



Eastern Synod
of the Evangelical Lutheran Church in Canada

Non-Consolidated Financial Statements

Year Ended December 31, 2025

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, 2025 and the non-consolidated statements of operations, 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 non-consolidated financial position of Eastern Synod of the Evangelical Lutheran Church in Canada as at December 31, 2025 and the non-consolidated 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 Non-Consolidated 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.

Responsibilities of Management and Those Charged with Governance for the Non-Consolidated 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 Non-Consolidated 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 non-consolidated 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.



Guelph, Ontario
May 26, 2026

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, 2025

	Operating Fund \$	Special Purpose Fund \$	2025 Total \$	2024 Total \$
	<i>[note 2]</i>			
Assets				
Current				
Cash	538,448	(297,776)	240,672	450,378
Miscellaneous receivables and prepaid expenses	281,269	47	281,316	366,107
Due from Charitus <i>[note 6]</i>	481,447	383,518	864,965	1,112,800
Current portion of loans receivable <i>[note 3]</i>	—	35,000	35,000	—
Total current assets	1,301,164	120,789	1,421,953	1,929,285
Long-term portion of loans receivable <i>[note 3]</i>	1,010,077	—	1,010,077	992,541
Capital assets, net <i>[note 4]</i>	—	518,307	518,307	576,795
Other long-term assets <i>[note 7]</i>	1	63,202	63,203	45,205
Total Assets	2,311,242	702,298	3,013,540	3,543,826
Liabilities and fund balances				
Current				
Accounts payable	80,875	77,112	157,987	95,301
Due to Charitus <i>[note 6]</i>	—	77,935	77,935	462,201
Total current liabilities	80,875	155,047	235,922	557,502
Post-retirement benefits obligation <i>[note 5]</i>	576,168	—	576,168	625,529
Due to St. Ansgar Lutheran Church <i>[note 7]</i>	345,744	—	345,744	250,868
Total liabilities	1,002,787	155,047	1,157,834	1,433,899
Fund balances				
Invested in capital assets	—	518,307	518,307	576,795
Externally restricted	—	30,144	30,144	265,466
Internally restricted	—	(1,200)	(1,200)	1,264
Operating fund	1,308,455	—	1,308,455	1,266,402
Total fund balances	1,308,455	547,251	1,855,706	2,109,927
Total Liabilities and Fund Balances	2,311,242	702,298	3,013,540	3,543,826

See accompanying notes

APPROVED BY DIRECTORS:

_____ Director

_____ Director

Eastern Synod of the Evangelical Lutheran Church in Canada

Non-Consolidated Statement of Operations

Year Ended December 31, 2025

	Operating Fund \$	Special Purpose Fund \$	2025 Total \$	2024 Total \$
REVENUE				
Total offerings of member congregations <i>[schedule 1]</i>	1,068,741	305,148	1,373,889	1,358,932
Program support from other sources	423,418	—	423,418	273,699
Support for ministries and administrative <i>[note 6[a]]</i>	123,804	—	123,804	193,255
Donations, bequests and other receipts <i>[note 9]</i>	5,774	707,369	713,143	315,391
Grants from Charitus <i>[note 6[b]]</i>	701,447	633,517	1,334,964	1,814,052
Lutheran Campus Ministry Local Council income	3,292	—	3,292	—
Allocated interest and other investment income	41,337	564	41,901	42,156
	2,367,813	1,646,598	4,014,411	3,997,485
EXPENSES				
Evangelical Lutheran Church in Canada	406,700	—	406,700	426,683
Waterloo Lutheran Seminary	280,000	—	280,000	280,000
Synodical programmatic committees	478,237	337,256	815,493	455,327
Other ministries and administration	1,137,723	179,625	1,317,348	1,456,209
Disbursements for special purpose fund projects <i>[note 6[c]]</i>	69,842	992,635	1,062,477	769,473
Disbursements of special purpose congregational offerings	—	305,148	305,148	240,358
Post-retirement benefits expense <i>[note 5]</i>	27,000	—	27,000	28,700
Amortization of capital assets	—	58,366	58,366	59,444
	2,399,502	1,873,030	4,272,532	3,716,194
(Deficiency) excess of revenue over expenses for the year	(31,689)	(226,432)	(258,121)	281,291

