument at its fair value, except for related party transactions, which are recorded at cost, representing the undiscounted cash flows of that instrument. Subsequently, all financial instruments are measured at amortized cost, except for the amounts due to and from related parties, which are measured at cost less impairment, if any. 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.

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 and amounts due from Evangelical Lutheran Foundation of Eastern Canada ["ELFEC"]. The maximum credit risk is the fair value of these receivables.

# Eastern Synod of the Evangelical Lutheran Church in Canada

## Notes to financial statements

December 31, 2021

### 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.

The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus, which has caused material disruption to businesses globally. The duration and impact of the COVID-19 outbreak are unknown at this time, as is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. It is not possible to reliably estimate the length and severity of these developments nor the impact on the financial position and results of the Synod in future periods.

### Changes in accounting policies

#### *Financial instruments in a related party transaction, risk disclosure and other amendments*

Effective January 1, 2021, the Synod adopted the amendments to Section 3856 of Part II of the *CPA Canada Handbook – Accounting*, Financial Instruments ["Section 3856" or the "standard"] issued by the Canadian Accounting Standards Board.

Under the amended standard, the measurement of related party financial instruments is now incorporated into Section 3856 as opposed to Section 3840, *Related Party Transactions* ["Section 3840"]. Related party transactions are initially measured at cost, with the exception of certain situations that require initial measurement at fair value, with cost under the amended standard determined based on whether the related party financial instrument has repayment terms. The amendments also require the subsequent measurement of related party financial instruments be based on how the entity initially measured the instrument, provides guidance on how to measure impairment, and requires an entity to recognize forgiveness of a related party financial asset in either equity or net income depending on the nature of the original transaction. Additionally, Section 3840 has been amended to clarify that it does not apply to related party financial instruments.

The Synod adopted the amendments to Section 3856 retrospectively. The amounts due to and from ELFEC balances have repayment terms and, under the amended standard, are to be recorded at the undiscounted cash flows of the financial instruments, which represent the amounts originally recorded by the Synod. As a result, there was no impact of the adoption of these amendments.

## Eastern Synod of the Evangelical Lutheran Church in Canada

### Notes to financial statements

December 31, 2021

#### 3. Capital assets

[a] Capital assets consist of the following:

	<b>2021</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
	\$	\$	\$
Office furniture and equipment	83,726	63,099	20,627
Office building	741,532	563,390	178,142
Vehicles	29,021	29,021	—
Lutherlyn assets	432,906	158,675	274,231
Camp Mush-a-Mush assets	269,399	109,907	159,492
	<b>1,556,584</b>	<b>924,092</b>	<b>632,492</b>

  

	<b>2020</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
	\$	\$	\$
Office furniture and equipment	83,724	51,874	31,850
Office building	729,744	532,195	197,549
Vehicles	29,021	21,766	7,255
Delton Glebe Counselling Centre property	217,621	37,968	179,653
Lutherlyn assets	352,711	144,469	208,242
Camp Mush-a-Mush assets	266,046	103,717	162,329
	<b>1,678,867</b>	<b>891,989</b>	<b>786,878</b>

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

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Balance, beginning of year</b>	<b>786,878</b>	759,659
Purchase of capital assets	<b>95,334</b>	109,648
Donation of Delton Glebe Counselling Centre property	<b>(177,733)</b>	—
Amortization of capital assets	<b>(71,987)</b>	(82,429)
<b>Balance, end of year</b>	<b>632,492</b>	786,878

## Eastern Synod of the Evangelical Lutheran Church in Canada

### Notes to financial statements

December 31, 2021

The Synod currently owns the following properties: Bear Lake, Ontario; Toronto, Ontario [Christ]; Elliot Lake, Ontario [Faith]; and Riverside Heights cemetery, Ontario [previously owned by St. John's]. These properties were all acquired in previous years for a nominal amount.

During 2021, St. Peter's Gads Hill closed and the property transferred to the Eastern Synod for a nominal amount.

During 2013, the Synod repurposed the Lutheran Campus Ministry property to house the Delton Glebe Counselling Centre. Included in the Delton Glebe Counselling Centre assets is land carried at \$94,116 [2020 – \$94,116], which is not subject to amortization. During 2021, the Synod gifted this property to Martin Luther University College and wrote off the remaining net book value of \$177,733.

Included in the Lutherlyn assets is land carried at \$48,549 [2020 – \$48,549], which is not subject to amortization.

Included in the Camp Mush-a-Mush assets is land carried at \$76,680 [2020 – \$76,680], which is not subject to amortization.

The Lutherlyn assets and Camp Mush-a-Mush assets are held for leasing purposes. The lease for the Delton Glebe Counselling Centre terminated in May 2021.

During 2021, the Synod leased its Gads Hill, Ontario property to Refreshing Wind Ministries, while the transfer of ownership of this property continues to be processed.

#### 4. 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:

	2021	2020
	\$	\$
<b>Accrued benefit obligation, beginning of year</b>	<b>955,277</b>	1,075,146
Interest cost	<b>21,500</b>	27,200
Actuarial revaluation	<b>(54,000)</b>	(75,500)
Benefits paid	<b>(73,669)</b>	(71,569)
<b>Accrued benefit obligation, end of year</b>	<b>849,108</b>	955,277

## Eastern Synod of the Evangelical Lutheran Church in Canada

### Notes to financial statements

December 31, 2021

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

	<u>2021</u>	<u>2020</u>
Discount rate	<b>3.00%</b>	2.30%
Health care cost trend rate	<b>5.25%</b>	5.25%
Ultimate health care cost trend rate (2026)	<b>5.03%</b>	5.03%
Ultimate trend rate reached in year	<b>2026</b>	2026

#### 5. Government assistance

On April 11, 2020, the Government of Canada enacted the Canada Emergency Wage Subsidy program, which was designed to help Canadian employers that have experienced revenue declines to help prevent job losses and better position employers to resume normal operations after the COVID-19 pandemic. The Synod applied for and received \$183,136 [2020 – \$245,969] in payroll subsidies, which are presented within the support for ministries and administration revenue in the operating fund on the statement of operations.

