

## REPORT OF THE TREASURER AND DIRECTOR OF FINANCE:

Report to Synod Council

Oct 2014

The past year has been one of change. The Finance department and I have been involved in numerous projects and activities. Some will affect all of you, some only a few. Below is a quick summary of the major activities in which we have been involved.

**Insurance** Our insurance policy was thoroughly reviewed with our broker and Ecclesiastical our insurer. The 2013 policy was extended by 1 month and the new policy year now runs from Feb 1 to Jan 31 each year. This, along with an extended payment schedule (4 or 11 month options) should make it easier for parishes to manage the cash flow of their premium payments. The assessment process has been changed, and is now done at the insurer's expense.

**Investments** Monthly investment statements are now e-mailed directly to parishes. This has eliminated the need for additional printing costs, envelopes, postage and the time required to compile the packages. Investment earnings were strong through August 2014. A correction in the markets occurred in September and October, but the year is still expecting to have positive growth for the 12 months ending December 2014.

**Canon 4.6** The new Canon 4.6 policy has been implemented. Part of the policy is that all projects now have an FAC member assigned to work with the "project" parish to help ensure project success. While there were a few bumps in the early stages the FAC committee is now involved in 6-8 projects. We are building relationships as much as we are physically improving buildings.

**DMM** A sub group of FAC has begun to look at the DMM formula. They have reviewed various methodologies used across Canada to try to determine a better (simpler, easier to calculate, less arguable) method. While the group had hoped to be able to present a solution at this Synod, the project requires more work and analysis before being presented to a larger group.

**Historical Debt** After a discussion at Synod last year, a small group was brought together to look at the long term debt problem. The result is a motion being brought to Synod this year with a proposed solution that we believe is a fair solution.

**2013 Financial Statements** The 2013 Statements for the Diocese are now presented as a consolidated statement. They include not only the Diocese operating results, but also the results of Canterbury Hills.

Financially, 2014 has been a mixed year. Sales of properties in 2012 & 2013 meant that we were able to run the first half of the year without using our Line of Credit. This has saved us \$12-\$15k this year. We continue to look for ways to save money and create more efficiency in any of our tasks. Unfortunately, the debt from parishes has risen this year over the prior year, causing us to dip into our line of credit in July. We currently average about \$150,000 of interest bearing debt on the Line of Credit.

None of this could have been accomplished without the efforts of a dedicated team. I want to thank the Finance staff, FAC members, sub-committee members, BACCB committee members and the Diocese staff for all of their hard work and energy. We have accomplished much this year.