See accompanying notes

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

Year Ended December 31, 2025

	Operating fund \$	Internally Restricted fund \$	Externally Restricted fund \$	2025 Total \$	2024 Total \$
Fund balances, beginning of year	1,266,402	578,059	265,466	2,109,927	1,832,936
(Deficiency) excess of revenue over expenses	(31,689)	8,890	(235,322)	(258,121)	281,291
Reallocation of restricted funds	69,842	(69,842)		-	-
Adjustments to post employment benefits <i>[note 5]</i>	3,900	-	-	3,900	(4,300)
Fund balances, end of year	1,308,455	517,107	30,144	1,855,706	2,109,927

See accompanying notes

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

Year Ended December 31, 2025

	2025	2024
	\$	\$
Operating activities		
(Deficiency) excess of revenue over expenses for the year	(258,121)	281,291
Add (deduct) items not involving current payment of cash		
Amortization of capital assets	58,366	59,444
Post-retirement benefits expense <i>[note 5]</i>	27,000	28,700
Net change in non-cash working capital balances related to operations <i>[note 8]</i>	105,922	(259,140)
Post-retirement benefits plan funding <i>[note 5]</i>	(72,461)	(72,733)
Cash provided by (used in) operating activities	(139,294)	37,562
Investing activities		
Disposition (purchase) of capital assets <i>[note 4[b]]</i>	122	(18,688)
Net Change in long term assets	(17,998)	(663)
Net change in loans receivable <i>[note 3]</i>	(52,536)	(301,285)
Cash used in investing activities	(70,412)	(320,636)
Net decrease in cash during the year	(209,706)	(283,074)
Cash, beginning of year	450,378	733,452
Cash, end of year	240,672	450,378

See accompanying notes

Eastern Synod of the Evangelical Lutheran Church in Canada

Notes to non-consolidated financial statements

Year Ended December 31, 2025

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, 2025

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
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, 2025

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 \$23,634 [2024 - \$21,665]. 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 2024, \$297,800 was loaned to St. Ansgar Lutheran Church. Interest is charged annually at prime plus 1%. Interest income from this loan was \$17,285 (2024 - \$19,485). There are no terms and conditions for repayment. In 2025, a non-interest bearing, unsecured loan of \$35,000 was advanced to Martin Luther University College with a term of 1 year.

The loans receivable details are as follows:

	2025	2024
	\$	\$
Balance, beginning of year	992,541	691,256
Loans advanced	35,000	297,800
Interest receivable	17,536	19,485
Principal payments received	—	(16,000)
Balance, end of year	1,045,077	992,541
Current portion of loan receivable	35,000	—
Long term portion of loan receivable	1,010,077	992,541
Total loan receivable	1,045,077	992,541

Eastern Synod of the Evangelical Lutheran Church in Canada

Notes to non-consolidated financial statements

Year Ended December 31, 2025

4. Capital assets

[a] Capital assets consist of the following:

	Cost \$	Accumulated amortization \$	2025 Net book Value \$	2024 Net book Value \$
Office furniture and equipment	83,786	79,827	3,959	8,506
Office building	755,668	695,472	60,196	93,393
Assets held for leasing				
Lutherlyn land	48,427	—	48,427	48,549
Lutherlyn buildings	480,652	222,578	258,074	273,051
Camp Mush-a-Mush land	76,680	—	76,680	76,680
Camp Mush-a-Mush buildings	198,117	132,129	65,988	71,411
Faith Elliott Lake building improvements	5,537	554	4,983	5,205
	1,648,867	1,130,560	518,307	576,795

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

	2025 \$	2024 \$
Balance, beginning of year	576,795	617,551
Purchase of capital assets	—	18,688
Disposition of capital assets	(122)	—
Amortization of capital assets	(58,366)	(59,444)
Balance, end of year	518,307	576,795

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 2025, the Eastern Synod sold a parcel of land which was part of the Camp Lutherlyn property to an adjoining neighbour. Included in the program support from other sources on the Statement of Operations is \$49,878 gain on sale.

Eastern Synod of the Evangelical Lutheran Church in Canada

Notes to non-consolidated financial statements

Year Ended December 31, 2025

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. The actuarial report was dated January 1, 2023. The next actuarial report will be completed in 2026.

