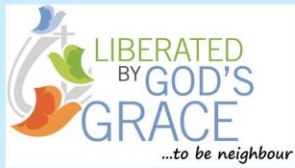




Eastern Synod
of the Evangelical Lutheran Church in Canada

Report of the Treasurer Assembly 2018



June 21, 2018
Keith Myra

2016 & 2017 Financial Review

“... as a synod we have been richly blessed with financial and other resources ...

... such was the case once again over the past biennium!”



2

In the Bulletin of Reports I began my written report with the following words that bear repeating:

Although faced all too frequently with the prospect of budget deficits and the need for budget cuts, as treasurer I am often reminded that as a synod we have been richly blessed with financial and other resources. As you will see from reviewing the synod’s financial statements, such was the case once again over the past biennium!”

Agenda

- 1. 2016 & 2017 Financial Review**
- 2. Actions to Help Create a Financially Sustainable Future**



3

My presentation this afternoon is in two parts.

In Part 1 we'll review the past biennium from a financial perspective.

Part 2 consists of a summary of ten actions that have been initiated over the past few years, actions that are directed towards the goal of ensuring financial sustainability into the future. This information will position us nicely for Saturday's budget discussion.

2016 & 2017 Financial Review



4

Let's start by putting the synod's financial story over the past two years into perspective by thinking about some of the things that have happened in the financial world during this same period of time.



For example, all the attention that Bitcoin has been receiving.

Given that Bitcoin has increased almost 10 times in value since Assembly 2016, isn't it unfortunate that the offerings that your congregation received from its members and the benevolence offerings that the synod received from congregations were made in Canadian dollars rather than in Bitcoin?



Government employees have been reporting and protesting the seemingly never-ending problems with the Phoenix payroll system.



Obviously, our office staff is very happy that the synod's payroll isn't administered through Phoenix.

Regardless, on occasion a gremlin slips into our system resulting in unexpected fringe benefits being awarded to a favoured employee when he visits other congregations.





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Do you remember this million dollar Canadian gold coin that was brazenly stolen from a museum in Germany a year ago?

Or as that popular CBC television show, 22 Minutes puts it, “as it’s called in US currency, “theft under \$500””.

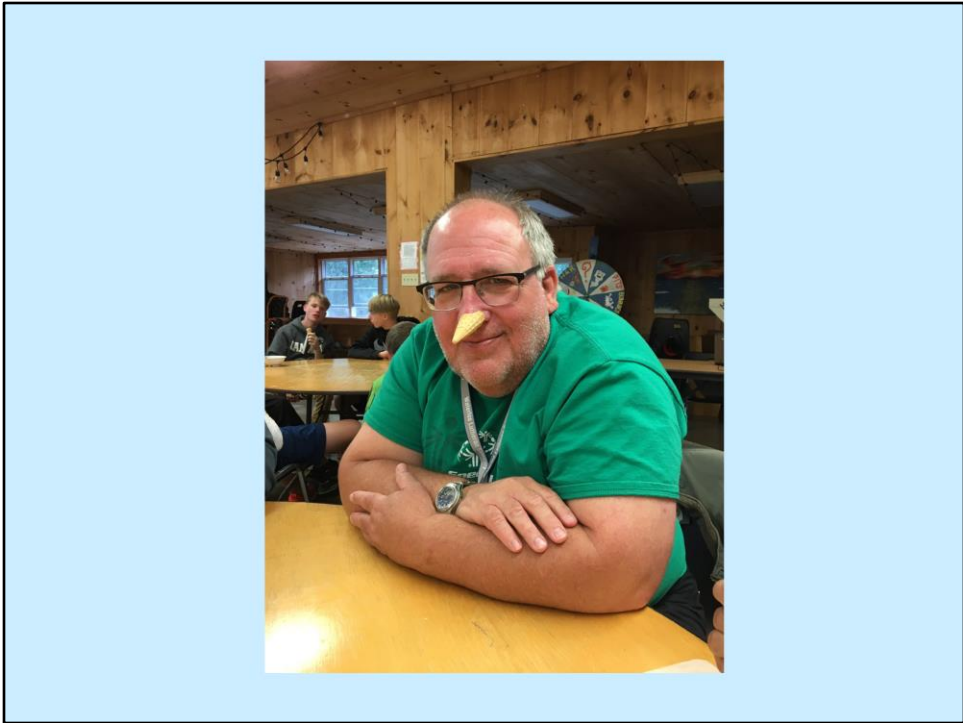
2017 Remittance Report

Congregation Number	Congregation Name	Benevolence Commitment	Benevolence Remitted	ELCIC Global Mission	ELCIC Other	CLWR	Waterloo Lutheran Seminary	Campus Ministries	Camps	Other	Total
<i>Atlantic Ministry Area</i>											
4110	St Matthew, Fredericton, NB	1,000.00	1,000.00	-	-	-	-	-	-	-	1,000.00
4120	Bethany, New Denmark, NB	-	1,294.77	-	-	-	-	-	-	-	2,589.54
4130	St Peter's, New Denmark, NB	4,000.00	4,000.00	-	-	-	-	-	-	-	5,000.00
4310	St Luke, Baker Settlement, NS	-	-	-	-	-	-	-	-	-	-
4320	St James, Branch La Have, NS	-	1,231.64	-	-	-	100.00	-	-	-	1,476.64
4330	St Paul's, Bridgewater, NS	2,500.00	2,500.00	-	-	-	-	-	-	-	2,715.08
4340	Christ, Camperdown, NS	-	-	-	-	-	-	-	-	-	138.00
4350	St Peter's, Chester, NS	-	-	-	-	-	-	-	-	-	500.00
4370	Ascension, Conquerall Mills, NS	200.00	-	-	-	-	-	-	-	-	210.00
4375	Grace, Dartmouth, NS	-	-	-	-	-	-	-	-	-	-
4380	Our Saviour, Dartmouth, NS	-	-	-	-	-	-	-	-	-	4,337.00
4390	St Stephen's, Farmville, NS	-	-	-	-	-	-	-	-	-	400.00
4400	St John's, Feltzen South, NS	-	-	-	-	-	-	-	-	-	1,193.50
4410	Grace, First South, NS	-	-	-	-	-	-	926.50	30.00	-	4,916.50
4420	Resurrection, Halifax, NS	-	-	-	-	-	32.32	34.37	755.00	-	19,137.26
4430	Zion, Lunenburg, NS	-	-	-	-	-	-	55.00	-	-	6,644.00
4440	St John's, Mahone Bay, NS	-	-	-	-	-	-	-	25.00	-	6,230.00
4460	Calvary, Middlewood, NS	-	-	-	-	-	-	-	75.00	-	1,051.25
4470	St Mark's, New Cornwall, NS	-	-	-	-	-	-	-	220.00	-	648.00
4480	Trinity, New Germany, NS	-	-	-	-	-	-	-	-	-	3,999.97
4490	St Matthew's, Newburne, NS	2,000.00	-	-	-	-30.00	-	150.00	150.00	-	2,972.00
4500	All Saints, Newcombville, NS	-	-	-	-	1,184.00	-	110.00	395.00	-	3,247.00
4510	St Paul's, North River, NS	-	-	-	-	-	-	60.00	200.00	-	2,520.08
4520	St Luke's, Rhodes Corner, NS	-	-	-	-	25.00	-	-	-	-	1,525.00
4530	St Matthew's, Rose Bay, NS	2,000.00	2,000.00	-	-	50.00	-	-	-	-	2,050.00
4550	Mount Olivet, Upper La Have, NS	-	1,200.00	-	-	10.00	-	-	-	-	1,210.00
4560	Mount Calvary, Upper Northfield, NS	-	1,323.00	-	-	10.00	-	-	25.00	25.00	1,383.00



We can be thankful that unlike Equifax, Twitter, the Ashley Madison dating site and the websites of many other organizations, our synod's financial data has never been hacked.

However, from time to time we do find unexplainable posts on the synod's Twitter and Facebook accounts.



Do you recognize our very serious minded convention manager, Pastor Jeff Smith, behind that nose?



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Unlike governments, we're thankful that the synod hasn't needed to make decisions about cancelling gas-fired power plants ...



... or investing in oil pipelines ...



... or engaging in any trade and tariff wars.



Instead, over the past two years, as a synod we've accomplished almost \$5 million of important ministry and ended both of these years with a modest surplus in our operating budget.

And unlike one of the teams that the Bishop supports ...



... the ministries that are funded by the synod have been winners.

