

**REPORT OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION**

The accounting firm of Ernst & Young LLP Chartered Accountants has examined the financial records of the National Office of the Evangelical Lutheran Church in Canada and has released the audited financial statements to December 31, 2008. The attached statements were prepared in accordance with the Canadian Institute of Chartered Accountants (CICA) handbook's reporting requirements on accounting and disclosure standards for not-for-profit organizations. This report summarizes these statements.

The audited financial statements have been reviewed by the Audit Committee and were approved by National Church Council (NCC) on May 21, 2009.

In the 2008 fiscal year, revenues of \$4,154,342 were received. Revenue sources consisted of benevolence from the synods, directed income for National Office program activities, the Praise Offering from Evangelical Lutheran Women (ELW), donations for the Global Hunger and Development Appeal (GHDA) and Canadian Lutheran World Relief (CLWR), advertising and subscription revenue for *Canada Lutheran* magazine, income for affiliated conferences – the Canadian Lutheran Youth Gathering and the Biennial Worship Conference, interest income from investments and mortgages, and other income.

In 2008, actual expenses for National Office ministries, programs and administration totaled \$4,681,872 resulting in an excess of expenses over revenue of \$527,530. This deficit resulted from the loss of investment income due to the downturn in the markets in the last quarter of 2008. In addition to these expenses, there was a contribution of \$33,102 towards the pension deficit and a loss on land held for future development of \$18,247 for a total excess of expenses over revenue for the year of \$578,879. Contributions to Endowments totaled \$20,467.

The Statement of Financial Position indicates that net assets have decreased from \$20,357,775 in 2007 to \$19,799,363 in 2008.

A complete set of financial statements and notes to financial statements has been provided with this report. (See Attachment 3)

**Motion That the audited financial statements for the period ending December 31, 2008 be adopted as presented.**

**Appointment of Auditor**

At the convention, NCC will bring forth a recommendation for the appointment of auditors for the National Office for the 2009 fiscal year, and a second recommendation to authorize NCC to appoint auditors for 2010.

**Motion That the firm of Ernst & Young be reappointed auditors for the year 2009.**

**Motion That National Church Council be authorized to appoint the auditors for the year 2010.**

**Thank You**

We would like to acknowledge and thank all the synods, congregations, organizations and individuals who have supported the ministries and programs of the National Office in 2008 and 2007. Your support is sincerely appreciated.

## Budgets

The Evangelical Lutheran Church in Canada's operating budgets for 2009 to 2011 can be found in Section F – National Church Council Report, Appendix #8, on pages F43 to F49 of the Bulletin of Reports.

**Motion** See page F-6, NCC Motion #1

## Historical Summary of Benevolence Remittances

For your information, a historical summary of benevolence receipts from 1986 to 2007 is provided in Attachment 1 to this report.

## Annual Congregational Reports

On an annual basis, the National office coordinates the collection of congregational statistics from ELCIC congregations. Attachment 2 to this report summarizes statistics collected as of December 31, 2007. A five-year summary of these statistics appears below.

### Congregational Reports - Five Year Summary

Description	2007	2006	2005	2004	2003
No of Congregations	612	619	621	627	628
Baptized Members	160,957	164,569	171,806	175,347	179,815
Confirmed Members	119,075	121,628	125,985	127,592	131,104
Average Weekly Attendance	37,183	39,854	40,762	41,907	43,501
Number of Households	54,057	56,387	57,646	61,339	64,811
Total Receipts	\$72,836,507	\$71,128,781	\$69,471,764	\$71,398,757	\$65,663,531
Total Disbursements	\$71,081,021	\$67,632,883	\$68,067,341	\$70,959,164	\$66,646,204
Total Assets	\$491,741,053	\$456,316,471	\$457,021,337	\$447,404,573	\$437,553,981
Total Indebtedness	\$21,495,077	\$18,243,405	\$22,916,142	\$24,528,676	\$29,289,665
Bequests Received	191	107	125	119	136
Total Value of Bequests	\$2,234,517	\$1,843,505	\$2,100,385	\$1,982,472	\$1,667,003

Respectfully Submitted

Gloria McNabb, CMA  
 Director, Finance & Administration  
 Evangelical Lutheran Church in Canada