#### 6. Related party transactions

The Synod is related to ELFEC, a foundation whose directors are elected by the Synod Council and ELFEC directors. ELFEC 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 ELFEC to be invested. The Synod also receives grants from ELFEC 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.

The following is a summary of transactions during the year:

- [a] The Synod provides use of its facilities and administrative services to ELFEC, for which it receives a fee of \$13,300 [2020 – \$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 ELFEC as approved by the Board of Directors. Total grants to the Synod for the year were \$582,924 [2020 – \$459,990]. These grants appear as revenue in the statement of operations.
- [c] During the year, the Synod transferred to ELFEC \$78,140 from the operating fund [2020 – \$458,652] and \$91,989 from the special purpose fund [2020 – \$204,513]. These funds, received from congregations, other organizations and individual donors, which are temporarily or permanently invested with ELFEC, are included in disbursements for special purpose fund projects and appear as expenses in the statement of operations.

# Eastern Synod of the Evangelical Lutheran Church in Canada

## Notes to financial statements

December 31, 2021

Amounts due from/to ELFEC are as follows:

	2021 \$	2020 \$
Due from ELFEC	382,924	264,990
Due to ELFEC	(170,129)	(625,761)

### 7. Controlled entities

The Synod controls Lutheran Homes Kitchener-Waterloo ["LHKW"] and 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.

None of the controlled entities have 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 financial statements

December 31, 2021

	2021	
	LHKW \$	Luther \$
<b>Financial position</b>		
Total assets	34,022,607	22,513,043
Total liabilities	23,818,517	4,766,014
<b>Total net assets</b>	<b>10,204,090</b>	<b>17,747,029</b>
<b>Results of operations</b>		
Total revenue	16,504,765	3,876,110
Total expenses	15,927,662	3,619,585
Investment income	—	1,578,498
<b>Excess of revenue over expenses for the year</b>	<b>577,103</b>	<b>1,835,023</b>
<b>Cash flows</b>		
Cash provided by operating activities	1,673,935	1,999,966
Cash used in investing activities	(261,871)	(885,496)
Cash used in financing activities	(552,691)	(705,370)
<b>Net increase in cash during the year</b>	<b>859,373</b>	<b>409,100</b>
	2020	
	LHKW \$	Luther \$
<b>Financial position</b>		
Total assets	33,807,105	20,074,565
Total liabilities	24,278,479	4,339,255
<b>Total net assets</b>	<b>9,528,626</b>	<b>15,735,310</b>
<b>Results of operations</b>		
Total revenue	15,958,022	3,959,225
Total expenses	15,006,330	3,642,031
Investment income	—	343,107
<b>Excess of revenue over expenses for the year</b>	<b>951,692</b>	<b>660,301</b>
<b>Cash flows</b>		
Cash provided by operating activities	917,073	699,549
Cash provided by (used in) investing activities	(553,037)	812,223
Cash used in financing activities	(532,199)	(1,636,696)
<b>Net decrease in cash during the year</b>	<b>(168,163)</b>	<b>(124,924)</b>

## Eastern Synod of the Evangelical Lutheran Church in Canada

### Notes to financial statements

December 31, 2021

The financial statements for Luther are prepared as at April 30, 2021. In the eight-month period ended December 31, 2021, there have been no events or transactions out of the ordinary that would significantly impact the Synod's financial position or results of operations.

During 2016, the Synod committed \$1,000,000 to Luther's capital fundraising campaign for major renovations and upgrading of its existing facility, with payments of \$250,000 to be made in each of 2017, 2018, 2019 and 2020. All payments were made on schedule and the Synod's commitment is now satisfied.

#### 8. Statement of cash flows

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

	2021	2020
	\$	\$
Decrease (increase) in miscellaneous receivables, prepaid expenses and accrued interest	195,201	(106,379)
Net change in amounts due from/to ELFEC	(573,566)	494,940
Increase (decrease) in accounts payable	40,315	(27,052)
	<u>(338,050)</u>	<u>361,509</u>

#### 9. Non-recurring receipts

In 2021, the Synod received significant non-recurring donations from estates totaling \$277,400 [2020 – \$97,292] for the special purpose fund and \$64,800 [2020 – \$86,146] 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. Comparative figures

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



## Schedule of offerings

Year ended December 31

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Offerings for Synod programs</b>		
Regular benevolence	<b>1,303,252</b>	1,369,044
<b>Offerings for special purposes</b>		
Canadian Lutheran World Relief	<b>212,658</b>	175,723
Lutheran Campus Ministry	<b>2,295</b>	300
Martin Luther University College	<b>18,600</b>	13,240
Outdoor Ministry	<b>4,643</b>	10,571
Praise appeal and ELCJHL scholarship appeal	<b>470</b>	411
Global missions	<b>12,536</b>	6,231
Other	<b>7,999</b>	11,142
<b>Total offerings for special purposes</b>	<b>259,201</b>	217,618
<b>Total offerings of member congregations</b>	<b>1,562,453</b>	1,586,662

This schedule excludes offerings in the amount of \$39,249 [2020 – \$28,655] that were remitted for designated synodical ministries that are already included in donations, bequests and other receipts in the statement of operations.