2016 & 2017 Financial Review

MINISTRIES

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Let's take a quick glimpse at some of these ministries.

Eastern Synod Strategic Goals

1. Provide Vision, Leadership & Support
2. Develop Capable Leaders
3. Connect to the Wider Church
4. Live as a Healthy Synod

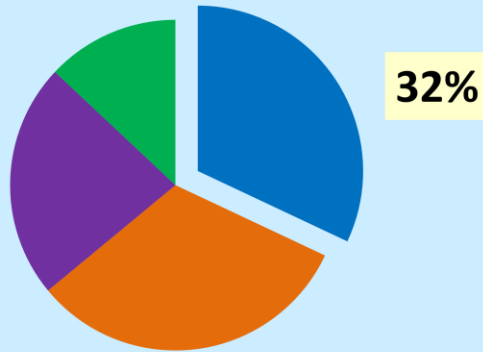


18

Our ministries bring life to the synod's strategic plan, a plan with four strategic goals.

I like to think of these four goals as reasons why the synod exists, reasons why the synod is important.

Provide Vision, Leadership & Support



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The first strategic goal is to Provide Vision, Leadership and Support to the synodical community. Over the past two years we have allocated 32%, or almost one third of our budget to this area.

Provide Vision, Leadership & Support



One way of providing support is to be present in person, sharing Word and Sacrament.

It's a rare Sunday when Bishop Pryse or Assistants to the Bishop Riitta Hepomaki and Doug Reble aren't visiting with one or more congregations in our synod, such as this recent visit that Bishop Pryse made to St. James, Williamsford.

Provide Vision, Leadership & Support



Financial assistance with outreach

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Providing support means providing grants to congregations like St David's, Orillia and their Community Breakfast program, an outreach ministry to their neighbours who live in poverty ...

Provide Vision, Leadership & Support



Financial assistance with outreach

22

... grants to congregations like St. John's and their ministry to their multicultural neighbours in Hamilton ...

Provide Vision, Leadership & Support

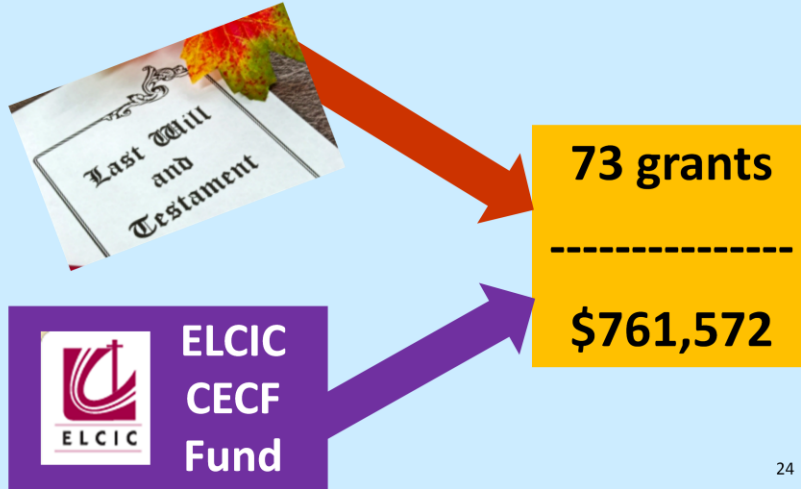


Financial assistance with outreach

23

... and grants to ministry areas such as The Two Rivers Ministry Area which in partnership with Six Nations is exploring ways to connect Lutherans residing on the Haldimand Tract and their Indigenous neighbours in order to bridge our communities and open the door to reconciliation, a ministry accomplished through the leadership of Deacon Scott Knarr and others, involving activities that include “Music for the Spirit” and a suicide awareness and support group.

Provide Vision, Leadership & Support



24

Thanks to income from bequests received by the synod in previous years and from grants that the synod receives from the National Church, over the past two years the synod has been able to fund 73 grants, primarily to congregations, totalling more than three quarters of a million dollars.

Provide Vision, Leadership & Support

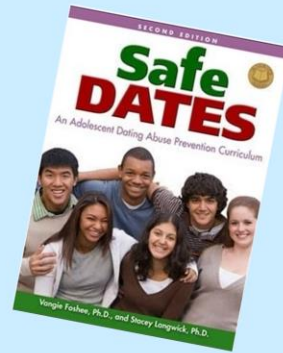


Programming and Resources

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Providing support to the synodical community includes providing programming and resources for children ...

Provide Vision, Leadership & Support



Programming and Resources

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... youth and young adults ...

Provide Vision, Leadership & Support



Outdoor Ministry

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... and includes outdoor ministry at our two synodical camps, Lutherlyn in the Ottawa Valley and Mush-a-Mush in Nova Scotia.

Let's see what they have to say at Camp Lutherlyn.

Provide Vision, Leadership & Support



Outdoor Ministry

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We love Camp Lutherlyn!

Provide Vision, Leadership & Support

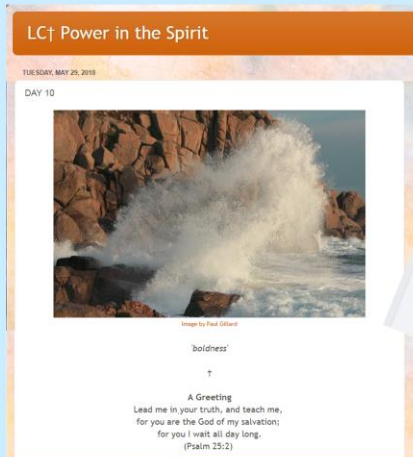


Campus ministry

29

Providing support to the synodical community also includes campus ministry such as this ecumenical program in Ottawa called Open Table.

Provide Vision, Leadership & Support



Programming and Resources

30

For a number of years now, Lutheran Campus Ministry Toronto has sponsored a highly successful on-line seasonal devotional project with a social media presence on Facebook and Twitter. Its reach expands every year with more than 100,000 page views in the last six months, along with very favourable feedback.

As you would expect, most page views originate within Canada, but the reach of this ministry extends internationally to more than twenty different countries around the world.

Provide Vision, Leadership & Support



Supporting Ministry Area Events

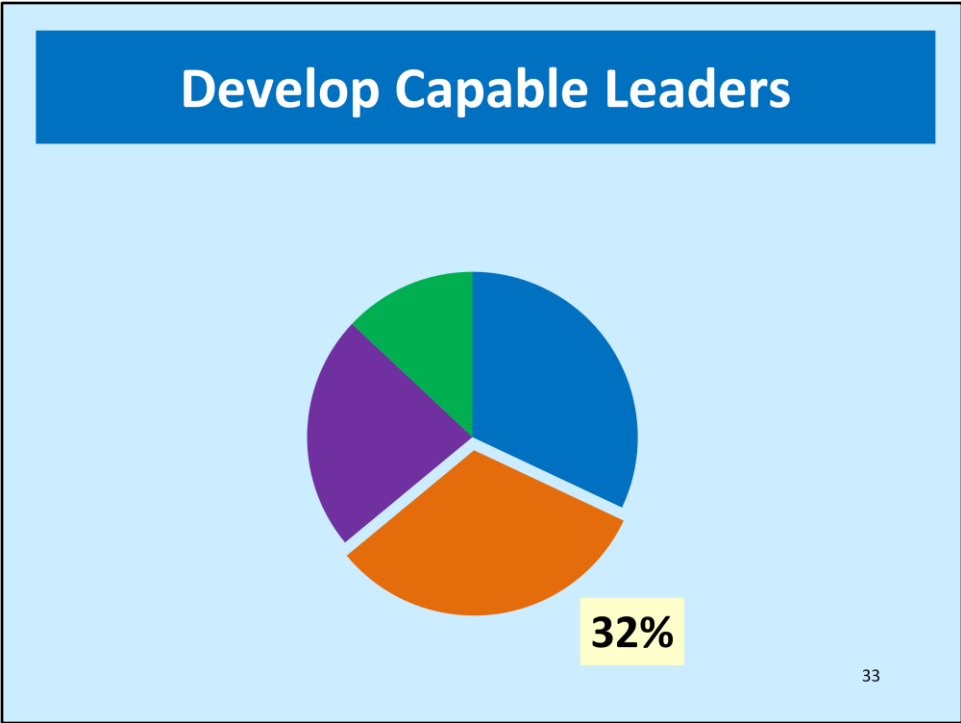
In 2017 many events across the synod focused on commemorating the 500th anniversary of the Reformation. Although to the best of my knowledge, the synod didn't provide any funding for Reformation Beer or for Dr. Martin Luther cake ... I guess that's really Rev. Martin Malina cake ...

