

REPORT OF THE FINANCIAL ADVISORY COMMITTEE (FAC)

The task of the Financial Advisory Committee (FAC) is to advise and report to Synod Council and the Bishop on the management and administration of funds and assets held by or under control of the Synod. In addition, the FAC provides advice and recommendations to the Synod Council and the Bishop on all financial matters that are to come before council for resolution. The FAC works through both its committee and various sub-committees, a number of which have separate reports included in the Convening Circular, in advising and working with the Diocesan Treasurer and CFO, his staff and reporting to Synod Council and working with the Bishop.

This past year has been very much dominated by cash flow issues and by the reality of the Bishop's vision and what that means from a financial perspective. In the short term what has happened is that some monies have been earmarked for this vision in terms of allocating \$150,000 to the parishes for either grants or to move to a one year assessment and we have allocated another \$150,000 for another set of grants that are clergy transition related. Long term, the vision and its financial implications continues to evolve. The result of this is that a new position is being created called Ministry Support Consultant which will be staffed in the latter part of 2010. As you can see in the budget, this will be done through internal staff adjustments. This means that while there are some changes in 2010 more changes should be seen in 2011 and beyond.

As we go forward there are two pressing issues. As referred to above, we do have some significant cash flow concerns. This is a result of the cost to date of the breakaway parishes, cumulative operating losses of around \$1,000,000 for the years 2007 and 2008 and the high number of outstanding receivables that the parishes owe the diocese. The other concern, as we move forward, is that as more and more parishes struggle the possibility of declining revenue is a very real possibility in the very near future. This too will impact how ministry is done at the diocesan level and is something that needs to be prepared for. Synod Council has been made aware of these realities and is in the process of beginning to deal with them.

A piece of good news is that, if projections are correct, it looks like we will have a balanced year-end for 2009. As we move forward I know that I can say, on behalf of the FAC, that they will continue to monitor and advise with much thought and prayer as the Diocese prepares for the future.

The members of FAC for 2009 are:

The Reverend Canon Darcey Lazerte, Chair

The Reverend Owen Ash

Mrs. Judy Conning

The Venerable Lynne Corfield

Dr. Stan Hatcher

Mr. Jim Higginson

Mr. Ian Pratt

Mr. Tom Poirier

Mr. David Ricketts

Mr. Fred Roach

Mr. Robert McKinnell, Diocesan Treasurer

The Venerable Michael Patterson, ex-officio

Ms. Wendy Duncan, ex-officio

Yours in Christ's Service

The Reverend Canon Darcey Lazerte, Chair