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

	2025	2024
	\$	\$
Accrued benefit obligation, beginning of year	625,529	665,262
Interest cost	27,000	28,700
Actuarial revaluation	(3,900)	4,300
Benefits paid	(72,461)	(72,733)
Accrued benefit obligation, end of year	576,168	625,529

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

	2025	2024
Discount rate	4.60%	4.50%
Health care cost trend rate	5.60%	5.60%
Ultimate health care cost trend rate	3.57%	3.57%
Ultimate trend rate reached in year	2043	2043

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 2025, 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, 2025

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 \$12,400 [2024 – \$12,400] 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 \$1,334,964 [2024 – \$1,814,052]. These grants appear as revenue in the statement of operations.
- [c] During the year, the Synod transferred to Charitus \$69,842 from the operating fund [2024 – \$426,553] and \$608,093 from the special purpose fund [2024 – \$35,647]. 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, 2025

	2025	
	LHKW \$	Luther \$
Financial position		
Total assets	39,708,632	27,888,002
Total liabilities	27,304,576	5,265,510
Total net assets	12,404,056	22,622,492
Results of operations		
Total revenue	23,776,258	5,129,623
Total expenses	24,051,057	5,184,219
Investment income	0	1,356,274
(Deficiency) excess of revenue and investment income over expenses	(274,799)	1,301,678
Cash provided by (used in) operating activities	(180,830)	429,453
Cash provided by (used in) investing activities	(539,665)	1,229,265
Cash provided by (used in) financing activities	(126,059)	34,316
Net (decrease) increase in cash during the year	(846,554)	1,693,034
2024		
	LHKW \$	Luther \$
Financial position		
Total assets	39,127,754	26,522,430
Total liabilities	26,595,601	5,029,024
Total net assets	12,532,153	21,493,406
Results of operations		
Total revenue	23,091,863	4,503,874
Total expenses	21,181,056	4,682,088
Investment income	190,047	888,568
Excess of revenue and investment income over expenses	2,100,854	710,354
Cash flows		
Cash provided by operating activities	3,099,997	359,658
Cash used in investing activities	(153,075)	(1,504,276)
Cash provided by financing activities	3,362	150,589
Net increase (decrease) in cash during the year	2,950,284	(994,029)

Certain comparative information within the financial statements for Luther has been reclassified to conform to current period presentation.

The financial statements for Luther are prepared as at April 30, 2025. In the eight-month period ended December 31, 2025, 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, 2025

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 2025 the Synod earned management fees in the amount of \$18,000 [2024 - \$18,000].

8. Statement of cash flows

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

	2025	2024
	\$	\$
Increase in miscellaneous receivables and prepaid expenses	84,791	15,906
Net change in amounts due from/to Charitus	(136,431)	(404,710)
Increase (decrease) in accounts payable	62,686	(58,385)
Increase in Due to St Ansgar Lutheran Church	94,876	188,049
	105,922	(259,140)

9. Non-recurring receipts

In 2025, the Synod received significant non-recurring donations from estates and transfers of assets from closed congregations totaling \$670,000 [2024 - \$260,327] for the operating fund and \$0 [2024 - \$10,000] for the special purpose fund. These receipts are recorded in donations, bequests and other receipts and total offerings of member congregations on the statement of operations.

10. Commitments

During 2024, the Synod entered into a commitment with South Shore Lutheran Shared Ministry. The commitment is for \$75,000 in 2026 and \$75,000 in 2027.

11. Contingency

Eastern Synod of the Evangelical Lutheran Church in Canada

Notes to non-consolidated financial statements

Year Ended December 31, 2025

Various lawsuits have been filed against the Synod for alleged incidents which arose in the ordinary course of business. At this time, an estimate of the outcome from these lawsuits cannot be reasonably determined. No amount has been accrued in these non-consolidated financial statements.

Eastern Synod of the Evangelical Lutheran Church in Canada

Schedule 1 - Schedule of Offerings

Year Ended December 31, 2025

	2025	2024
	\$	\$
Offerings for Synod programs		
Regular benevolence	1,068,741	1,118,574
Offerings for special purposes		
Canadian Lutheran World Relief	228,635	189,573
Lutheran Campus Ministry	220	2,370
Martin Luther University College	25,445	14,098
Outdoor Ministry	25,932	10,878
ELCIC Global missions	13,544	11,638
Other ELCIC appeals	10,117	3,415
Other Miscellaneous Designated Gifts	1,255	8,386
Total offerings for special purposes	305,148	240,358
Total offerings of member congregations	1,373,889	1,358,932

This schedule excludes offerings in the amount of \$64,488 [2024 – \$87,723] that were remitted for designated synodical ministries that are already included in donations, bequests and other receipts in the statement of operation