Provide Vision, Leadership & Support



Supporting Ministry Area Events

... the synod did support Reformation events in a number of different regions.



This brings us to the synod’s second strategic goal: Develop Capable Leaders, representing another 32% of the budget.

Leadership development can occur in a variety of ways.

I previously mentioned our youth ministry programs. But I didn’t mention how these programs help to develop leadership skills, perhaps leading to a call to service, either initially or at some later point in life.

Let’s hear from some developing leaders at Camp Mush-a-Mush in Nova Scotia

Develop Capable Leaders



Developing Leaders

34

Thank you Eastern Synod for this leadership opportunity.

Develop Capable Leaders



Developing Rostered Leaders

35

For a few the call may be to rostered ministry as was the case for five candidates who have been ordained during the last biennium. For others it may mean serving as a lay leader in their local congregation or community.

Develop Capable Leaders



Developing Rostered & Lay Leaders

36

The largest portion of our funding to develop and nurture leaders is allocated to Waterloo Lutheran Seminary, an institution that is highly acclaimed for developing leaders, both for the church and for our communities.

Develop Capable Leaders



Developing Rostered & Lay Leaders

37

At Assembly 2016 the synod voted overwhelmingly to commit \$1 million over a four year period to the seminary's Reform Capital Campaign in support of its \$9-million building renewal and modernization project.

Now that we're at the two year mark, I'm pleased to report that we're right on schedule, having remitted \$500,000 , over and above our annual funding grants to the seminary.

Develop Capable Leaders



Nurturing Rostered Leaders

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For those rostered ministers called to serve a congregation, the first three years include follow up training provided through First Call workshops that are conducted by the seminary in conjunction with the synod ...

Develop Capable Leaders



Nurturing Rostered Leaders

... and later, Transition Workshops, if they move on to another call.

Develop Capable Leaders



Nurturing Rostered & Lay Leaders

40

Each year Bishop Pryse visits each of our 17 ministry areas, meeting with and supporting rostered ministers and other leaders across our synod.

Pictured here are two such meetings, one that took place in the Ottawa Valley, the other in the Central Toronto Ministry Area.

Develop Capable Leaders



Nurturing Rostered Leaders

41

There are also annual retreats for rostered leaders ...

Develop Capable Leaders



Nurturing Lay Leaders

42

... and lay members.

Develop Capable Leaders



Nurturing Rostered & Lay Leaders

Specialized training events over the past year have included Communication workshops for congregations, conducted by Mirko Petricevic, Director of Communication and Public Affairs at Waterloo Lutheran Seminary ...

Develop Capable Leaders



Nurturing Rostered & Lay Leaders

... and Apple Tree mission and ministry workshops for congregational leaders conducted by Pastor Riitta Hepomaki and Jeff Pym.

Develop Capable Leaders



Nurturing Rostered & Lay Leaders

Judging from this picture, Jeff even provides free babysitting services to emerging leaders.

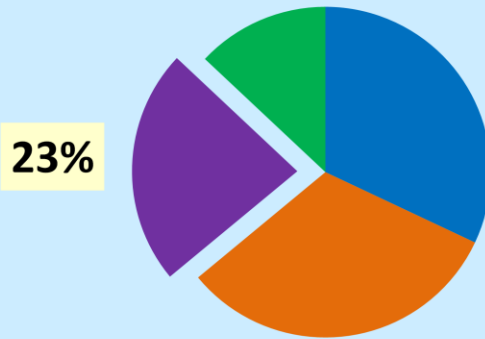
Develop Capable Leaders



Nurturing Rostered & Lay Leaders

Our overview of leadership development wouldn't be complete without making mention of the extensive training that people like Pat Lovell and Jerry Hogeveen pictured here provide to the ministry area deans and other synodical leaders.

Connect to the Wider Church



47

The synod's third strategic goal is to Connect the Synod Community with the Wider Church through Effective Partnerships, representing 23% of the budget.

Sometimes our partnerships are so intertwined that its difficult to determine which partner is really funding and carrying out ministry. But who really cares as long as effective ministry is being accomplished?

Connect to the Wider Church



If we look beyond the synod, there's no doubt that our closest partner is the ELCIC National Church, the partner that receives the majority of our funding.

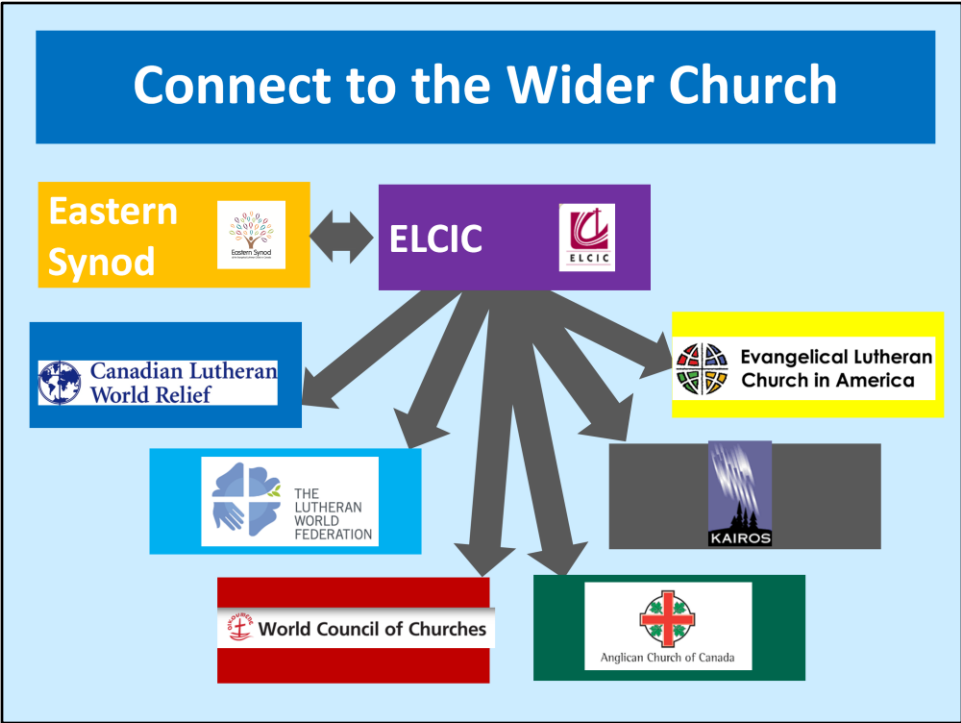
Connect to the Wider Church



Eastern Synod Funding To ELCIC	2016 & 2017
ELCIC Benevolence	\$778,000
Reformation Challenge	\$191,256
10% of Undesignated Bequests	\$50,000
Global Mission	\$26,020
Praise Appeal	\$18,788
TOTAL	\$1,064,064

49

During 2016 and 2017 this funding amounted to over \$1 million dollars, including almost \$800,000 in synod benevolence to the national church and almost \$200,000 that was raised by congregations across the synod in support of the ELCIC's Reformation Challenge.



Through the Eastern Synod's partnership with the ELCIC and the ELCIC's extensive network of partners, we are part of not only a Canadian, but a world-wide church.

Connect to the Wider Church



ELCIC National Convention

51

One way that we connect with our ELCIC partner is through the National Convention. In 2017 the Eastern Synod was represented by 54 delegates, their registration fees covered by the synod budget.