## Attachment 1

## Historical Summary of Benevolence Remittances

## CONGREGATIONAL RECEIPTS (Revised)

Year	Alberta	BC	Eastern	MNO	Sask	Total
1986	9,065,656	4,561,019	15,728,687	4,584,038	7,833,697	41,773,097
1987	\$10,234,428	\$4,529,847	\$18,241,680	\$5,000,971	\$7,239,665	45,246,591
1988	11,154,116	5,579,105	20,477,520	5,784,419	7,584,484	50,579,644
1989	11,559,444	5,292,229	19,346,266	6,264,635	8,217,118	50,679,692
1990	13,170,388	6,414,845	21,023,367	6,093,962	9,058,708	55,761,270
1991	13,992,997	5,648,603	21,019,270	5,858,903	8,388,725	54,908,498
1992	13,969,266	7,389,757	22,328,012	5,824,998	8,365,172	57,877,205
1993	13,261,127	6,029,719	21,851,766	6,021,241	8,266,047	55,429,900
1994	12,435,617	7,111,090	21,692,033	5,861,598	8,243,871	55,344,209
1995	12,860,700	6,875,738	20,030,655	6,163,020	8,379,211	54,309,324
1996	13,227,729	7,273,388	20,556,077	6,203,065	9,072,410	56,332,669
1997	14,643,348	7,007,169	22,003,228	6,361,192	9,074,124	59,089,061
1998	15,413,016	7,183,884	21,512,865	6,613,539	8,708,399	59,431,703
1999	14,622,889	7,823,176	22,359,589	6,512,563	8,793,609	60,111,826
2000	14,713,815	7,804,266	22,926,829	6,519,066	9,092,319	61,056,295
2001	15,361,166	7,573,554	23,549,675	6,692,539	9,391,396	62,568,330
2002	16,349,605	7,864,322	23,571,561	6,782,651	9,240,496	63,808,635
2003	17,219,834	7,905,094	24,137,443	7,957,415	8,443,745	65,663,531
2004	19,863,710	7,915,888	26,143,061	8,072,616	9,403,482	71,398,757
2005	18,668,545	8,589,377	25,051,374	7,832,593	9,329,875	69,471,764
2006	17,371,023	7,963,003	27,309,237	8,729,092	9,756,426	71,128,781
2007	18,167,403	9,055,689	26,009,196	8,509,945	11,094,274	72,836,507

SYNODICAL BENEVOLENCE RECEIPTS							Percentage of
Year	Alberta	BC	Eastern	MNO	Sask	Total	Cong Receipts
1986	\$867,492	\$356,133	\$1,580,011	\$529,500	\$768,408	\$4,101,544	9.82%
1987	886,972	343,608	1,636,368	565,086	804,653	4,236,687	9.36%
1988	901,348	355,977	1,679,991	580,970	819,548	4,337,834	8.58%
1989	943,809	378,420	1,750,331	591,954	819,501	4,484,015	8.85%
1990	966,624	380,922	1,760,285	606,705	810,368	4,524,904	8.11%
1991	970,173	417,776	1,738,038	610,172	765,442	4,501,601	8.20%
1992	942,455	388,669	1,783,882	600,985	798,461	4,514,452	7.80%
1993	922,904	412,828	1,739,044	616,031	762,197	4,453,004	8.03%
1994	919,144	407,913	1,766,015	619,885	713,462	4,426,419	8.00%
1995	905,406	392,753	1,712,776	635,026	736,610	4,382,571	8.07%
1996	874,446	387,187	1,709,289	619,886	691,705	4,282,513	7.60%
1997	884,561	383,467	1,655,886	595,767	721,194	4,240,875	7.18%
1998	887,600	385,313	1,706,568	595,617	679,267	4,254,365	7.16%
1999	917,917	412,669	1,663,570	607,487	678,919	4,280,562	7.12%
2000	926,642	412,580	1,735,842	617,302	690,258	4,382,624	7.18%
2001	916,898	401,425	1,730,747	612,674	691,247	4,352,991	6.96%
2002	966,264	411,948	1,664,206	615,693	681,183	4,339,294	6.80%
2003	971,135	413,231	1,674,597	602,208	683,478	4,344,649	6.62%
2004	981,273	460,070	1,678,390	609,177	693,187	4,422,097	6.19%
2005	998,422	442,888	1,680,295	586,055	707,632	4,415,292	6.36%
2006	1,003,179	423,779	1,658,790	595,224	687,756	4,368,728	6.14%
2007	1,017,290	446,162	1,676,540	601,436	691,989	4,433,417	6.09%

