

REPORT OF THE FINANCE/BUDGET SUBCOMMITTEE

(This Subcommittee is responsible to the Financial Advisory Committee)

The Finance/Budget Subcommittee oversees the preparation of the diocesan budget and monitors diocesan financial operations, including parish loans, loan guarantees, and debt repayment plans.

At regular meetings, the subcommittee reviewed statements provided by the Treasurer and ensured that reasonable explanations were provided for both positive and negative variances to the budgeted amounts. Church extension loans, loans payable, and parish receivables for payroll and DMM are also reviewed at each meeting.

This has been a challenging year for this committee.

With the change in Bishop and Executive Officer early this year, our committee had hoped to be able to prepare and present a fresh and creative 2009 budget to Synod, based upon a new vision for our diocese. Understandably, our new leadership team has needed some time to become established, articulate a vision, and provide us with direction. It soon became evident that we would not be able to create such a budget this year.

In the Spring, we considered bringing forward a 'status quo' budget for 2009, with the caveat that by 2010 we would be ready to produce something more innovative. However, we became aware that a 'status quo' budget would have resulted in a projected shortfall of \$27,000.

In addition, we became aware of other serious financial concerns in the Diocese: an increasing Cathedral deficit (and proposed reallocation of Cathedral Place costs to the Diocese), the loss of three parishes in the Diocese (with a combined DMM assessment of approximately \$133,000), Personnel Transition and Severance costs that are considerably higher than budgeted for, ongoing (and in some cases, substantial and increasing) historic parish receivables.

As a result, in a June meeting with the Bishop and other financial leaders, it was agreed that we would not present a budget at this Synod. Instead, the Synod discussion would focus on Bishop Bird's vision for our diocese and priority setting based on that. Following Synod, our committee would prepare a budget to be presented early in the new year.

In mid-September, we received a request that we prepare a budget for November after all. This is currently underway but not complete at the time of writing this report.

Our committee is indebted to Judy Conning, O.N. who retired as Chair of the Budget Sub-Committee last December. Judy's outstanding leadership of our group, including her brilliant narrative budget presentations, were gifts to our members and the whole diocese. We are also grateful to Chris McMaster, Ian Pratt, John Saylor and Shirley Sherwin who have retired/resigned from this committee this year; we are pleased to have welcomed Andrew Clinkard and Ian Smith as new members. We thank our current members for their time and care for our ministry of finance in Niagara. We would like to express our profound gratitude to Bob McKinnell, Treasurer and CFO of the Diocese. Bob's acuity, diligence, and skill are invaluable in our work.

REPORT OF THE FINANCE/BUDGET SUBCOMMITTEE (continued)

Committee Members

Cathie Crawford Browning
Andrew Clinkard
Wendy Duncan
David Eccles
Rob Fead

Robert McKinnell
Michael Patterson (ex officio)
Maureen Peddle
Ian Smith
David Watson

Respectfully submitted,
Mr. David Watson
The Reverend Canon Dr. Cathie Crawford Browning
Co-Chairs