Connect to the Wider Church



Global Mission Companions

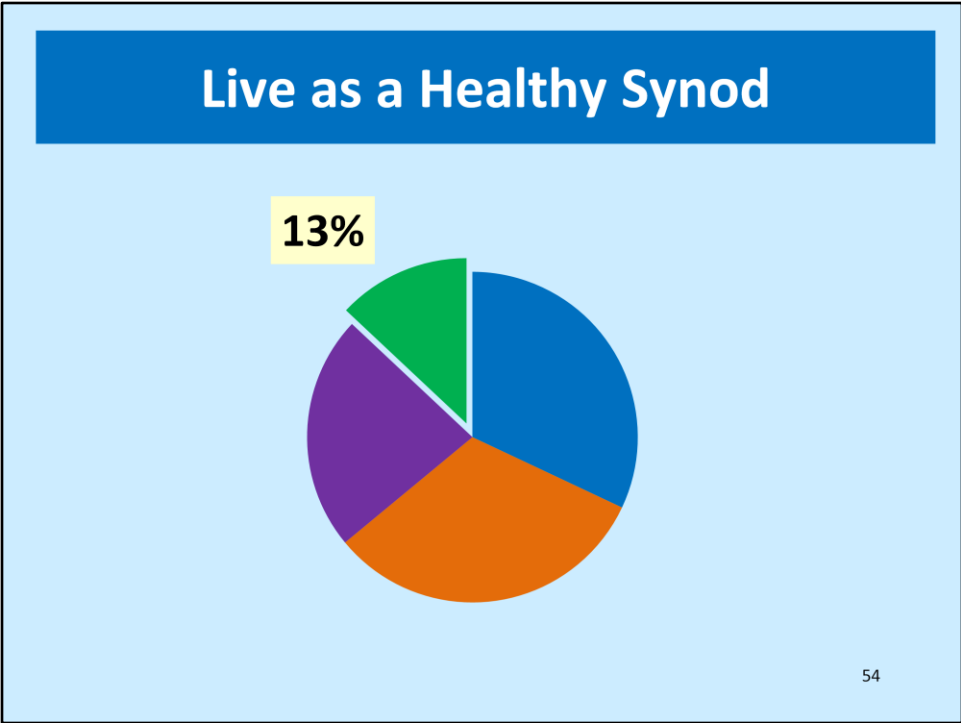
Through the national church's Global Mission Companion program we also enjoy emerging partnerships with the Evangelical Lutheran Church in Jordan and the Holy Land ...

Connect to the Wider Church



Global Mission Companions

... and the Evangelical Lutheran Church in Guyana.



Rounding things out, our fourth strategic goal: Live as a Healthy Synod takes up the final 13% of our budget.

Activities requiring funding in this area include ...

Live as a Healthy Synod



Governance - Synod Council

55

... ensuring strong governance through regular meetings of Synod Council ...

Live as a Healthy Synod

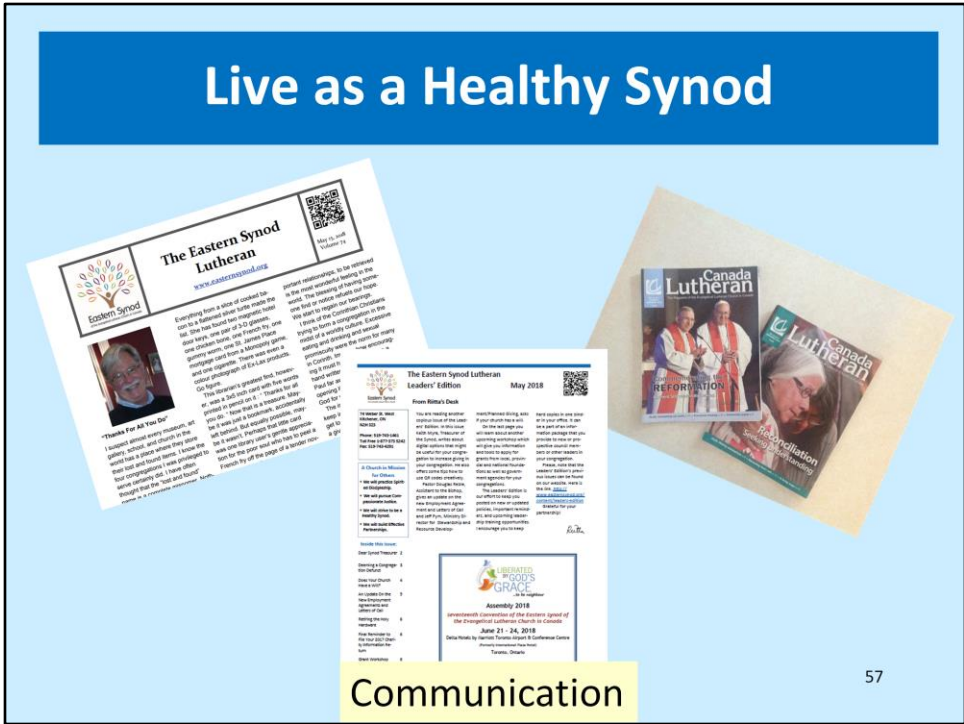


Governance - Assembly

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... and meeting in Assemblies as is the case this week.

Live as a Healthy Synod



Communication

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Living as a healthy synod requires effective communication. We've recently completed a review of our communication strategy which may lead to enhancing some of our current communication tools such as the Eastern Synod Lutheran, the Canada Lutheran, a newsletter for congregational leaders ...

Live as a Healthy Synod











Communication

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... as well as our website and social media presence through Twitter, Facebook and other tools.

Live as a Healthy Synod



Generous Giving

59

Living as a Healthy Synod means encouraging generous financial support for congregations, the Synod and wider church. This Generous Giving Practicum received very high ratings from the 60 parish pastors who attended this event.

Live as a Healthy Synod



Office, Infrastructure, Supplies

60

And living as a healthy synod requires adequate office space, infrastructure and supplies ...

Live as a Healthy Synod



Staff

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... as well as competent staff. Let me assure you, they're usually much busier than this!

Eastern Synod Strategic Goals

1. Provide Vision, Leadership & Support
2. Develop Capable Leaders
3. Connect to the Wider Church
4. Live as a Healthy Synod



62

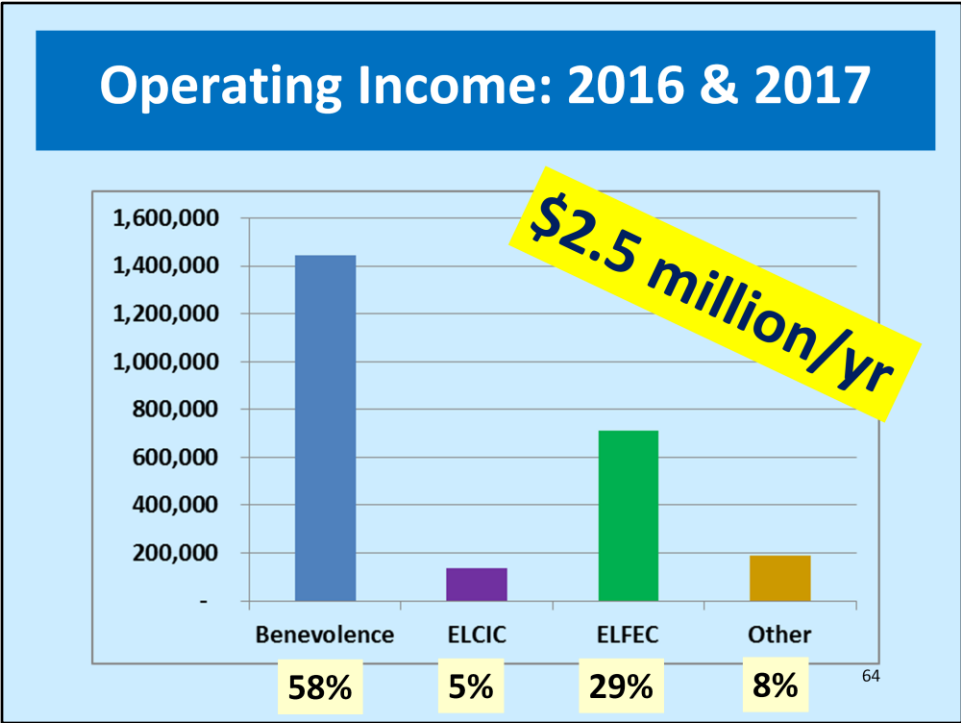
That's a very quick overview of how our synodical ministries and budget support our four key strategic goals.

2016 & 2017 Financial Review

INCOME

63

Now that we've looked at some of the ministries that the synod carried out over the past two years, let's turn our attention to how these were funded.



The synod’s total operating income over the past two year period totalled \$5 million, or about \$2.5 million each year.

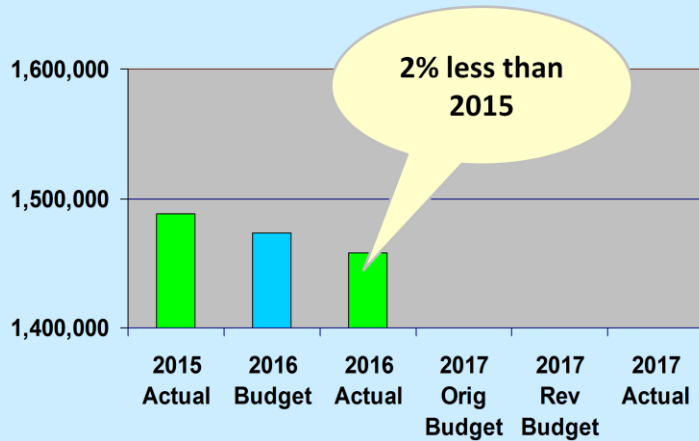
As you will see from this chart, our ministries are heavily dependent on benevolence offerings received from congregations. This is the blue bar, representing 58% of our income.