NATIONAL BENEVOLENCE RECEIPTS

Year	Amount	Percentage of Synod Receipts	Percentage of 1986 Receipts
1986	2,081,227	50.7%	100.0%
1987	2,063,810	48.7%	99.2%
1988	2,072,569	47.8%	99.6%
1989	2,114,859	47.2%	101.6%
1990	2,136,297	47.2%	102.6%
1991	2,109,988	46.9%	101.4%
1992	1,951,280	43.2%	93.8%
1993	1,893,227	42.5%	91.0%
1994	1,779,030	40.2%	85.5%
1995	1,775,649	40.5%	85.3%
1996	1,220,468	28.5%	58.6%
1997	1,231,545	29.0%	59.2%
1998	1,082,664	25.4%	52.0%
1999	1,115,625	26.1%	53.6%
2000	1,159,473	26.5%	55.7%
2001	1,159,180	26.6%	55.7%
2002	1,082,480	24.9%	52.0%
2003	1,114,132	25.6%	53.5%
2004	1,057,393	23.9%	50.8%
2005	1,083,062	24.5%	52.0%
2006	1,069,396	24.5%	51.4%
2007	1,045,158	23.6%	50.2%

1996 - Canadian Missions funding transferred to Synods

## Attachment 2

**EVANGELICAL LUTHERAN CHURCH IN CANADA  
SUMMARY OF THE ELCIC CONGREGATION REPORT  
FOR THE YEAR ENDING DECEMBER 31, 2007**

**INFORMATION ABOUT THE PEOPLE WHO ARE MEMBERS  
FOR ALL SYNODS**

	<b>Baptized</b>	<b>Confirmed</b>
1 Membership as of December 31, 2006	165,161	122,059
2 Members received during 2007		
a. By baptism: children (15 yrs and younger)	1,717	
b. By baptism: adults (16 yrs and older)	190	120
c. From responsibility list	323	325
d. By transfer from ELCIC member congregations	848	682
e. By transfer from other Lutheran or Anglican congregations	345	261
f. From non-Lutheran congregations	317	285
g. Statistical Adjustment	1,207	1,555
h. Total members received during 2007	4,947	3,228
3 Baptized members confirmed during 2007		1,157
4 Members removed during 2007		
a. By death	1,473	1,340
b. By transfer to other ELCIC congregations	571	461
c. By transfer to other Lutheran or Anglican congregations	211	166
d. To non-Lutheran congregations	257	166
e. To responsibility list	2,587	1,730
f. Statistical adjustment	3,800	3,286
g. Total members removed during 2007	8,899	7,149
5 Total membership December 31, 2007	<u><u>160,957</u></u>	<u><u>119,075</u></u>
6 Former active members on responsibility list	15,793	15,382
a. Adherents (active but not members)	4,184	2,078
b. Unbaptized adherents	874	
7 Communing members		
a. Confirmed members who communed at least once this year		57,936
b. Unconfirmed members who communed at least once this year		9,021
8 Services		
a. Total number of Sunday worship services during the year		31,881
b. Total number of weekday worship services during the year		4,757
c. Total number of service with holy communion during the year		19,892
d. Average number in attendance each week at worship		37,183
9 Number of households in total membership		54,057

## INFORMATION ABOUT THE CONGREGATION'S FINANCIAL STEWARDSHIP

10	Receipts during 2007	
a.	Regular giving	52,003,903
b.	Special giving	7,742,757
c.	Earned income	5,353,323
d.	Grants and subsidies	738,656
e.	Cash borrowed	2,430,018
f.	Other receipts	4,567,850
g.	Total receipts	<u>\$72,836,507</u>
11	Disbursements during 2007	
a.	Current operating expenses	53,999,257
b.	Capital improvements	6,464,552
c.	Debt retirement	2,837,709
d.	ELCIC regular	4,145,920
e.	ELCIC directed gifts	634,222
f.	Global Hunger & Development	515,393
g.	Canada Lutheran World Relief	504,978
h.	Other benevolence including ELW	1,978,990
i.	Total Disbursement	<u>\$71,081,021</u>
12	Assets as of December 31, 2007	
a.	Church building and land	353,811,156
b.	Church furnishings & equipment	49,601,025
c.	Parsonage(s) and land	24,428,710
d.	Other real estate	7,486,756
e.	Endowment and memorial funds	16,859,818
f.	Cash, savings, bonds, etc	33,311,638
g.	Other assets	6,241,950
h.	Total assets	<u>\$491,741,053</u>
13	Total indebtedness as of December 31, 2007	21,495,077
14	Bequests Received during 2007	
a.	Number	191
b.	Value	2,234,517

**Attachment 3****Audited Financial Statements**

The financial statements of the Evangelical Lutheran Church in Canada as at December 31, 2008 with 2007 comparatives are provided in a separate PDF document circulated with this report. These statements include the Statement of Financial Position, the Statement of Operations, and the Statement of Changes in Net Assets, the Statement of Cash Flows and the Notes to Financial Statements.