5% of our income came from grants that we received from the national church, the purple bar.

29% came from synodical funds that are managed on our behalf by the Evangelical Lutheran Foundation of Eastern Canada (or ELFEC for short) in green.

And the remaining 8% came from a variety of other sources.

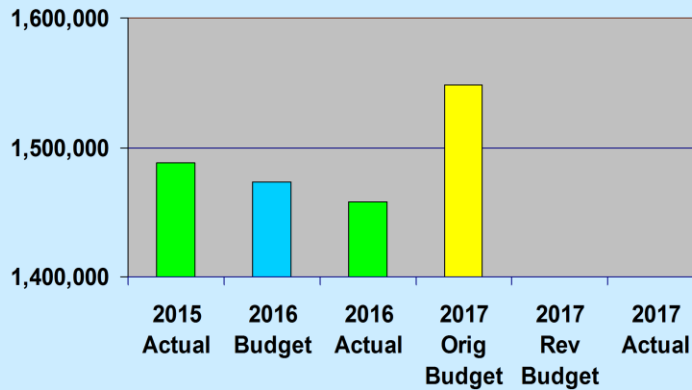
Benevolence Offerings: 2016



65

Zeroing in on benevolence offerings, even though we budgeted less for 2016 than what we received in 2015, in 2016 we still fell 1% short of budget and 2% short of what was received in the previous year.

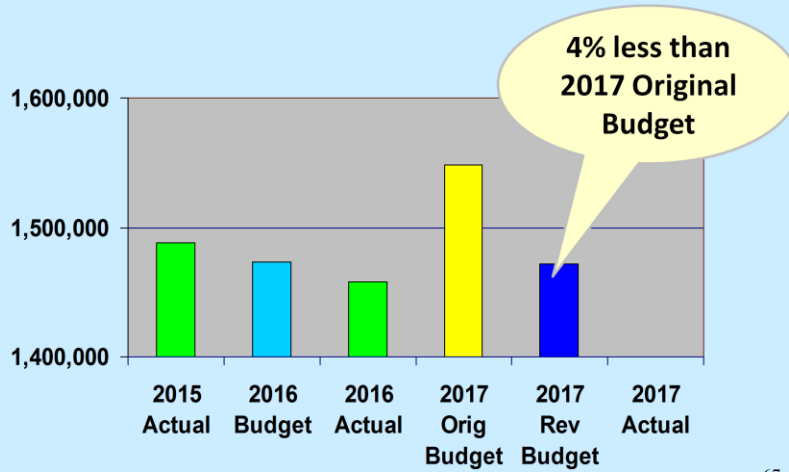
Benevolence Offerings: 2016



66

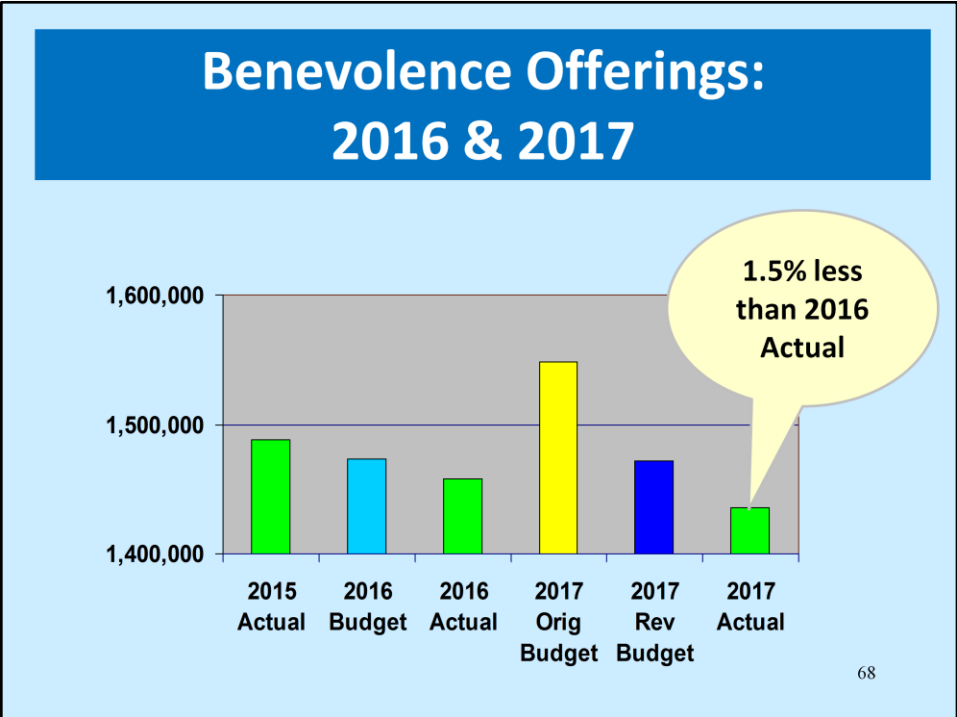
Given this outcome, Synod Council reduced the original budget for 2017 that is depicted here in yellow by more than 4% ...

Benevolence Offerings: 2016



67

... ending up with the 2017 revised budget shown in dark blue.

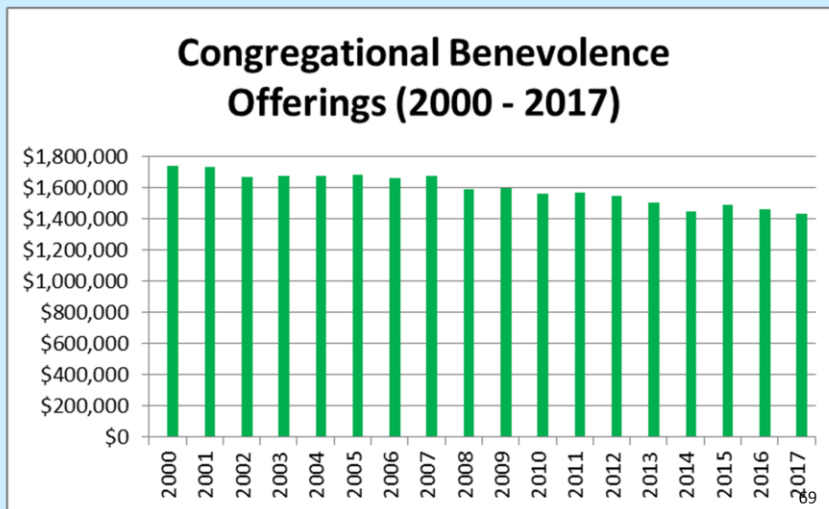


Even with these reductions, the end result for 2017 was 2.5% less than the revised budget and 1.5% less than offerings that were received in 2016.

In fact, in 2017 the synod’s benevolence offerings were the lowest in the 32 year history of the synod.

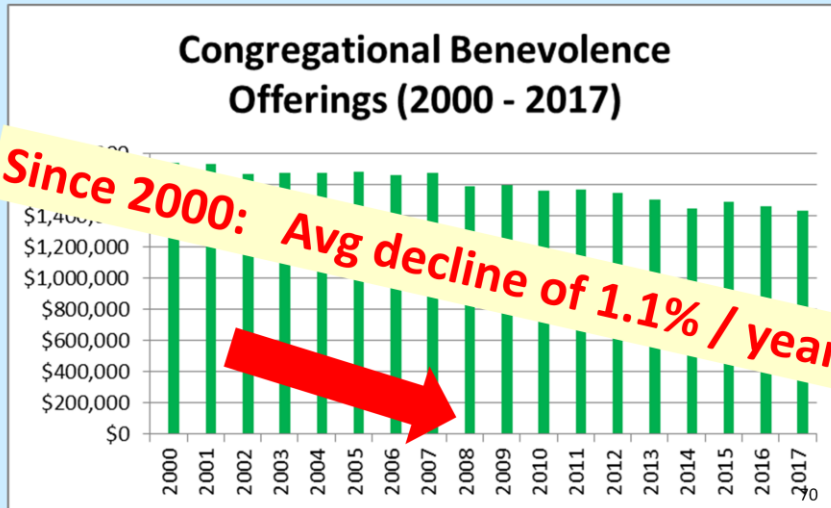
By now, I think you’re getting the picture.

Benevolence Offering Trends 2000 - 2017



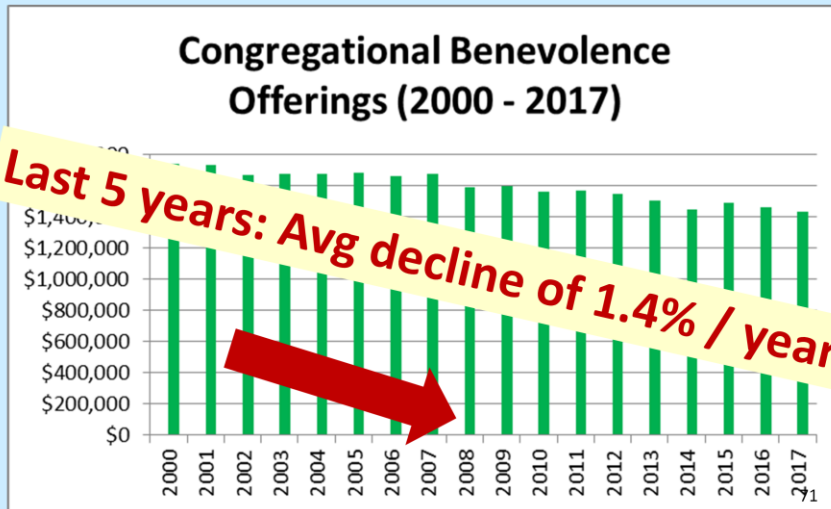
This graph shows the ongoing decline in benevolence offerings since the year 2000.

Benevolence Offering Trends 2000 - 2017



Over these 18 years, benevolence offerings have declined an average of 1.1% each year.

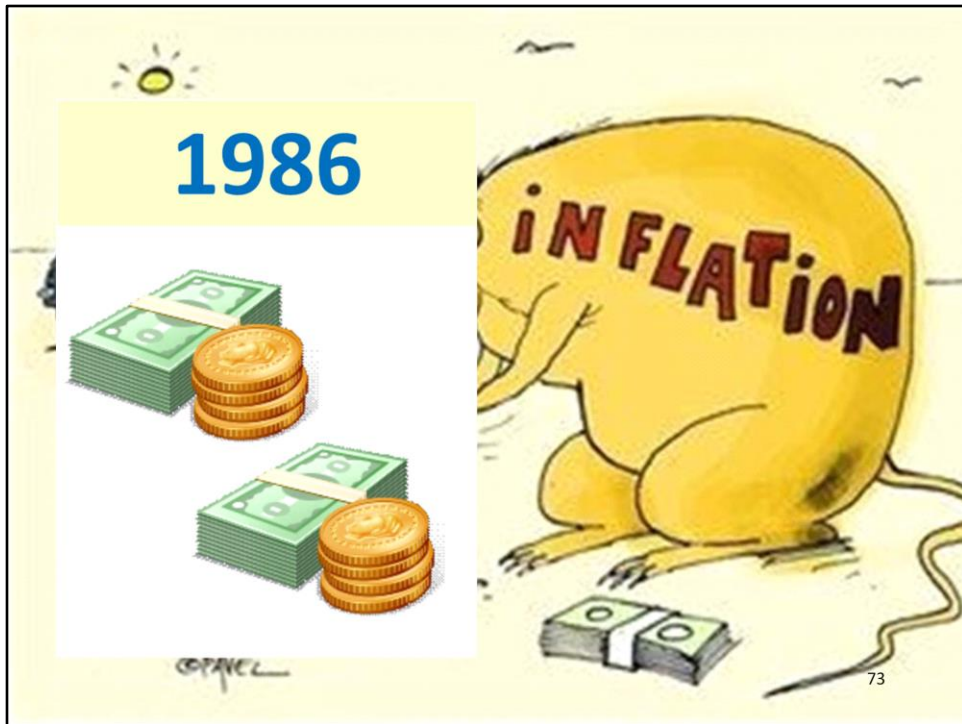
Benevolence Offering Trends 2000 - 2017



And the pace has picked up over the last 5 years to an average decline of 1.4% each year.



Unfortunately, there's some more disturbing news. After we take the impact of inflation into account ...



... if these two piles of cash represent the benevolence offerings that we received back in 1986, the year that the synod came into existence,



... by 2017, less than 50% of the synod's spending power remained!

Given that all of our synodical ministries are impacted by inflation, this reduction in spending power is very difficult to absorb in our budgets.



In spite of this discouraging news, there are some positive stories.

One of the key benevolence measures that we have been promoting over the past few years is the amount of benevolence offerings that a congregation remits to the synod as a percentage of its total revenue.

I'm pleased to share with you this afternoon, the names of 14 congregations, some larger, others quite small, who contributed 10% or more of their total revenue to benevolence last year.



In the Atlantic Ministry Area:

- Resurrection, Halifax
- St. Matthew's, Newburne



In the Montreal Ministry Area:

- St. Michael's in Montreal



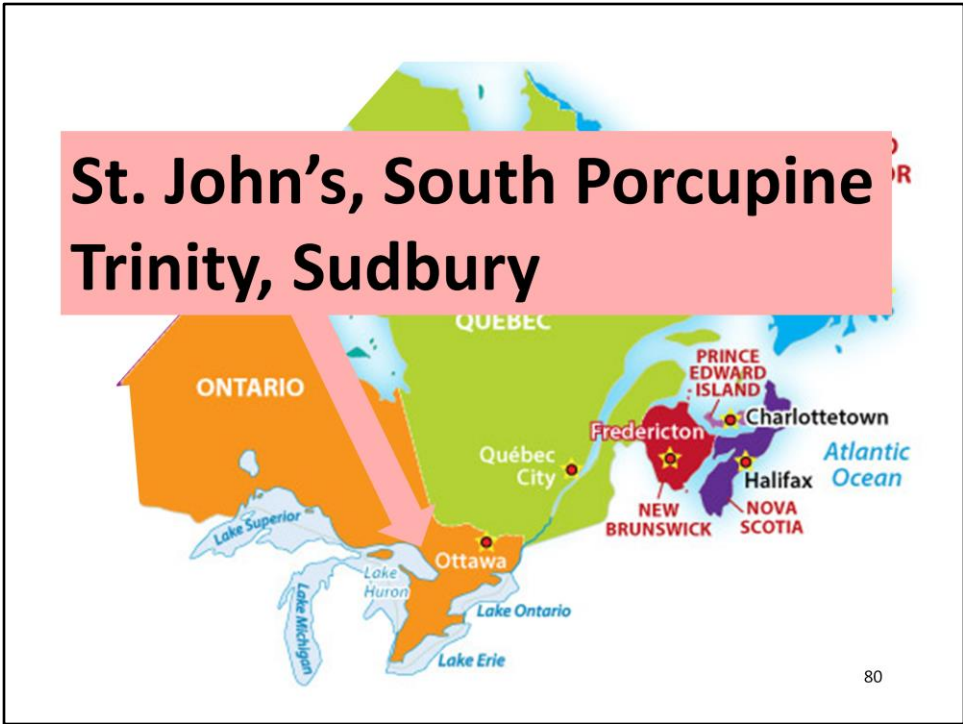
In the Ottawa Ministry Area:

- St John, Ottawa



Ottawa Valley Ministry Area:

- St. James, Renfrew



Northern Ministry Area:

- St. John's, South Porcupine
- Trinity, Sudbury



Central Toronto Ministry Area:

- Epiphany, Lithuanian Church of the Redeemer and St. Philip's – all in Toronto



Nith Valley Ministry Area:

- Trinity, Tavistock



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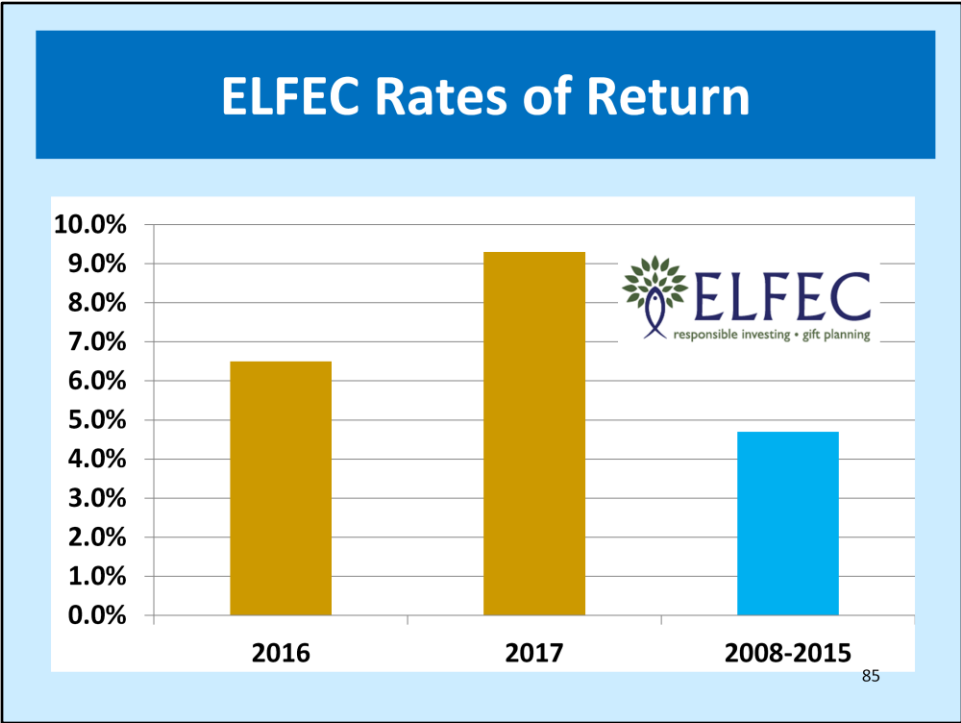
And rounding out the list, from the Georgian Ministry Area:

- St. Paul and St. Peter's, both in Neustadt, and St Peter's in Wiarton



A big “thank you”, not only to those 14 congregations, but also to each of you and your congregations for contributing to synodical benevolence and other church-wide causes over the past two years.

I would also like to say a special thank you to those congregations that supplemented their 2017 benevolence by including an additional amount to help cover the synod’s cost of sending delegates to the ELCIC National Convention, an expense that in previous years had been a congregational responsibility.



In addition to benevolence offerings, the other variable that can have a significant impact on our income is the rate of return that ELFEC is able to earn on synodical funds that it invests on our behalf.

As you may be aware, the stock market was very strong over the past two years. As a result ELFEC's investment returns were also very favourable, significantly exceeding historical returns and our budget forecasts.

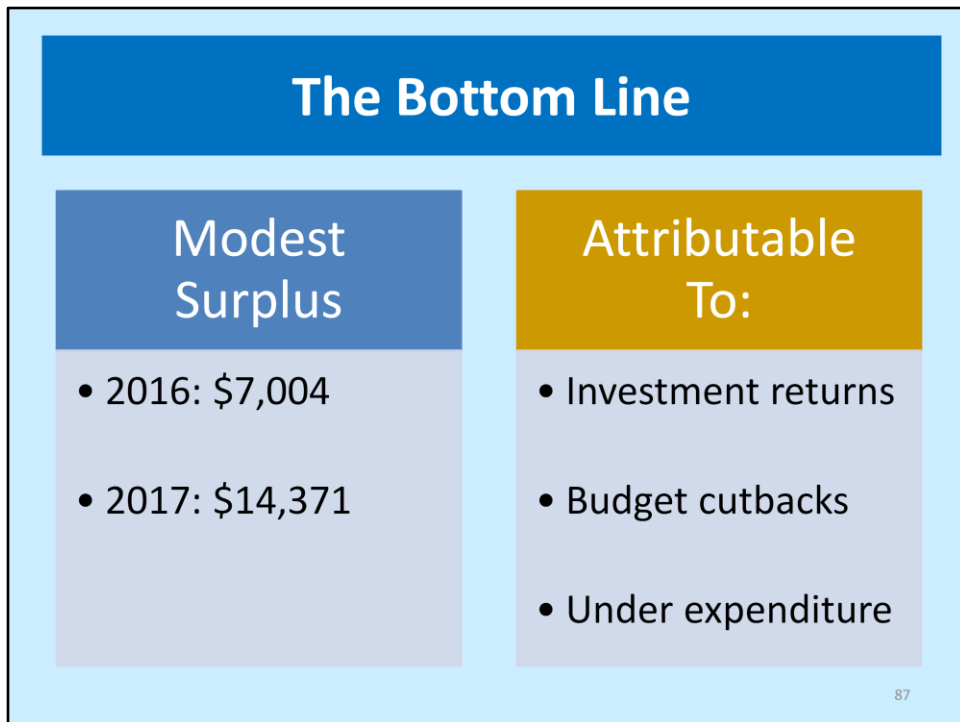
2016 & 2017 Financial Review



THE BOTTOM LINE

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Now that we've looked at operating income and our expenditures on ministry, let's take a look at the bottom line ... the difference between the two.



As a registered charity, our objective is to come close to breaking even, not to accumulate huge surpluses or massive deficits.

By this measure we did very well as we ended both years essentially breaking even, with very modest surpluses that represented less than one half of one percent of our budget.

It is important, however, to realize that without unexpectedly high investment returns earned by ELFEC's investments, without some significant budget cutbacks that were implemented in 2017 and without some under spending relative to the budget that occurred in both years, we could have ended either or both of these years in a deficit position.

The Bottom Line



“In our opinion, the financial statements present fairly in all material respects, the financial position of the Eastern Synod of the Evangelical Lutheran Church in Canada as of December 31st ... in accordance with Canadian accounting standards for not-for-profit organizations.”

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The audited financial statements and auditor’s opinion can be found at the end of Section 8 in the Bulletin of Reports.

Spoiler alert! We received a clean audit report for each of 2016 and 2017.

Agenda

1. 2016 & 2017 Financial Review
- 2. Actions to Help Create a Financially Sustainable Future**

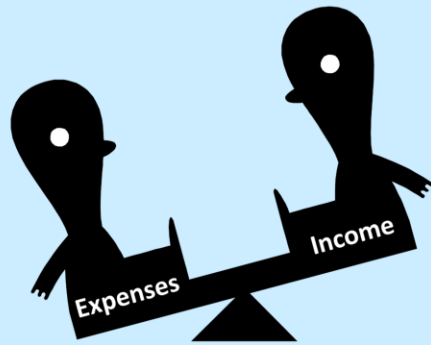


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To complete my presentation this afternoon I'd like to share with you ten actions that Synod Council and staff have initiated over the past few years, in working towards the goal of ensuring a financially sustainable synod, and a synod that is able to support congregations in helping them plan for their future.

Creating Financial Sustainability

1. Balanced Budgets



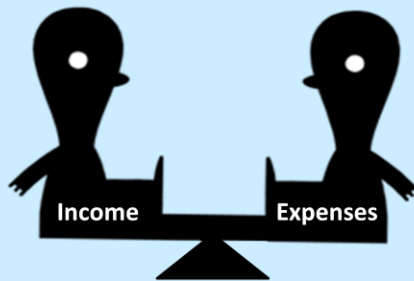
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Action 1 – Balancing the Budget

For those of you who were delegates to Assembly 2016, you may remember that we approved budgets that included significant deficits for 2017 and 2018 with the expectation that Synod Council would balance these budgets after the completion of the Strategic Plan and before the end of 2016.

Creating Financial Sustainability

1. Balanced Budgets



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Synod Council was in fact successful in balancing both of these budgets.

I'll tell you more about how this was accomplished during Saturday's budget presentation.

Creating Financial Sustainability

2. Consultations with Key Partners

Eastern Synod
& WLS
Consultation



ELCIC & Synod
Treasurer Task
Force?



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Action 2 – Financial Consultations with Key Partners

A second step in creating a financially sustainable future involves regular consultations with the two partners who receive the most funding from the synod. These consultations allow us to be more deliberate about financial planning, ensuring that all parties have an opportunity to provide input into decisions and have sufficient time to prepare for funding changes, should these become necessary in the future.

The officers have already held one financial consultation with Waterloo Lutheran Seminary and we are expecting that similar opportunities will be provided through an ELCIC-wide Task Force that has been proposed that would include the national treasurer as well as synodical treasurers.

Creating Financial Sustainability

3. Asset Disbursement Policy

If a
congregation
closes:

- Some assets distributed to local ministries
- Most assets remain within the synod to fund future church-wide ministries

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Action 3 – The Development of an Asset Disbursement Policy

A new policy pertaining to congregations that close was approved by synod council. This policy permits these congregations to distribute a portion of their remaining assets to one or more charities of their choice, for example a local food bank or Canadian Lutheran World Relief.

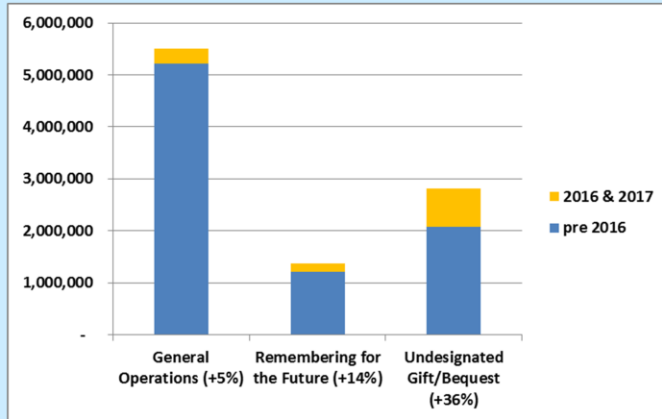
Consistent with our Lutheran theology that as congregations and as a synod, we carry out ministry in partnership as one, the majority of the assets are transferred to the synod where income that is earned from these assets in future years will be used to fund the synod's ministries.

From the congregation's perspective, just as the congregation's benevolence offerings supported synodical ministries throughout the congregation's history, the legacy left by a congregation that has closed will continue to support the ministry of the wider church in the same way.

From the synod's perspective, income earned from these remaining assets partially offsets the loss of benevolence offerings from that congregation and allows these assets to be shared for the benefit of the entire synod and employed where the need is the greatest.

Creating Financial Sustainability

4. Increasing Fund Balances



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Action 4 – Increasing Fund Balances

Over the last few years we have implemented policies that are intended to build up the principal of our unrestricted funds. By spending only the income while striving to grow the principal, we hope to generate even more income for future years.

Over the past two years we have been able to increase the principal, as represented in orange, in these three funds by 5%, 14% and 36%.

Creating Financial Sustainability



Large Gifts: 2016 & 2017

Large Gifts: 2016 & 2017	
Emily Brown Estate	\$900,000
Rev Chad Honneyman - Insurance	\$275,200
Internship (Anonymous)	\$30,700

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The significant increase in the Undesignated Gift & Bequest fund over this period is attributable to two large and most generous gifts.

One of these, \$900,000, is from the estate of Emily Brown. The other, a \$275,000 addition, represents proceeds from an insurance policy owned by our late friend and colleague, Pastor Chad Honneyman, in which he had named the synod as a beneficiary prior to his tragic and untimely death.

We are also most grateful for an anonymous donation of over \$30,000 that will help to fund internship placements.

Creating Financial Sustainability

5. Repurposing Funds

**Court
Order To
Repurpose
3 bequest
funds**

- Provides increased flexibility for utilizing income generated by \$2.4 million of Canadian Mission funds

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Action 5 – Going back to the 1970s, the synod received three large bequests that now total \$2.4 million, bequests that included restrictions that these funds be used to start new congregations. As you are likely aware, conditions today are such that it no longer makes sense to plant new churches as we did 30 or more years ago. As a result, we have had no legal way of being able to utilize these funds - this money had turned into “dead” money.

To remedy this situation, we applied for and were recently successful in obtaining a court order that permits these funds to be used in ways that are consistent with how we define “Canadian Missions” in 2018, not as “Canadian Missions” was defined fifty years ago.

Creating Financial Sustainability

6. Property Transformation

Lutheran Homes KW Strategic Initiatives

- Help congregations explore their mission, identify partnerships, and unlock economic value of their property assets by providing affordable housing and other ministries

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Quoting from the Bishop in his report to us a few minutes ago,

“we are asset rich and need to be much more creative and imaginative in putting our property assets to work in ways that establish income streams that can support ministry in the 21st century.”

Action 6, consisting of two separate, but related initiatives, is intended to help congregations respond to this challenge and opportunity.

The first initiative, led by Lutheran Homes KW, with financial support from the synod, is a pilot project in the Grand River and Two Rivers ministry areas.

Creating Financial Sustainability

6. Property Transformation



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One of the initiatives that is currently underway serves as a good example of what might be possible.

St. Paul's in Bridgeport are well down the path of forming a partnership with several community agencies that could ultimately lead to replacing their existing building pictured on the right with a new multi-purpose development that could include affordable housing, social services and worship space ...

Creating Financial Sustainability

6. Property Transformation



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... possibly in a development that might something look like this.

Creating Financial Sustainability

6. Property Transformation

Property
Transformation
Ministry
Director

- New resource person available to congregations to provide guidance through transformation

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The second, but related initiative under Property Transformation, involved the creation of and funding for a new role, a resource person to help guide congregations through the transformation process. You'll hear much more about this initiative tomorrow.

Creating Financial Sustainability

7. Reducing Risk



**New Policy
and
Procedures to
Deem
Congregations
Defunct**

- Criteria/procedures to close non-viable congregations
- Reduces risk

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Action 7 is the recent implementation of a new policy that includes criteria and procedures to close congregations that are deemed to be no longer viable. This action reduces various financial and other risks - risks to the congregation itself and to its members, risks to the synod, and hence, risks to all congregations in the synod.

Creating Financial Sustainability

8. Strengthen Liability Firewall



**Strengthened
Synod's
Liability
Firewall with
ELFEC**

- Legal advice
- Amendment to Eastern Synod Agreement with ELFEC

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Action 8 involved amending the synod's agreement with ELFEC to strengthen the liability firewall that exists between the synod and ELFEC in the event that the synod is ever sued.

Creating Financial Sustainability

9. Benevolence Task Force

Encourages
Congregations
to:

- Make benevolence commitments
- Share financial resources generously with the wider church

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Action 9 is the creation, several years ago, of a Benevolence Task Force that encourages congregations to share their financial resources generously with the wider church. Working closely with Jeff Pym, our Ministry Director for Stewardship and Resource Development and who is a key member of this group, activities include developing strategies, tactics and resources to ensure that synod benevolence is promoted and that congregational and synodical income are maximized to their full potential.

Creating Financial Sustainability

10. ELCIC Financial Sustainability

Contribute to
ELCIC
financial
sustainability
by:

- Increasing Eastern Synod ELCIC benevolence by at least 1% per year
- Allocating 10% of undesignated gifts & bequests to wider church

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As Synod, as Congregations and as National Church, we are, as the saying goes, “Stronger Together”.

Action 10 emphasizes the role that the Eastern Synod plays in helping the national church achieve its goal of financial sustainability – a goal that also makes our synod and congregations more sustainable.

In recent years the synod has implemented both an informal practice and a more formal policy, both of which help provide financial support and stability to the ELCIC. Our practice is to remit to the ELCIC a minimum of 25% of congregational benevolence as our synodical benevolence to the national church and to increase the dollar amount that we remit by a minimum of 1% each year, even as our own income is on a declining trend. We also have a policy, over and above our benevolence remittances, to allocate 10% of all undesignated gifts and bequests to the wider church.

Creating Financial Sustainability

10. ELCIC Financial Sustainability

Year	Cause	Amount
2013	ELCIC Praise Appeal	5,900
2015	ELCIC - Unrestricted	\$50,000
2015	ELCIC – Reformation Challenge (LWF Endowment)	\$50,000
2015	ELCIC – Reformation Challenge (LWF Endowment)	\$50,000
2016	ELCIC Reformation Challenge – General	\$30,000
2016	ELCIC Praise Appeal	\$20,000
2018 (to date)	ELCIC - LIFE Special Projects Reserve (65%), ELCIC General Endowment (25%), LWF Endowment (10%)	\$67,521
	TOTAL	\$273,421

Since this 10% undesignated gift policy was implemented in 2013, we have distributed almost \$275,000 to a variety of ELCIC ministries.

Creating Financial Sustainability

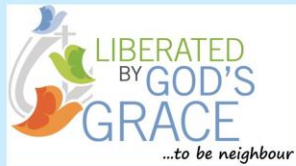
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2. Consultations with Key Partners
3. Asset Disbursement Policy
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5. Repurposing Funds
6. Property Transformation
7. Reducing Risk
8. Strengthen Liability Firewall
9. Benevolence Task Force
10. ELCIC Financial Stability

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Although we realize that none of these ten actions, either individually or collectively can guarantee our financial sustainability into the future – only God can do that – we believe that these are consistent with the actions that prudent and responsible stewards would take to manage the many rich resources that have been entrusted to us.



Report of the Treasurer Assembly 2018



June 21, 2018
Keith Myra

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This brings me to the end of my report. I'll return on Saturday afternoon with budget recommendations for the next three years.

Thank you for your attention.